



December 12, 2014

BY ELECTRONIC MAIL

Ms. Nicholas Kavanagh, Land Administrator

AANDC – Land Administration

P.O. Box 2000

969 Qimugjuk Building

Iqaluit, Nunavut, X0A 0H0

Dear Mr. Kavanagh:

RE: ANNUAL REPORT FOR 2014 FOR LUP N2012C0028 – NANUQ PROJECT

Peregrine Diamonds Ltd. (“Peregrine”) holds AANDC class “A” land use permit N2012C0028. This permit authorizes land use activities at Peregrine’s Nanuq Project located 50 kilometres southwest of Wager Bay on 250K NTS Map 56G. The permit was issued June 14th, 2013 and expires on June 13th, 2015.

A single day of helicopter supported exploration work occurred on July 3, 2014. Field work consisted of heavy mineral sampling, geochemical sampling and prospecting. No mechanical exploration work was undertaken. Also on July 3, 2014 an inspection was done of the Nanuq Camp (latitude 65.22859, longitude -91.09028, 50K NTS 56G03) to ensure regulatory compliance. The camp, last occupied in 2011, was found to be in good condition.

Peregrine would like to note that the field program was to have been significantly longer than a single day. The program was truncated due to concerns over exploration and mining prohibitions in the Nanuq Project area published in the Nunavut Planning Commission’s June 2014 Draft Nunavut Land Use Plan.

If you have any questions on these items or require additional information please do not hesitate to contact me at (604) 608-4524.

Yours truly,

PEREGRINE DIAMONDS LTD.

David Willis – Land Administrator