



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

INDUSTRIAL WATER USE INSPECTION REPORT

DATE: July 3, 2012 COMPANY REP.: Greg Duso
LICENSEE: DBE-1200712 LICENCE #: MNG

WATER SUPPLY

Source: Ham Lake Quantity Used: Digitally tracked Meter Rdg.: _____

Indicate:		A - Acceptable	U - Unacceptable	N/A - Not Applicable			
Intake Facilities	<u>A</u>	Storage Structures	<u>A</u>	Treatment Systems	<u>A</u>	Recycling	<u>N/A</u>
Flow Meas. Device	<u>A</u>	Conveyance Lines	<u>A</u>	Pumping Stations	<u>A</u>	Modifications	<u>N/A</u>

Comments: Water supply tested in the spring; safe to drink although MNG continues to supply bottled H₂O. Drills equipped with flow meters this spring. Daily volumes in excess of 100 m³. (cont...) see p. 2.

WASTE DISPOSAL

Tailings:	Tailings Pond ☐	Natural Lake ☐	Underground ☐	<u>slump</u>
Sewage:	Sewage Treat. System ☐	Tailings Pond ☐	Natural Water Body ☐	
	Continuous Discharge ☐	Inter. Dischg. ☐		
Solid Waste:	Open Dump ☐	Landfill ☐	<u>Incinerate</u> Burn & Bury ☒	Underground ☐

Indicate:		A - Acceptable	U - Unacceptable	N/A - Not Applicable			
Discharge Quality	<u>A</u>	Conveyance Lines	<u>N/A</u>	Disch. Meas. Dev.	<u>N/A</u>	Freeboard	<u>N/A</u>
Decant Structures	<u>A</u>	Pond Treatment	<u>N/A</u>	Dams, Dykes	<u>N/A</u>	Seepages	<u>N/A</u>
Dyke Inspections	<u>N/A</u>	Runoff Diversion	<u>N/A</u>	Erosion	<u>A</u>	Spills	<u>U</u>

Effluent Discharge Rate: N/A Samples Collected: Potable - by water intake.

Comments: Incinerator management - plastics and metals should not be burned. Waste management (sorting) should occur prior to incineration. Open burning is not permitted under the licence. (see p. 2.)

GENERAL CONDITIONS

Indicate:		A - Acceptable	U - Unacceptable	N/A - Not Applicable	
Ore & Waste Rock Stockpiles	<u>N/A</u>	Records & Reporting	<u>A</u>	Surv. Net. Prog.	<u>N/A</u>
Geotechnical Inspection	<u>N/A</u>	Posting, Signage	<u>A</u>	Contingency Plan	<u>A</u>
Restoration Activities	<u>A</u>	New Construction	<u>N/A</u>	Fuel Storage	<u>U</u>
Mine Water Discharge	<u>A</u>	Chemical Storage	<u>A</u>	Annual Report	<u>A</u>

Comments: Fuel Management - Liners are needed under fuel transfer areas (bousers, storage tanks, bulk drums etc.) within 30 days from today. Fuel drums at drill sites should be positioned (see p. 2.)

Violations of Act or Licence: Failure to install liner as per last inspection. Water usage in excess of licensed quantity. Open burning.

General Comments: No major issues noted, mostly the implementation of better practices. Amendments to licence will be required and renewal prior to Dec 2012.

Page 2 attached ☒ Yes ☐ No

PROJECT MANAGER.
Licensee Representative's Title

Eva Paul
Inspector's Name

A Duso
Licensee Representative's Signature

[Signature]
Inspector's Signature



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ENVIRONMENTAL INSPECTION REPORT

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Permit/License# 2BE-1200712

(Water supply) Shallow water body chosen at drill 1466. Greg directed drillers to choose a larger water source.

(Waste disposal) Hazardous waste shipping manifests were presented and in good order. Incinerator management plan should be reviewed. Unsure if it is working properly - burned remains still smelled of food.

(fuel) so there is no risk of rolling downhill. (drill 1493) Barrels at Hood camp helo refuelling location should be in containment. Leaking drum was found at Hood and was righted. Daily inspections of all fuel caches should be implemented. Liner is also needed in maintenance shop (30 days).

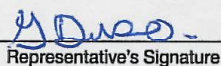
→ Liners in fuel transfer areas, ^{bulk fuel storage areas,} and maintenance shop within 30 days and a follow up report with photos to be submitted to Inspector.

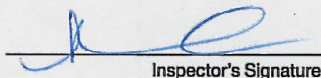
→ Open burning will not occur without proper authorizations.

→ Sorting of waste prior to incineration is recommended, and an incinerator management plan should be prepared and submitted with annual report.

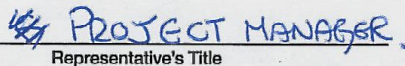
→ Licence needs to be amended to accurately capture activities at Hood & Gondor. Water quantity must be amended.

A follow-up report will follow after the field season and upon review of inspection photos and notes.


Representative's Signature


Inspector's Signature

RMO Initials


PROJECT MANAGER
Representative's Title

District Mgr. Initials

Copy 1 - Inspector's File

Copy 2 - Field Rep.

Copy 3 - Permittee Head O.

Copy 4 - District