

WATER LICENCE INSPECTION FORM

\boxtimes	Original	
	Follow-Up	Report

Licensee			Licensee Representativ	re	
DeBeers Canada I	nc.		David Willis		
Licence No. / Expiry			Representative's Title		
2BE-CHI1823			Environmental	and Community Cod	ordinator
Land / Other Authorizatio	ns		Land / Other Authoriza	itions	
N2012C0024					
Date of Inspection			Inspector		
July 25, 2019			Joseph Monteit	h	
Activities Inspected					
	□ Drilling	Mining	Construction	☐ Reclamation	
☐ Roads/Hauling	Other: Tailings (CH-07)		Other:		
Canditiana	A Assessable		6 6	NII Niet Imamented	NA Not applicable

Conditions:	A- Acceptable	U-Unacceptable	C-Concern	NI-Not Inspected	NA- Not applicable
PART:	-	-		Condition	Observation No.*
A: SCOPE, DEFINITIO	NS AND ENFORCEME	NT			
B: GENERAL CONDITI	ONS			А	
C: CONDITIONS APPL	YING TO SECURITY			NI	
D: CONDITIONS APP	LYING TO WATER US	E		А	3,12,13, 18, 19, 20
E: CONDITIONS APPL	YING TO WASTE DIS	POSAL AND MANAGEN	MENT	А	9,19, 24
F: CONDITIONS APPLYING TO MODIFICATIONS				NI	
G: CONDITIONS APP	LYING TO CONSTRUC	CTION		А	1, 21, 22
H: CONDITIONS APPLYING TO EMERGENCY RESPONSE AND CONTINGENCY			NTINGENCY	А	2,4-8, 10,11,14-17,23
PLANNING					
I: CONDITIONS APPLYING TO ABANDONMENT, RECLAMATION AND			NA		
CLOSURE PLANNING					
J: CONDITIONS APPLYING TO MONITORING				A	
SCHEDULES				A	
	*The observat	ion number correspond	ds with specific o	comments provided be	low.
		Location(s):			
		Discovery: Lat/Lor			
		CH-06: Lat/Long; N	, N64° 19.410'N	, W66° 31.506'W	
		CH-07: Lat/Long;	N64.25707 W6	6.34506	
Samples taken by Ins	pector:				
Yes No					

☐ Yes ⊠ No			
SECTION 1	Comments (s)	Non-Compliance with Act or Licence (s)	Action Required (s)
BACKGROUND			

Nunavut Water Licence 2BE-CHI1218 is issued to Peregrine Diamonds Ltd for the use of 246 cubic metres of water per day and the disposal of waste for camp operations and activities related to exploration including diamond drilling, large diameter reverse-circulation drilling, and other associated activities.

Land Use Permit #N2012C0024 issued to Peregrine Diamonds Ltd May 25th, 2017 for the use of land for Mining exploration and associated activities.

Water Use and Waste Disposal is authorized through this licence at the Chidliak Project, supported from the Discovery, Sunrise, Aurora, and CH-6 Camps located on the Hall Peninsula.

On April 30, 2018 a renewal licence extending the water licence 2BE-CHI1218 to May 31, 2023.

Inspector Statement

On July 25, 2019 at 3:02pm, A Water Licence Inspection was conducted by Water Resource Officer(WRO) Joseph Monteith at Peregrine Diamond's Chidliak sites, Qikiqtani Region, Nunavut, for water licence2BE-CHI1823. The inspection was conducted at Peregrine Diamond's Chidliak sites Discovery Camp, CH-06 Drill site, Water Withdrawal Site(spill report 2017-320), and CH-07 Tailings. During the inspection the Chidliak sites were active. The inspection ended at 6:25pm on July 25, 2019.

General Condition

On May 24, 2019. Richard Dwyer, Manager of Licencing, Nunavut Water Board emailed a copy of the 2017 Annual Report, 2017 Annual Report Tech Review on May 1, 2019. In the review it was acknowledged that the information submitted addresses the requirements of the Licence.



Inspection

Discovery camp

- 1. Active Discovery Camp Chidliak, DeBeers (photo 1).
- 2. 13 weather havens, 1 garage weather haven, 9 wooden buildings, 6 heavy equipment, 2 x mobile fuel tanks in secondary containment, 2x water storage tanks with housing, wood piles, approximately 10-15 sea cans, numerous drill core boxes.
- 3. Water withdrawal location. Water pump (photo 2) Hose in water, fish mesh screen observed. Stream hasn't been drawn down. But is a very low flow. Signs of algae growth (photo 3).
- 4. Fuel Cache 1 19 barrels of fuel in secondary containment. Signage observed, spill kit observed (photo 4).
- 5. Fuel Cache 2 -68 barrels of diesel in secondary containment. Signage observed (photo 5).
- 6. Fuel Cache 3 approximately 65 drums of fuel in secondary containment with Spill Kit next to Fuel Cache and proper signage. (photo 5)
- 7. 2x Methanol drums (photo 6).
- 8. Refuelling station covered (photo 7 & 8).
- 9. Empty Fuel Drums being flown to Igaluit (photo 9).
- 10. Fuel barrel for weather haven heater liquid in secondary containment (photo 10).
- 11. Fuel barrel for weather haven heater -liquid in secondary containment (photo 11).
- 12. 3 x Water Storage Tanks (photo 12).
- 13. 1 large water storage tank (photo 13).

Spill Report 2017-230

- 14. Site of Spill 2017-230. No Sign of spill or sheening (photo 14).
- 15. Site of Spill Report 2017-320 (photo 15).
- 16. Site of Spill Report 2017-320 no signs of spills, no signs of spill migration. No samples taken.

CH-06 Drill site

- 17. 2 x drill rigs 1 x fuel cache with secondary containment, drill recycle sump pit, emergency campsite (photo 16).
- 18. Water pump for sump pit for recycling drill water (photo 17).
- 19. The natural Sump, for recycled drill water (photo 18).
- 20. Drill water storage tanks, water pumps, and fuel tanks for water pumps. Secondary containment for fuel storage (photo 19).
- 21. Drill shack Drilling active. Shut down for our inspection of site (photo 20).
- 22. Drill motor base, has hydrocarbon absorbent pads to mitigate the impact of a hydrocarbon spill. Battery installed (photo 21).
- 23. Double walled fuel storage tank. With spill kit next to storage tank.
- 24. CH-07 Tailings No issues.

21. 611 67 141111183 146 155465.					
SECTION 2 Comments	Non-Compliance with Act or Licence	Action Required			
Do the following below to bring yourself back into compliance:					
 Verify in 2020 with another sample result that the spill at Spill Report 2017-230 has been cleaned. 					
- Repair or replace damaged secondary containment observed in photo 11					
- Label the company name on all drums (photo 6).					
 Provide capacity of the water storage tanks at the discovery camp observed in photos 12 & 13 					
SECTION 3 Comments	Non-Compliance with Act or Licence	Action Required			
The Chidliak Sites are well managed. I am satisfied with the level of effort this company does to manage the					
environmental aspect of the site.					

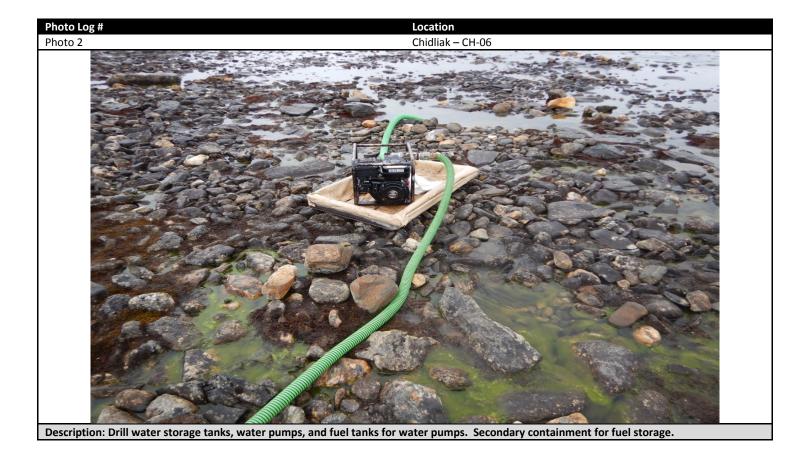
Licensee or Representative	Inspector's Name
	Joseph Monteith
Signature	Signature
	Ingl Majeth.
Date	Date
	January 7, 2020

CC: Licensing Department, NWB

Justin Hack, Manager of Field Operations, CIRNAC















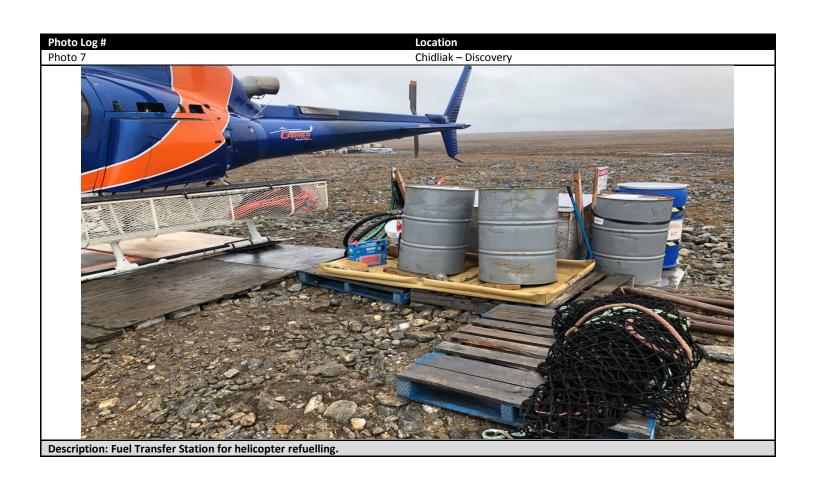




Description: Fuel Cache - Approximately 60 drums of fuel in secondary containment, spill kit observed.











































Description: footprint of sump for recycling drill water pump on other side. Drill Core shacks and monitoring station on the horizon.







