

DE BEERS GROUP

BY ELECTRONIC MAIL

February 9, 2021

Ms. Mia Otokiak, Technical Advisor
Nunavut Impact Review Board
PO Box 1360
29 Mitik Street
Cambridge Bay, Nunavut X0A 0C0
Email: info@NIRB.ca

Dear Ms. Otokiak:

RE: CHIDLIAK PROJECT - NIRB FILE 11EA050 – ANNUAL REPORT CALENDAR YEAR 2020

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

The following letter is the annual Nunavut Impact Review Board (NIRB) report for the Chidliak Project (file #11EA050) for calendar year 2020.

- a) **Project Description:** The Chidliak Project is a remote, seasonal diamond exploration project. 2020 was the 13th year of the project.

- b) **Project Location** The Chidliak Project is located on the Hall Peninsula of Baffin Island 120 kilometers northeast of Iqaluit and 200 kilometers south of Pangnirtung. All activities occur within the confines of 1:250,000 scale national topographic sheets 56B. The entire project is located on Crown land.

De Beers Canada inc.

1601 Airport Road NE Suite 300 Calgary Alberta T2E 6Z8
Tel + 1 403 930 0991 | www.debeersgroup.com/canada | info.canada@debeersgroup.com
Incorporated in Canada | Registration number 889569596

A member of the Anglo American plc group

DE BEERS GROUP

- c) **Project History** The original prospecting permits were acquired at the Chidliak Project in February 2007. In 2008 the Discovery Camp was established and the first kimberlites were discovered through prospecting. The first drill program was undertaken in 2009 and field programs of varying size have been conducted in each of the subsequent years 2010 to 2017 and 2019. No program was conducted in 2018. A total of 71 kimberlites were discovered in the project area between the years 2008 and 2014. Kimberlites CH-6 and CH-7 are considered the most prospective of the discoveries and inferred mineral resources are calculated for each. At present project currently consists of 10 mining leases and 31 pending mining lease applications. The aggregate area for the project is approximately 42,200 hectares.
- d) **Project Permits & Licencing** Peregrine holds class "A" land use permit N2018C0002 from CIRNAC which commenced on December 1, 2017 and expires on November 30, 2022. The permit authorizes an exploration camp and surface exploration activities at the Chidliak Project. Peregrine also holds corresponding water use permit 2BE-CHI1823 which commenced on June 1, 2018 and expires on May 31, 2023. The project was assigned file number 11EA050 by the NIRB in 2012.
- e) **Summary of Activities** The COVID-19 Pandemic severely truncated field activities. A small field geophysics program was planned for April 2020. This program was cancelled in early March 2020 when the pandemic began. A small field maintenance and inspection was conducted by Iqaluit based contractor Arctic UAV. A

DE BEERS GROUP

three person field crew of Iqaluit residents accessed the site by snowmobile and conducted maintenance activities. The program commenced in Iqaluit on May 13th and was complete with the return of the crew on May 16th. The crew camped in a Discovery Camp Quonset for three nights for the expedition.

- f) **Inspections** Neither CIRNAC nor ECCC completed a land use inspection of the site in 2020.
- g) **Wildlife Encounters** The Arctic UAV field crew observed a herd of approximately eight caribou at 8:00am on May 14th, 2020. The herd was in close proximity to the Discovery Camp.
- h) **Observed Local Users** No local users were observed in 2020 during the field expedition.
- i) **Local Hiring** An Iqaluit based company Arctic UAV was hired to conduct the field maintenance work required at the Chidliak project. The contractor was very professional and gracious and we look forward to working with them again.
- j) **Consultations** The pandemic also affected community consultations. Two working groups (one for Pangnirtung and another for Iqaluit) were established in early 2020 in anticipation of commencing a traditional knowledge study. Inaugural meetings were held in each community on the 18th and 19th of February. Future meetings were planned however activities were put on hiatus during the pandemic. A public update meeting was held in Pangnirtung on

DE BEERS GROUP

February 18. In 2020 engagement was undertaken primarily by telephone and email.

Consultation efforts have helped understand local traditional land use and the seasonal cycle in which these activities take place and communicate project details to local communities.

Since 2013 work is concentrated to the interior of Hall Peninsula and away from high use areas by local land users. Most local interest in the project continues to be with employment opportunities. Consultation efforts will continue in 2021.

- k) **Wildlife Monitoring** Wildlife observations are recorded in field logs and compiled at the end of the season. Wildlife logs are introduced to project personnel every field season as part of the camp safety induction. Most wildlife observations are birds. The Arctic UAV field crew observed a herd of approximately eight caribou at 8:00am on May 14th, 2020. The herd was in close proximity to the Discovery Camp.

- l) **Wildlife Mitigation** Low densities of wildlife are observed in the interior of the Hall Peninsula where project activities take place. Since 2013 activities are confined to an area significantly smaller than the project claim block. Work is focused in an area around kimberlites CH-6 and CH-7 and an area around the mineral leases referred to as the local study area (LSA). This area is commonly referred to as the *priority work area*. Ecological mapping conducted in 2014, 2016 and 2019 concludes that the area where most of takes

DE BEERS GROUP

place is bedrock and block-field with limited vegetation.

- m) **Project Specific Terms** Project specific terms are compiled and presented to the Camp Manager and Project Manager prior to the beginning of every field season. A summary of these details are presented to all employees (De Beers and Contractor) as part of the camp safety induction. Managers are responsible for the day-to-day oversight of terms and conditions. The goal of fieldwork is good work practices and a safe work site. The terms and conditions of the permit area are consistent with good work practices.
- n) **Wildlife Report** In 2019 there was one recorded wildlife sighting during field work.
- o) **Work Plan for 2021** 2021 field work is currently being planned. During the pandemic much of the environmental field work has switched to remote sensing studies (satellite) and unmanned ground sensors. In 2021 ground sensors will require annual maintenance as will the field camps. A drone survey is also being contemplated with contractor Arctic UAV.

If you have any questions regarding this report or require additional information, please do not hesitate to contact me at david.willis@debeersgroup.com or by telephone at (604) 836-3284.

Yours Truly



David Willis - Environment and Community Coordinator