

**Annual Report  
For  
Research Licence 01-006-20R-M (Environmental Baseline Studies)  
Dated: December 31, 2020**

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Research Licence 01-006-20R-M was granted for a three year term commencing on December 20, 2018 and terminating on December 31, 2021. The research licence was obtained by Peregrine Diamonds Ltd. a wholly owned subsidiary of De Beers Group. This is the second annual report for this licence.

Research activities are for environmental baseline studies for the Chidliak Project and surrounding area. The project is centered at the juncture of four 1:50,000 NTS maps 26B01, 26B02, 26B07 & 26B08

2020 field activities were severely truncated due to the COVID-19 pandemic. The only field work was a short maintenance visit to the Chidliak site to inspect site facilities and maintain camera/weather stations. These activities were undertaken by Arctic UAV a world class technology company based out of Iqaluit. Activities commenced on May 13, 2020 and were completed on May 16, 2020 and were undertaken by snowmobile from Iqaluit due to the lack of helicopter support in the region. The program proved that successful and safe field programs can be undertaken by ground access using technicians with good land skills. Data cards recovered from the cameras enabled the production of wildlife observation tables and weather data.

As field access was truncated environmental research work focused on remote sensing using both optical (passive) and radar (active) satellite data. The resolution of this data is increasing and soon will be the standard for baseline work. Studies include vegetation greening trends over time, temperature detection and wildlife identification.

Field plans for 2021 will likely be tied to COVID restrictions in place for the year. Under ideal circumstances field work will resume to collect additional ground data in the project area. If activities are permissible they will be based out of Iqaluit and/or established field camps. Remote sensing studies will continue and follow pandemic protocols.

Due to the shut down of research in 2020 we request that the term of the research licence be extended to December 31, 2023.