



# Water Licence Inspection Report

Original  
 Follow-Up Report

<b>Authorization</b>	<b>Representative</b>
<b>Peregrine Diamonds Ltd.</b>	<b>David Willis</b>
<b>Authorization No. / Expiry</b>	<b>Representative's Title</b>
<b>2BE-CHI2333/May 31, 2033</b>	<b>Environmental and Community Coordinator</b>
<b>Other Authorization/s</b>	
<b>Activities Inspected</b>	
<input checked="" type="checkbox"/> Camp <input type="checkbox"/> Drilling <input type="checkbox"/> Mining <input type="checkbox"/> Construction <input type="checkbox"/> Reclamation <input type="checkbox"/> Fuel Storage <input type="checkbox"/> Roads/Hauling <input type="checkbox"/> Winter Hauling <input type="checkbox"/> Camp, Private <input checked="" type="checkbox"/> Other (Drill site, unmanned)	

**Conditions:**    **A- Acceptable**    **U-Unacceptable**    **C-Concern**    **NI-Not Inspected**    **NA- Not applicable**

<b>PART:</b>	<b>Condition</b>	<b>Observation No.*</b>
A: SCOPE, DEFINITIONS AND ENFORCEMENT	A	
B: GENERAL CONDITIONS	A	1
C: CONDITIONS APPLYING TO SECURITY	NI	
D: CONDITIONS APPLYING TO WATER USE	A	2-9,15,16,17
E: CONDITIONS APPLYING TO WASTE DISPOSAL AND MANAGEMENT	A	10-11,13,14
F: CONDITIONS APPLYING TO MODIFICATIONS	NI	
G: CONDITIONS APPLYING TO CONSTRUCTION	NI	
H: CONDITIONS APPLYING TO EMERGENCY RESPONSE AND CONTINGENCY PLANNING	NI	
I: CONDITIONS APPLYING TO ABANDONMENT, RECLAMATION AND CLOSURE PLANNING	NI	
J: CONDITIONS APPLYING TO MONITORING	A	
SCHEDULES	A	

*\*The licence and the observation number corresponds with specific comments provided below.*

<b>Samples taken by Inspector:</b>	<b>Location(s): Latitude:</b>
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Lat/Long;</b>

*\*refers to specific terms and conditions found in the permit/lease in question.*

**Section 1 Comments**

**Background**

Peregrine Diamonds Ltd. (Peregrine or Applicant) is a wholly-owned subsidiary of De Beers Canada Inc. (De Beers). Peregrine first began diamond exploration activities at its Chidliak Project (Project) in 2008. The Project is located on the Hall Peninsula of South Baffin Island between Cumberland Sound and Frobisher Bay. The two closest communities are Pangnirtung, 200 kilometers to the northeast, and Iqaluit, 120 kilometers to the southwest. The scope of the Application remains the same as that of the existing license, the only change from the existing License conditions includes an increase of the water use allowed, from 246 m3 per day to 299 m3 per day. The scope includes the following:

- Trenching/bulk sampling, blasting, drilling, cuttings disposal, airstrips and winter trails;
- Operation of four (4) camps;
- Total water use of two hundred (299) cubic metres per day;
- Deposit of waste; and
- Requested Term of fifteen (15) years. (Approved Until May 2033)



## Inspector Statement

On June 17, 2023 I, Isaiah James Bolt, Inspector with the Crown Indigenous Relations and Northern Affairs Canada, (CIRNAC and for the purpose of this report hereafter referred as the “ Inspector”), Along with Fellow Inspector Joseph Monteith of CIRNAC, conducted an on site inspection of **2BE-CHI2333’s** Discovery Camp and CH-06 drill site to verify compliance of the conditions of their water license.

## General Condition

On January 27, 2023 Chad Corson (Permitting Coordinator) De Beers Group, emailed Inspector Joseph Monteith a copy of the 2022 Annual Report.

## Inspection

Inspectors Joseph Monteith and James Bolt arrive at Discovery Camp at 1:41pm June 17. At the time of inspection there were 4 people on site. (Sump Pits were buried in Snow)

## Discovery Camp – 1:41PM

1. Aerial Photo taken (Photo #1) showing camp foot print, snow cover hides a lot of equipment and fuel.
2. Monteith and Bolt arrive at the kitchen to have a meeting with David Willis to discuss water usage, updates and other information relevant to the inspection.
3. Upon arrival to the kitchen tent, David Willis showed Inspector Bolt an example stand and secondary containment that holds and contains the fuel for the tent heaters.(Photo #2) Immediately, Inspector Bolt noticed a drip of clear liquid come from the fuel water separator. Upon inspection of the filter, Monteith, Bolt and Willis all witnessed more drips and found an active leak of diesel fuel. The fuel drips were contained to the yellow secondary containment that the fuel barrel was standing in, but the secondary containment was full of snow and water. David Willis mentioned he will write up a spill report for that incident, and quickly, one of the other employees had began tightening the fittings, which stopped the leak.
4. The amount of snow on site made it difficult to see any staining and leaks on the ground. (Photo #3)
5. All of the weather-haven accommodations had a barrel of fuel outside them, each barrel had a stand inside secondary containment and a rain cover to prevent rain getting into the containment, Although, they had accumulated snow over the winter, and many of them had standing water inside the secondary containment. (Photo #4)
6. The hoses that connect the fuel barrels outside, to the heaters inside the accommodations are beginning to deteriorate. (see photo #5) Bolt noted there are lots of spill kits present on site, but still suggested hoses be replaced.
7. Inside the water treatment tent: there are 5, 325 Gallon water tanks (Photo #6)
8. Water is pumped through filters and then a UV light for treatment. Water is then run to a hot water heater if necessary for laundry or showers. (Photo #7)
9. The laundry room has 2 washers, 2 dryers, 5 showers and 2 large sinks.
10. Fuel storage area was full of snow. Many of the fuel berms were buried and unable to be inspected. Much of the fuel we did observe on site were secondary contained. (Photo #8)
11. Further south from the fuel storage is more equipment, most of it was buried, only the tops were visible. No concerns were noted. (photo #9)

## CH-06 Drill Site - 3:15PM

12. When we arrived at the drill site an aerial Photo of CH-06 was taken. (Photo #10)
13. CH-06 Fuel cache, 9 barrel of fuel stored in a mobile containment berm. Snow and Ice were present in the berm. The walls of the berm were collapsed and would not hold any fluids (Photo #11)
14. Inspector Monteith Noted Large batteries (like truck batteries) still present on a generator and still wired in. (photo #12)
15. 3 drills, 1 drill shack, 1 generator, 3 towing platforms, 3 weather havens, 4 wooden shacks, no open doors or animal attractants.
16. Tenting floor foundations on site, empty barrels on each floor mark the locations if they end up beneath snow cover. No Concerns (photo #13)
17. Spill kits were observed on site. (Photo #14 and #15)

## Spill Reports

-Active Diesel fuel leak found outside kitchen, David Willis had already submitted the spill report. (*spill – 2023278*, NT/NU Spills database)

- (after inspection) July 04 2023. 15-20 litres of fuel spilled out of a fuel drum while being handled. Bung Cap was off during the moving of a pallet the fuel drum was sitting on. (*spill – 2023288*)



**Section 2 Non-Compliance with** Choose an item.

1. An active Leak was observed on site. David Willis mentioned he was going to write a spill report for the leaking diesel. A spill was submitted. (*Spill – 2023278*)
2. Standing water and snow inside secondary containment outside accommodations shall be tested for hydrocarbons.
3. Fuel hoses are deteriorating on the outer rubber. (old age, dried from the sun)
4. CH-06 Fuel berm has compromised walls, and therefor cannot contain any leaks or spills.

**Section 3 Action Required**

1. No Actions required for non-compliance issue #1., David Willis had submitted the spill to the spill Line.
  2. All accumulated snow/water in each secondary containment, shall be tested for hydrocarbons.
  3. Change cracking and deteriorating fuel hoses that could cause leaks, spills.
  4. Install a new fuel storage berm at CH-06 Drill site.
- Please respond to the above stated actions required and send proof of compliance to CIRNAC Fields Operations by September 22, 2023.

<b>Licensee or Representative</b> Chad Corson	<b>Inspector's Name</b> Isaiah James Bolt
<b>Signature</b> 	<b>Signature</b> 
<b>Date</b> October 27, 2023	<b>Date</b> 2023/09/06

**PHOTO LOG**

<b>Date:</b> Monday, April 17, 2023	<b>Authorization Number:</b> 2BE-CHI2333	<b>Camera/Model:</b> Sony Cyber Shot, DSCHX50V	<b>Inspector</b> Isaiah James Bolt
<b>Photo No.</b> Photo #1	<b>Location</b> Discovery Camp		



**Description:**  
Aerial Photo shows most of discovery Camp, some equipment, berms and fuel were hidden under the snow.



Photo No.	Location
Photo #2	Discovery Camp



**Description:**

Photo Shows the fuel/water separator that had an active leak. drips were coming from the bottom of the cup. The barrel, barrel stand and secondary containment were all covered with this yellow cover. Snow had accumulated in the secondary containment under the cover.

Photo No.	Location
Photo #3	Discovery Camp



**Description:**

This photo shows the East side of the main accomodations (closest to creek), and the amount of snow still present during inspection.



Photo No.

Photo #4

Location

Discovery Camp



Description:

Photo of the fuel barrel, secondary containment, cover, and fuel stand.

Photo No.

Photo #5

Location

Discovery Camp



Description:

Photo shows a dried out fuel hose with cracks on the outer rubber.



Photo No.  
Photo #6

Location  
Discovery Camp



Description:  
This photo shows the 5 water storage tanks (325 Gallon water tanks)

Photo No.  
Photo #7

Location  
Discovery Camp



Description:  
This photo shows the water treatment system, water flows from the hose on the top right of the pictures, and makes its way to the heaters.



Photo No.	Location
Photo #8	Discovery Camp



**Description:**

Photo shows fuel cache buried in snow.

Photo No.	Location
Photo #9	Discovery Camp



**Description:**

Further south from the fuel berms, more equipment and empty barrels buried in snow.



**Photo No.**  
Photo #10

**Location**  
CH-06 Drill Site



**Description:**  
Aerial photo of CH-06 and Drills

**Photo No.**  
Photo #11

**Location**  
CH-06 Drill Site



**Description:**  
Photo Shows 9 barrels, 2 jerry cans, and various unlabelled containers stored in secondary containment, the berm is filled with snow and ice.



Photo No.  
Photo #12

Location  
CH-06 Drill Site



**Description:**  
Photo of 2 batteries still hooked up to the equipment, and are exposed to the elements.

Photo No.  
Photo #13

Location  
CH-06 Drill Site



**Description:**  
This image shows Tenting platforms, benches, and an empty barrel on each platform to mark their locations.

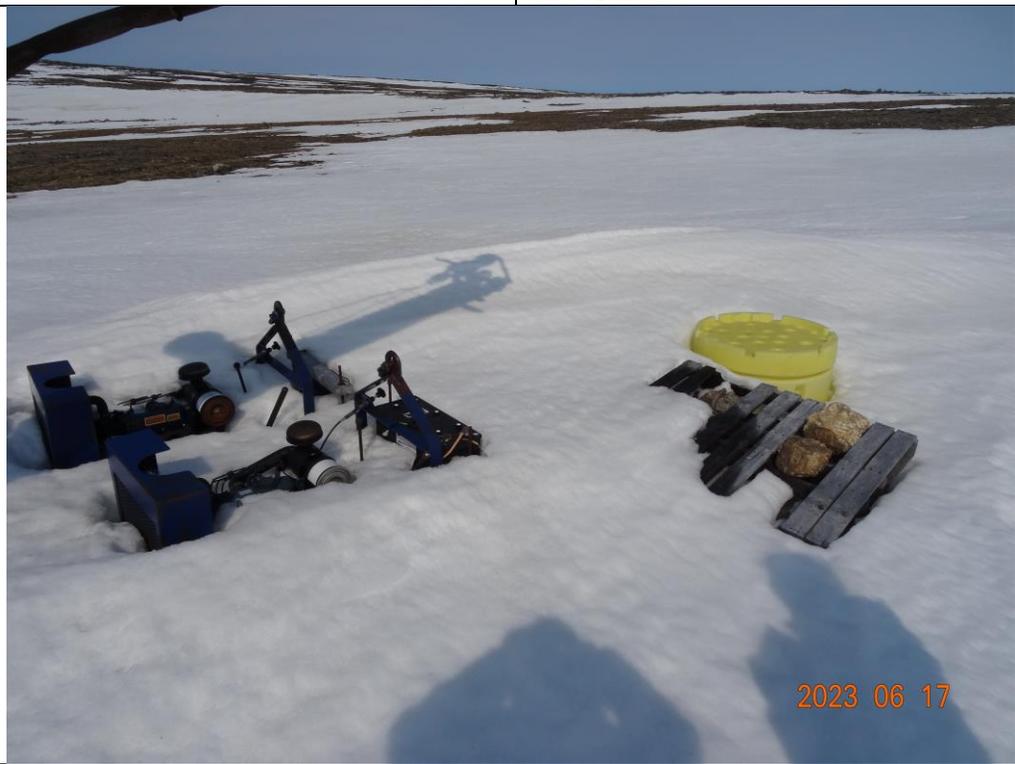


Photo No.	Location
Photo #14	CH-06 Drill Site



**Description:**  
Photo shows one of the drills, with a spill kit present.

Photo No.	Location
Photo #15	CH-06 Drill Site



**Description:**  
This Photo shows another spill kit at CH-06, in a different location than the one above.