

January 2, 2020

Mr Derek Donald, Technical Advisor NWB – Licencing Department PO Box 119 Gjoa Haven, NU XOB 1JO

ajoa naven, No Aob 130

Email: Derek.Donald@nwb-oen.ca

Mr. Richard Dwyer, Licencing Administrator NWB – Licencing Department PO Box 119 Gjoa Haven, NU XOB 1J0

Email: Richard.Dwyer@nwb-oen.ca

Ms. Sarah Forte, Water Management Coordinator INAC – Water Resources 969 Qimugjuk Building Iqaluit , Nunavut XOA OHO

Dear Mr. Donald, Mr. Dwyer & Ms. Forte;

Email: Sarah.Forte@canada.ca

RE: NANUQ PROJECT - 2BE-NAN1823 ANNUAL WATER USE - CALENDAR YEAR 2019

In September 2018, Peregrine Diamonds Ltd. (Peregrine) was purchased by De Beers Canada Inc. (De Beers). Peregrine is now a wholly owned subsidiary of De Beers.

Peregrine currently holds water use licence 2BE-NAN1823. The annual water use fee for this water use licence is \$219.00 based upon fees set out in Section 12(1)(b) of the Nunavut Waters Regulations (SOR/2016-69).

Maximum water allocation = 60 m³ per day

Total days in the year = 365

Charge per cubic meter = \$0.01 per m³

Total annual fee: \$219.00 (60m³ x 365 days x \$0.01 per m³)

Peregrine paid the 2019 annual water use fee and the 2020 water use fee by credit card on December 4, 2019. The CIRNAC receipt number is 11241.

No field work was undertaken in 2019. Only one camp (Nanuq Camp) is located on the project. No fuel is stored at the camp or cached at the project.

DE BEERS CANADA INC



The last field program undertaken on the Nanuq Project was a partial demobilization of the Nanuq Camp in 2016, the last exploration program was a one-day sampling program in 2014 and the last significant exploration program was during the summer to 2011.

The annual water use report for calendar year 2019 is attached.

If you have any questions on this matter please do not hesitate to contact me at (403) 930-0991 (ext. 2711)

Yours truly,

DE BEERS CANADA INC. FOR PEREGRINE DIAMONDS LTD.

Walter

David Willis - Environment and Community Coordinator