

WATER USE INSPECTION REPORT

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| Date: July 14,2009 | Licensee Rep. (Name/Title): None |
| Licensee: Pure Diamonds | Licence No.: 2BE-BAF |

WATER SUPPLY

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|--|---------------------|
| Source(s): None – Camp inactive at present | Quantity used: None |
| Owner:/Operator: Pure Diamonds | |

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

| | | | |
|-----------------------|-----------------------|-----------------------|----------------------|
| Intake Facilities: NA | Storage Structure: NA | Treatment Systems: NA | Chemical Storage: NA |
| Flow Meas. Device: NA | Conveyance Lines: NA | Pumping Stations: NA | Screen : NA |

Comments: Camp is inactive at this time. No water consumption. Equipment to pump and water was noted in Camp. No treatment system was noted. Sump has been dug on site and left uncovered. No debris in sump at time of inspection.

WASTE DISPOSAL

Sewage: Sewage Treatment System (Prim./Sec/Ter.): Latrine system- not in use.

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| Natural Water Body: No | Continuous Discharge (land or water): None | |
| Seasonal Discharge: None | Wetlands Treatment: None | Trench: None |

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

| | | |
|----------------------------|----------------------------------|----------------|
| Discharge Quality: NI | Decant Structure: NA | Erosion: None |
| Discharge Meas. Device: NI | Dyke Inspection: NA | Seepages: None |
| Dams, Dykes: NA | Freeboard: NA | Spills: None |
| Construction: NI | O&M Plan: NI | A&R Plan: NI |
| Discharge: None | Effluent Discharge Rate: Unknown | |

Comments: No human wastes are being generated at the Camp at this time. **Human wastes noted in barrel at Storage building between Camp and air strip.**

Solid Waste: Food (garbage bags) and other wastes were noted at the airstrip at time of inspection

Owner/Operator: Pure Diamonds

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| Landfill: None | Burn & Landfill: NA | Other: (Barrels) |
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Comments: Wastes are to be removed prior to camp closure.

FUEL STORAGE: Barrel storage at air strip – unsecured- spills noted on site.

Waste Oil Storage: None **Owner/Operator:** Pure Diamonds

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

| | | |
|-------------------------|------------------------------------|----------------------|
| Berms & Liners: U /none | Water within Berms: None | Evidence of Leaks: U |
| Drainage Pipes: None | Pump Station & Catchments Berm: NA | |
| Pipeline Condition: NA | Condition of Tanks: NA | |

Comments:. At the airstrip 1 barrel of fuel was noted has having leaked / emptied into the sand on the strip. This is to be reported to the spill line and remediated. None of the drums on site had any secondary containment. Fuel caches must be monitored regularly if fuel is to be overwintered or held on site.

SURVEILLANCE NETWORK PROGRAM (SNP)

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| Samples Collected : 0 | | Owner /Operator: Annual reports are to be provided when Camp is reactivated. | |
| 0 | | INAC: No water use or waste was noted on site. | |
| Signs Posted | SNP: None | | Warning: None |
| Records & Reporting: records to be provided in annual report | | | |
| Geotechnical Inspection: N/A | | | |

Non-Compliance of Act or Licence: The Pure Diamonds (Pingujuak Camp site) site was not in compliance with the terms and conditions of the License at the time of the inspection. It is required that the inspection and monitoring of fuel caches be done in accordance with the issued license as well as the INAC Fuel Storage Guidelines. Secondary Containment for fuel storage and transfer areas is required.