

DE BEERS GROUP

October 24, 2023

By Electronic Mail

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Mr. Monteith & Mr. Bolt:

RE: WATER LICENSE INSPECTION REPORT 2BE-CHI2333 RESPONSE TO ACTION ITEMS

On June 17, 2023 Crown Indigenous and Northern Affairs Canada (CIRNAC) conducted a Chidliak Exploration Project site water license inspection under De Beers Peregrine permit 2BE-CHI2333. In response to your inspection report signed September 6, 2023 De Beers has addressed the following four non-compliance items listed in Section 2 of the Inspection report as follows:

- 1) An active Leak was observed on site. David Willis mentioned he was going to write a spill report for the leaking diesel. No Actions required for non-compliance issue #1. David Willis had submitted the spill to the spill Line.**

As acknowledged in the report, the spill was reported to the Spill line. (Spill – 2023278). No further action was required.

- 2) Standing water and snow inside secondary containment outside accommodations shall be tested for hydrocarbons. All accumulated snow/water in each secondary containment, shall be tested for hydrocarbons.**

At the time of the melt and throughout the summer field season all fuel berms and secondary containment items were inspected visually for the presence of hydrocarbons. Any suspect hydrocarbon contaminated rainwater was soaked up using spill rags. The spill rags were stored in empty drums and shipped out for proper disposal as hazardous waste. Remaining water was filtered through a charcoal basin with engineered rain drain filter prior to release.

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- 3) Fuel hoses are deteriorating on the outer rubber. (old age, dried from the sun). Change cracking and deteriorating fuel hoses that could cause leaks, spills.**

An inspection of hoses was carried out during summer maintenance operations. Many hoses that showed signs of deterioration or poor condition were replaced. There were no spill incidents during the 2023 year thought to be caused by hoses at the tents. Further inspection of all hoses will occur during the next camp commissioning and hoses that are found to be in poor condition will be replaced.

- 4) CH-06 Fuel berm has compromised walls, and therefor cannot contain any leaks or spills. could cause leaks, spills. Install a new fuel storage berm at CH-06 Drill site.**

The larger fuel berms at both Discovery and CH-6 camp were taken apart inspected and reconstructed during the summer of 2023. Any compromised berm walls were fully addressed.

The above addressed actions meet the requirements in your report. If you have any questions on this matter, please contact me by telephone at (249)-377-4445 or by email chad.corson@debeersgroup.com.

Sincerely,



Chad Corson
Permitting Coordinator
De Beers Group