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שם כי בהי החבדה NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File: 2BE-NAN0813/TR/B2/H2

October 14, 2010

Shirley Standafer-Pfister
Manager – Regulatory and Environmental Affairs
Peregrine Diamonds Ltd.
201 -1250 Homer Street
Vancouver, BC V6B 1C6

E-mail: Shirley@pdiam.com

Subject: Submission of Revised Spill Contingency Plan and 2009 Annual Report for

the "Nanuq Project" under Licence No. 2BE-NAN0813

Dear Ms. Standafer-Pfister:

The Nunavut Water Board ("NWB") received the following documents from Peregrine Diamonds Ltd., for the above-mentioned project:

- 1. Nanuq Project, 2009 Annual Report received on January 26, 2010; and
- 2. Revised Plan entitled "Spill Contingency Plan, Nanuq Project", Revision 3, dated July 14, 2010 received July 14, 2010

The Annual Report and Revised Spill Contingency Plan were distributed to interested parties and person for information purposes on February 4, 2010 and August 3, 2010, respectively and no comments have been received to date. Reviews of both documents found them to be mostly complete and consistent with the applicable conditions in Licence 2BE-NAN0813. Future revisions of the Spill Contingency Plan, however, should include the following:

- 1. The contact number listed for INAC's Inspector (Crown Lands) on page 18 of the plan, 867-975-4295, is that of INAC's Manager of Field Operation. Replace the title according;
- 2. A detailed site map in an appropriate scale depicting the location of camp facility, nearby buildings, roads, culverts, water bodies, spill kits, and any other relevant information; and
- 3. Appendix B-3 of INAC "Guidelines for Spill Contingency Planning", dated April 2007, which provides information pertaining to reportable spills.

The Licensee is hereby advised to provide the Board with a copy of its response to all outstanding issues identified in INAC's Water Inspection Report dated July 22, 2009.

Should you have any questions, please contact the undersigned at (867) 360-6338 ext. 25 or by email to sjoseph@nunavutwaterboard.org at your earliest convenience.

Yours truly,

Original Signed By:

Sean Joseph Technical Advisor Nunavut Water Board

Cc: Kivalliq Distribution List