



WATER LICENCE INSPECTION FORM

☒ Original
☐ Follow-Up Report

| | |
|---|---|
| Licensee MMG | Licensee Representative Peter Cullinane |
| Licence No. / Expiry 2BE-IZO1217 | Representative's Title Field Program Manager |
| Land / Other Authorizations 86H/10-001 | Land / Other Authorizations N2012C0005 |
| Date of Inspection 15/08/2014 | Inspector Eva Paul |
| Activities Inspected <input checked="" type="checkbox"/> Camp <input checked="" type="checkbox"/> Drilling <input type="checkbox"/> Mining <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Reclamation <input checked="" type="checkbox"/> Fuel Storage <input type="checkbox"/> Roads/Hauling <input type="checkbox"/> Other: | |

| Conditions: | | A - Acceptable | C - Concern | U - Unacceptable | NA - Not Applicable | NI - Not Inspected |
|---|-----------|----------------|------------------------------|------------------|---------------------|---------------------------|
| Water Use | Condition | Comment | Site Conditions | Condition | Comment | Haz/Mat Management |
| Intake/Screen | A | | Water Management Structures | A | | Storage |
| Flow Measure. Device | A | | Culverts / Bridges | NA | | Spills |
| Source: Ham Lake | A | | Drainage | A | | Spill Plan |
| Water Use: | A | 1 | Erosion / Sediment | A | | |
| Recirculation (y / n) | A | | Mitigation Measures | A | | Administrative |
| | | | Reclamation Activities | A | 4 | Records |
| | | | Materials Storage | A | | Reports |
| Waste Disposal | | | Signage | NA | | Plans |
| Waste Water | A | 2 | | | | Notifications |
| Solid Waste | A | 3 | Monitoring | | | Other |
| Hazardous Waste | A | 3 | Sample Collection / Analysis | NA | | |
| | | | | | | |
| <i>*The number in the comments field will correspond with specific comments provided below.</i> | | | | | | |
| Samples taken by Inspector: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | Location(s): | | | |

| | | | |
|--|---|---|---|
| SECTION 1 | <input checked="" type="checkbox"/> Comments (s.1) | <input checked="" type="checkbox"/> Non-Compliance with Act or Licence (s.2) | <input type="checkbox"/> Action Required (s.3) |
| <p>A Water Licence Inspection was conducted on August 15, 2014. I was accompanied for the inspection by Field Program Manager Peter Cullinane. It is a small camp this year (less than 20) and only on-site for a month. Nevertheless, site improvements at Ham Lake Camp are evident. There has been considerable effort to organize the site; backhauling waste and minimizing the amount of equipment and goods kept on hand. The drill sites were found to be well-managed and clean. MMG is running a one-drill program this summer.</p> <ol style="list-style-type: none"> The camp has reverted to an on-demand system. The pump is electric so that it can be activated on-demand from camp. The drill is still using a continuous flow system; using up to 67m² per day. However, with one drill there is no likelihood of exceeding the licensed amount of water. The grey water sump has been modified; it is now covered, and rocks have been put in place to diffuse the water. No grease or food particles were evident in the water, which soaks easily into the sandy soil. The drill is currently not requiring salt, so cuttings are relatively benign. Cuttings are being deposited to rocky depressions nearby the drills, and an effort made to keep the cuttings from flowing onto the vegetation. Waste management practices are good. Waste segregation is occurring, and only acceptable materials burned in the incinerator. Bulky waste and hazardous waste at site has been reduced through backhauls, all hazardous materials and waste were found in | | | |



secondary containment.

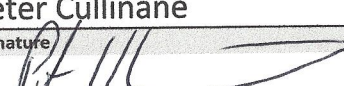

4. A concerted effort has been made to address the historical drill sites that require remediation. Cuttings and anchors are being pulled or cut at ground level and will be capped. The historic drill laydown area behind camp has been completely cleaned up and fenced off to allow the area to revegetate. Peter plans to investigate remediation options for the old tank farm in preparation for next season. Please consult with the *Government of Nunavut's Environmental Guideline for Site Remediation, 2010*, to determine soil reclamation objectives for the tank farm. This document can be found at: <http://env.gov.nu.ca/sites/default/files/Guideline%20Contaminated%20Site%20Remediation.pdf>. If there is contamination and in-situ remediation is planned, please discuss your intent with a technical advisor at the NWB. It will likely require that you submit a proposal for modification to the NWB and update the A&R plan to include a section for remediation of hydrocarbon-impacted soils.
5. Records (water and waste) were found to be up-to-date and comprehensive. Routine inspection logs were also maintained.
6. Plans are updated annually and submitted with the Annual Report.
7. Notification of the potential water sources to be used for drilling was not submitted prior to commencement of drilling. They were provided to the Inspector during the course of the inspection.

SECTION 2 ☐ Comments ☒ Non-Compliance with Act or Licence ☐ Action Required

Part C Item 3: Failure to provide coordinates for potential water sources prior to commencement of drilling.

SECTION 3 ☐ Comments ☐ Non-Compliance with Act or Licence ☐ Action Required

Keep up the good work! I look forward to my next visit.

| | |
|--|---|
| Licensee or Representative | Inspector's Name |
| Peter Cullinane | Eva Paul |
| Signature  | Signature  |
| Date | Date |
| AUG 15 2014 | 15/17/2014 |

APPENDICES: ☐ Inspection Photos ☐ Sample Results ☐ Other: _____

Office Use Only: Follow-up report to be issued by Inspector ☐ Yes ☒ No

CC: Phyllis Beaulieu, Manager of Licensing, NWB
Erik Allain, Manager of Field Operations, AANDC
Baba Pedersen, Resource Management Officer, Kitikmeot Region, AANDC