



PEREGRINE
DIAMONDS LTD.

July 26, 2012

BY ELECTRONIC MAIL

Ms. Phyllis Beaulieu, Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, Nunavut X0B 1J0

Nunavut Water
Board

AUG 13 2012

Public Registry

RE: 2011 ANNUAL REPORT & ANNUAL FEES 2BE-NQN0914

This letter is in follow-up to your two emails you sent. In the first email to Andrea Maynes (Senior Geologist, Bluestone Resources Inc.) on July 17, 2012 you noted outstanding annual fees and a delinquent annual Report for 2011. In the second email to David Willis (Land Administrator, Peregrine Diamonds Ltd.) on July 24, 2012 you requested revisions to the Assignment Application. All of these items are addressed below;

Annual Fees

The outstanding fees are calculated as follows:

Description	\$
2010 Fees	30.00
2011 Fees	30.00
2012 Fees	211.11
Total:	271.11

A credit card number will be supplied for the transaction. A call will be placed to your office on July 27, 2012 with the card details.

Annual Report

An annual report for 2011 is attached. In 2011 one diamond drill hole was completed at the end of July. Drill materials, including core, were removed from the site and at the completion of drilling operations.

Revisions for Assignment Application

Please find attached revisions to the *Undertaking of Proposed Assignee* and *Affidavit of Execution*. You will note that the undertaking now correctly states Bluestone Resources Inc. Instead of Indicator Minerals Inc. .



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Please do not hesitate to contact me at (604) 408-8880 or by email at dave@pdiam.com if you have any questions.

Yours truly,

PEREGRINE DIAMONDS LTD.

David Willis - Land Administrator