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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No: 2BE-NAN1318

October 22, 2015

Mr. David Willis, Land Administrator
Peregrine Diamonds Ltd.
Suite #201-1250 Homer Street
Vancouver, BC, V6B 1C6
Email: dave@pdiam.com

Mr. Tom Peregoodoff, President
Peregrine Diamonds Ltd.
Suite #201-1250 Homer Street
Vancouver, BC, V6B 1C6
Email: dave@pdiam.com

**Subject: Assignment of Licence 2BE-NAN1318 – Peregrine Diamonds Ltd (Assignor)
– to Peregrine Exploration Ltd. (Assignee)**

Dear Mr. Willis and Mr. Peregoodoff:

The Nunavut Water Board (“NWB” or “Board”) received an application on July 10, 2015 to assign the Licence 2BE-NAN1318 from Peregrine Diamonds Ltd. to Peregrine Exploration Ltd. pursuant to Section 44 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (“Act”).

The Board gave public notice of the application for assignment and invited interested persons to provide comments. A submission was received¹ from Aboriginal Affairs and Northern Development Canada (AANDC). No adverse environmental effects were identified that would result from the assignment of the Licence to Peregrine Exploration Ltd.

Pursuant to Section 44(1) of the Act, the Board is satisfied that the assignment of operation of the appurtenant undertaking by the prospective Assignee is unlikely to result in a contravention of any condition of the Licence or any provision of the *Act* or the regulations. Therefore, in accordance with Section 44(2) of the *Act*, **the Board hereby authorizes the assignment of Water Licence 2BE-NAN1318 from:**

the Assignor, Peregrine Diamonds Ltd., to

the Assignee, Peregrine Exploration Ltd.

(Motion #2015-B1-033) effective on November 3, 2015, will be placed in the NWB Public Registry

¹ Letter to NWB from AANDC Re: 2BE-NAN1318 Water Licence Assignment Application-Nanuq - Peregrine Diamonds Ltd. on September 30, 2015

All **terms and conditions of this Licence remain in effect**. Sections 85 to 94 of the *Act* provide the provisions for the enforcement of this Licence. The Minister of Aboriginal Affairs and Northern Development Canada (AANDC) has the power to designate inspectors and/or analysts to identify or determine inspection and compliance related issues. The NWB recommends that Peregrine Exploration Ltd. contact the Inspector for AANDC in Iqaluit to obtain a copy of any enforcement documents related to this licence.

The Board would like to take the opportunity to highlight the following matters that will require immediate action by Peregrine Exploration Ltd.

Annual Report (Part B, Item 2)

The Nunavut Water Board (“NWB” or “Board”) has completed a technical review of the 2014 Annual Report for the above mentioned project. The annual report was distributed for information and no comments were received regarding the report at the time of this review. The review found that the report is complete and consistent with the reporting requirements of licence 2BE-NAN1318.

Spill Contingency Plan (Part H, Item 1)

Peregrine Exploration Ltd. shall submit to the Board for review within sixty (60) days following issuance of this assignment, an updated Spill Contingency Plan that addresses the change in Licence holder.

Abandonment and Restoration Plan (Part I)

Peregrine Exploration Ltd. shall submit to the Board for review, within sixty (60) days following issuance of this assignment, an updated Abandonment and Restoration Plan that addresses the change in the Licence holder.

Please contact the NWB at your convenience should you have questions regarding this assignment.

Sincerely,

Thomas Kabloona
Nunavut Water Board Chair

TK/sa/ri

Cc: Distribution List – Kivalliq