

# DE BEERS

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28 September, 2015

**BY E-MAIL**

Eva Paul  
Water Resources Officer  
Aboriginal Affairs and Northern Development Canada  
Nunavut Regional Office  
Building 969, PO Box 2200  
Iqaluit, NU X0A 0H0

**Re: July 16 2015 Report of Inspection for License 2BE-KIK0608**

Dear Ms. Paul,

This letter is to inform you that De Beers Canada, Inc. has begun action with respect to the two items identified in Section 3 of the July 16 2015 Report of Inspection for License 2BE-KIK0608. Please accept this letter as our formal confirmation that work will be undertaken to remediate the site; thus completing the first item of Section 3.

De Beers Canada, Inc. has a two-phase plan to execute the clean-up of the Knife Lake site. The focus of Phase 1 is to extract 8 drums of P-80 and 1 drum of gasoline whereas Phase 2 will focus on the clean-up of all debris from the drilling sites and the camp.

I am pleased to report that Phase 1 was completed on September 23, 2015. In addition to the extraction of drums from the site plastic debris from the lake was retrieved and wooden debris has been stacked in preparation for Phase 2. We have included photographs showing the progress made thus far. The completion of Phase 2 will take place early next summer before the stipulated September 30, 2016 deadline. Once all work has been completed a report with photographs will be submitted.

I hope the efforts made thus far demonstrate our sincerity and commitment to this matter. We would like to reiterate that we are as concerned as you are about the apparent lack of compliance with the terms of the license. I can assure you that this incident is *not* a reflection of the values or conduct in which we operate.

Yours truly,

Jonas Schuett  
ECOHS Coordinator  
De Beers Canada Inc. - Exploration

Cc: Chris Wallace, DBCI Business Support and Assurance Manager  
Chris Redhead, DBCI Safety, Health and Environment Coordinator

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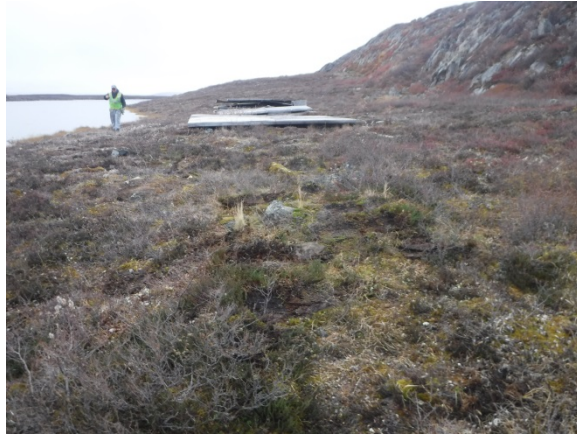
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Photographs of Phase 1 from September 23, 2015

Fuel drum area (Before)



Fuel drum area (After)



Wooden debris (Before)



Wooden debris (After)

