

February 25, 2019

Ms. Sarah Forte, Water Management Coordinator INAC – Water Resources 969 Qimugjuk Building Iqaluit , Nunavut XOA 0H0

Email: Sarah.Forte@canada.ca

Mr. Richard Dwyer, Licencing Administrator NWB – Licencing Department PO Box 119 Gjoa Haven, NU XOB 1JO Email: Richard.Dwyer@nwb-oen.ca

Dear Ms. Forte & Mr. Dwyer:

RE: NANUQ PROJECT – 2BE-NQN1521 ANNUAL WATER USE FEE – CALENDAR YEAR 2018

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

Peregrine currently holds water use licence 2BE-NQN1521. The licence commenced March 31, 2015 and expires March 30, 2021. The annual water use fee for this water 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 = 58 m³ per day Total days in the year = 365 Charge per cubic meter = \$0.01 per m³

Total annual fee: \$211.70 (58m³ x 365 days x \$0.01 per m³)

Peregrine wold like to pay the annual water use fee for calendar year 2018. Please call me at your earliest convenience in order to complete the transaction by credit card. My telephone number is (403) 930-0991 (ext. 2711).

The annual water use report for calendar year 2018 is attached.

Yours truly,

DE BEERS CANADA INC. FOR PEREGRINE DIAMONDS LTD.

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David Willis - Environment and Community Coordinator

DE BEERS CANADA INC

NWB Annua	l Report	Year being reported: 2018
License No:	2BE-NQN1521	Issued Date: March 31, 2015 Expiry Date: March 30, 2021
	Project Name:	Nanuq North
	Licensee: Pereg	grine Diamonds Ltd.
	Mailing Address:	Suite 300 1601 Airport Road NE Clagary, Alberta T2E 6Z8
	• •	filing Annual Report (if different from Name of Licensee please clarify etwo entities, if applicable):
	Peregrine Diamond	s Ltd.
General Bac	kground Information	on the Project (*optional):
	· ·	k conducted in 2018 and no exploration work planned for 2019. cation is on 56G06. No camp has been established.
Licence Req with		see must provide the following information in accodance
_	report of water use a ater; sewage and gre	nd waste disposal activities, including, but not limited to: methods of ywater management; drill waste management; solid and hazardous
	Water Source(s): Water Quantity:	Unamed Lake 8 per day Quantity Allowable Domestic (cu.m) Actual Quantity Used Domestic (cu.m) Quantity Allowable Drilling (cu.m) Total Quantity Used Drilling (cu.m) Total Water used in 2018 = 0.00 m3
	Waste Management Solid Waste Disp Sewage Drill Waste Greywater Hazardous Other: Additional Details:	and/or Disposal

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

	Spill No.: None (as reported to the Spill Hot-line) Date of Spill: None
	Date of Notification to an Inspector: Not Applicable Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)
	No Spills
Revisions to	the Spill Contingency Plan
	SCP submitted and approved - no revision required or proposed
	Additional Details:
	No revisions
Revisions to	the Abandonment and Restoration Plan
	AR plan submitted and approved - no revision required or proposed
	Additional Details:
	No revisions
Progressive	Reclamation Work Undertaken
J	Additional Details (i.e., work completed and future works proposed)
	No reclaimation done or necessary
Results of th	e 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;
	Not Applicable (N/A)
	Additional Details:
	No exploration work done in 2018
	The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;
	Not Applicable (N/A) ▼
	Additional Details:
	No exploration work done in 2018

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

No	o additional sampling requested by an Inspector or the Board		
Ac	Additional Details: (date of request, analysis of results, data attached, etc)		
N	Io additional sampling requested.		
Any other detai	ils on water use or waste disposal requested by the Board by November 1 of the year		
being reported.			
No	o additional sampling requested by an Inspector or the Board		
Ac	Additional Details: (Attached or provided below)		
N	No additional sampling requested.		
Any responses	or follow-up actions on inspection/compliance reports		
	o inspection and/or compliance report issued by INAC		
Ac	Additional Details: (Dates of Report, Follow-up by the Licensee)		
N	No inspection reports received.		
Any additional	comments or information for the Board to consider		
_	Jo field work conducted in 2018 and no field work planned for 2019.		
Date Submitted: Submitted/Prepared by: Contact Information: Tel: (403) 930-0991 (ext. 2711) Fax: email: david.willis@debeersgroup.com			