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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No: 2BE-NQN1521/
Licence Assignment

February 13, 2017

Mr. Greg Shenton
Peregrine Exploration Ltd.
Suite #654 – 999 Canada Place
Vancouver, BC, V6B 3E1

Mr. David Willis, Manager
Peregrine Diamond Ltd.
Suite #654 – 999 Canada Place
Vancouver, BC, V6B 3E1

Email: dave@pdiam.com

Subject: Assignment of Licence 2BE-NQN1521 – from Peregrine Exploration Ltd. (Assignor) to Peregrine Diamond Ltd. (Assignee)

Dear Mr. Willis and Mr. Shenton:

The Nunavut Water Board (“NWB” or “Board”) received an application on November 11, 2016 to assign the Licence 2BE-NQN1521 from Peregrine Exploration Ltd. To Peregrine Diamond 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 Indigenous and Northern Development Canada (INAC). No adverse environmental effects were identified that would result from the assignment of the Licence to Peregrine Diamond 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-NQN1521 from:**

the Assignor, Peregrine Exploration Ltd., to

the Assignee, Peregrine Diamond Ltd.

(Motion #2016-B1-025) effective on February 13, 2017, will be placed on the NWB Public Registry.

¹ INAC’s letter Re: Indigenous and Northern Affairs Technical Review of Peregrine Exploration Ltd. – Application for Assignment of Water Licence #2BE-NQN1621 dated December 29, 2016

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 Indigenous and Northern Affairs Canada (INAC) has the power to designate inspectors and/or analysts to identify or determine inspection and compliance related issues. The NWB recommends that Peregrine Diamond Ltd. contact the INAC Inspector 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 Diamond Ltd.

Annual Report (Part B, Item 2)

The Nunavut Water Board (“NWB” or “Board”) has completed a technical review of the 2015 and 2016 Annual Reports for the above mentioned project. The annual reports were distributed for information and no comments were received regarding the reports at the time of this review. The review found that the 2015 and 2016 Annual Reports are complete and consistent with the reporting requirements of licence 2BE-NQN1521.

Spill Contingency Plan (Part H)

The Board confirms it is in receipt of an updated Spill Contingency Plan (SCP) submitted as additional information with the 2016 Assignment Application.

Peregrine Diamond 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)

The Board confirms it is in receipt of an updated Abandonment and Restoration Plan Nanuq North Project (A&RP) submitted as additional information with the 2016 Assignment Application.

Peregrine Diamond 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