WATER USE INSPECTION REPORT

Date: August 11, 2009	Licensee Rep. (Name/Title): Mario Roy Cmp Mgr- Discovery Mining Inc. Andy Berry Project Mgr.	
Licensee: Kivalliq Energ	ЭУ	Licence No: 2BE-ANG0813

WATER SUPPLY

Source(s): YAT Lake	Quantity used: Unknown		n
Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected			
Intake Facilities: U	Storage Structure: A	Treatment Sys:	Chemical Storage: NA
Flow Meas. Device: NA	Conveyance Lines: NI	Pumping Stations: NI	Screen : NI

Comments: Water is pumped to camp from lake shore a distance of 100 M away. Fuel was noted stored within 30 m setback. No records or metering of water for camp was conducted. Water meters are to be installed and records of water use kept following the Inspection.

WASTE DISPOSAL

Sewage: Sewage Treatment System (Prim./Sec/Ter.): Latrine system **Grey Water:** Sump present. Screen in use. No grease trap installed.

Natural Water Body: NA	Continuous Discharge (land or wate	r): NA
Seasonal Discharge: NA	Wetlands Treatment: NA	Trench: NA

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Discharge Quality: NA	Decant Structure: NA	Erosion: NA
Discharge Meas. Device: NA	Dyke Inspection: NA	Seepages: NA
Dams, Dykes: NA	Freeboard: NA	Spills: NA
Construction: NA	O&M Plan: NA	A&R Plan: NA
Periods of Discharge: NA.	Effluent Discharge Rate: NA	

Comments: Bernadette Incinerator in use on site. Ash found in 45 gallon drums. To be hauled off site.

Solid Waste: None..

Landfill: NA	Burn & Landfill: NA	Other: None
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Comments: None.

FUEL STORAGE: Drums on site with no secondary containment

Waste Oil Storage: None noted

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Berms & Liners: NA	Water within Berms: NA	Evidence of Leaks: NA
Drainage Pipes: NA	Pump Station & Catchments Berm: NA	
Pipeline Condition: NA	Condition of Tanks: NA	

Comments: Fuel storage in camp found in good order. The large number of drums scattered on the tundra in piles outside of camp. No secondary containment was found for any cache. This is to be addressed prior to the next inspection. Camp location is expected to be moved and a new centralized cache set up. This is to include sufficient secondary Containment for all fuels on site.

SURVEILLANCE NETWORK PROGRAM (SNP)

Samples Collec	cted	Owner /Operator:	
О		INAC: None	
Signs Posted	SNP: Non	e	Warning: NA
Records & Reporting: None			
Geotechnical Inspection: N/A			

Non-Compliance of Act or Licence: A spill on site was reported however efforts to clean the affected area were insufficient. This is to be addressed by the next inspection. Secondary Containment for fuels stored on site is to be installed by the next inspection. Notification to the Nunavut Water Board and applicable Land use authority is to be submitted prior to the establishment of a new camp site.

Inspector's Name	Inspector's Signature
A.Keim	Sent by E-mail