

November 29, 2013

BY ELECTRONIC MAIL

Ms. Phyllis Beaulieu, Manager of Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, Nunavut, X0A 0H0

Dear Ms. Beaulieu:

**RE: 2BE-NAN1318** 

Peregrine Diamonds Ltd. ("Peregrine") holds Nunavut Water Board water licence 2BE-NAN1318 as one of its field authorizations for the Nanuq Project located 50 kilometres southwest of Wager Bay on 250K NTS Map 56G. The permit was issued January 18, 2013 and expires June 30, 2018. Peregrine is required to file an annual report as part of the permit terms and pay annual water usage fees amounting to \$219.00. The following item is included to fulfill the reporting requirements:

• NWB Annual Report Form for 2013

The annual water usage fees for 2013 were paid by credit card on November 29, 2013 and the receipt is pending.

If you have any questions on these items or require additional information please do not hesitate to contact me at (604) 608-4524.

Yours truly,

PEREGRINE DIAMONDS LTD.

David Willis – Land Administrator

| NWB Annual Report  | Year being reported: Select ▼ 2013  |
|--|---|
| License No: 2BE - NWVI   | Issued Date:   Jw. 18, 2013   |
| Project Name:  | NANUA   |
| Licensee:  | PERECRINE PINMONOS LEd  |
| Mailing Address:   | Suité 201 - 1250 NOMER SÉ.<br>VANCOUVER, B.C.<br>V613-106   |
|  | filing Annual Report (if different from Name of Licensee please clarify ne two entities, if applicable):  |
| PERECAINS  | Diamones L6d.   |
| General Background Informatio  |   |
| PROTECT INI  | TIATED IN 2003. PREVIOUS PERMITS  |
| MAE 28E-1  | VANOGO8, ZBE-NANO813 & NWB2-NANO305   |
| with   | see must provide the following information in accodance   |
|  | and waste disposal activities, including, but not limited to: methods of eywater management; drill waste management; solid and hazardous                        |
| Water Source(s):<br>Water Quantity:  | Quantity Allowable Domestic (cu.m) Actual Quantity Used Domestic (cu.m) Quantity Allowable Drilling (cu.m) Total Quantity Used Drilling (cu.m)                  |
| Waste Management  Solid Waste Dis Sewage Drill Waste Greywater Hazardous Other:                |   |
| Waste Management  Waste Management  Solid Waste Dis  Sewage  Drill Waste  Greywater  Hazardous | Quantity Allowable Domestic (cu.m) Actual Quantity Used Domestic (cu.m) Quantity Allowable Drilling (cu.m) Total Quantity Used Drilling (cu.m)  and/or Disposal |

A list of unauthorized discharges and a summary of follow-up actions taken.

| Spill No.:  Date of Spill:  Date of Notification to an Inspector:  Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc) |  |
|---|--|
| No Spils  |  |
| evisions to the Spill Contingency Plan  |  |
| Select SCP SUBMITTED ; APPROVED - NO REVISION REQUIRED  |  |
| Additional Details:   |  |
| No REVISIONS  |  |
| evisions to the Abandonment and Restoration Plan  |  |
| Select AR PLAN SURMITTED & APPROVED - No Rev. REQUIRED  |  |
| 0.00 X0400  |  |
| Additional Details:   |  |
| No REVISIONS.   |  |
| rogressive Reclamation Work Undertaken  |  |
| Additional Details (i.e., work completed and future works proposed)   |  |
| No RECLAMATION DONE OR NECESSARY  |  |
| esults of the Monitoring Program including:   |  |
| The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized;                          |  |
| Select Nor Applic ABLE  |  |
| Additional Details:   |  |
| No WATER UTILIZED IN 2013   |  |
| The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;       |  |
| Select Nor Almichaus  |  |
| Additional Details:   |  |
| Additional Details.   |  |
| NO WASTE GENERATED IN 2013.   |  |

## Results of any additional sampling and/or analysis that was requested by an Inspector

| Select No 1001 TONA SAMPLING REQUESTER  |
|---|
| Additional Details: (date of request, analysis of results, data attached, etc)  |
| No ADDITIONAL SAMPLING.   |
| Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.   |
| Select No Appitionac SAMPLING REQUESTED   |
| Additional Details: (Attached or provided below)  |
| NO OTHER DETAILS.   |
| Any responses or follow-up actions on inspection/compliance reports   |
| Select No INSPECTION OR COMPRIANCE ROOT ISSUED.   |
| Additional Details: (Dates of Report, Follow-up by the Licensee)  |
| No INSPECTIONS CONDUCTED.   |
| Any additional comments or information for the Board to consider  |
| No work PONE IN 2013.   |
|   |
| Oate Submitted:  Submitted/Prepared by:  Contact Information:  Tel: Fax: 604 - 408 - 888/ email:  dove & pdiam. cam   |
| NEXT WILL BE LIKE SECTION AND MEDICAL SECTION OF THE PROPERTY |