



INDUSTRIAL WATER USE INSPECTION REPORT

DATE: July 5+6, 2012 COMPANY REP.: Dave Vorey
LICENSEE: Elgin LICENCE #: 2AM-LUP 0914
2BS-LEP 1217

WATER SUPPLY

Source: Contwayto Lake Quantity Used: _____ Meter Rdg.: N/A

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

Comments: Water currently trucked and treated. Facility acceptable. Check order of treatment: UV before Chlorine. Truck loads recorded and logged.

WASTE DISPOSAL

Tailings: Tailings Pond ☒ (U) Natural Lake ☐ Underground ☐

Sewage: ~~XXXX~~ Sewage Treat. System ☐ Tailings Pond ☐ Natural Water Body ☐
Continuous Discharge ☐ Inter. Dischg. ☒ 2 Pond system. (A)

Solid Waste: Open Dump ☐ Landfill ☐ Burn & Bury ☒ (A) Underground ☐

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

Effluent Discharge Rate: N/A Samples Collected: disch. from sewage lagoon, Bommerang Lake

Comments: Old burn pit being used as sorting area. Salt spill to be cleaned up immediately. Much legacy waste; barrels buried in berm walls. Old landfill is exposed - metal waste apparent off sides. Water ponding →
see p 2

GENERAL CONDITIONS

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

Comments: See attached sheets.
Please submit geotechnical inspection report to inspector upon receipt.

Violations of Act or Licence: See attached sheets.

General Comments: Elgin has a lot of legacy hazards and contamination to be addressed to bring this site into compliance. A compliance plan will be necessary to identify risks and priorities for action. Good Luck!

Page 2 attached ☒ Yes ☐ No
+ 3.

Active Environmental Co-ordinator
Licensee Representative's Title

Eva Paul
Inspector's Name

[Signature]
Licensee Representative's Signature

[Signature]
Inspector's Signature

1 of 3.



2 of 3

Date: July 5+6, 2012

ENVIRONMENTAL INSPECTION REPORT

Page 2

Permit/License#

2AM-LUP0914, 2BS-LEP1217

(Waste)

below; sampling for leachate required and delineation of contamination. Tailings Mgmt: Windblown material is creeping outside perimeter. Sampled soil off Dam 6. Erosion of road also noted at Dam 6. Cover material on tailings is thin in places or entirely absent. This is unacceptable and is to be addressed through upcoming geotech assessment. Wildlife use of the tailings area presents a risk to animal health.

Drill Mgmt: Good use of sling basket for drill salts + hazardous materials. Secondary containment of fuel tanks is to be considered mandatory, and use of drip trays for all fuel transfer activities. Drill cuttings shall be deposited in a properly constructed sump or natural depression as per Part F item 2 of 2BS-LEP1217. Drill 2SA9 was releasing cuttings in uncontrolled/undirected manner which resulted in cuttings flowing 50m+ in direction of a water body. Fuel tank was tilted and signs of overfilling present.

Hydrocarbon contamination is a significant issue throughout the site. Where liners are present they are exposed, punctured, and generally suspect. Heavy contamination is noted in most berms and the Satellite Tank Farm obviously overtopped and released contamination to the outside environment. The haz → see p.3.

Representative's Signature

Inspector's Signature

RMO Initials

Acting Environmental Coordinator

Representative's Title

District Mgr. Initials

Copy 1 - Inspector's File

Copy 2 - Field Rep.

Copy 3 - Permittee Head O.

Copy 4 - District

ENVIRONMENTAL INSPECTION REPORT

Page 3

Permit/License#

2AM-2UP0914; 2BE-LEP1217

waste from storage area has open/exposed barrels and heavy contamination. Sampling in pond beneath this area is required.

→ For immediate action:- drill management practices to be adjusted as described

- salt spill in burn pit to be cleaned up

- fuel transfer to occur over containment throughout site.

→ Before the end of this field season:- September 15th, 2012

- A risk assessment is to be conducted to identify highest risks to the outside/receiving environment. Delineation of contamination through sampling is to be included, not limited to those suggested here.

→ By October 31: A draft compliance plan that outlines every article in the licences in non-compliance and suggests actions and timelines. Priority is to be placed on preventing further contamination and containing contamination within the site. This plan will be approved submitted to the inspector and final plan to be approved by Dec 31, 2012

A follow up report will be submitted to Eldm following review of of photographs and pertinent documents by the inspector.

Laudrum

Representative's Signature

[Signature]

Inspector's Signature

RMO Initials

Acting Environmental Co-ordinator

Representative's Title

District Mgr. Initials