



December 9, 2014

BY ELECTRONIC MAIL

Mr. Nicholas Kavanagh, Land Administrator
AANDC – Land Administration
P.O. Box 2000
Iqaluit, Nunavut, X0A 0H0

Dear Mr. Kavanagh:

RE: ANNUAL REPORT FOR 2014 FOR LUP N2012C0026 – NANUQ NORTH PROJECT

Peregrine Diamonds Ltd. (“Peregrine”) holds AANDC class “A” land use permit N2012C0026. This permit authorizes land use activities at Peregrine’s Nanuq North Project located 30 kilometres southwest of Wager Bay on 250K NTS Map 56G. The permit was issued July 29th, 2013 and expires on July 28th, 2015.

No field work was undertaken on the Nanuq North Project during the calendar year 2014 nor was the camp established (latitude 65.3949184, longitude -91.2262180, 50K NTS 56G06). The camp, authorized under preceding AANDC permit N2009C005 and current permit N2012C0026, has yet to be constructed.

On July 27th and July 28th, 2014 a field inspection of five (5) drill sites from field exploration programs undertaken in 2008, 2010 and 2011 was undertaken by Resource Management Officer Christine Wilson. Of the five sites visited only three sites were located. All located sites were found to be in acceptable condition.

On October 15, 2014 an application was submitted to the Nunavut Water Board to renew water use licence 2BE-NQN0914. The renewal application is still pending as of the date of this letter.

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