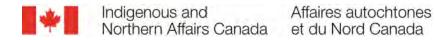
Appendix 5 – Inspection Reports



Permittee

\boxtimes	Original	
	Follow-U	p Report

CROWN LAND USE INSPECTION FORM

Representative

APEX geoscience	Christopher Livi	ngstone		
Permit No. / Expiry	Representative's Title	-		
N2015C0014	N/A			
Other Authorizations	Land / Other Authorization	ns		
Date of Inspection	Inspector			
July 25, 2018	Jonathan Mesh	<u>er </u>		
Activities Inspected ☐ Camp ☐ Drilling ☐ Mining	☐ Construction	Reclamation		Fuel Storage
Roads/hauling Other:	Other:			. uo. ete. uge
Conditions: A- Acceptable U-Unaccep	table C-Concern	NI-Not Inspected		lot applicable
Land Use PermitN2015C0014:		Term No.*	Condition	Observation No.
31 (1)(a) Location and Area			А	
31 (1)(b) Time			Α	
31 (1)(c) Equipment			Α	
31 (1)(d) Methods and Techniques			Α	
31 (1)(e) Type location, capacity and operation of facilit	,		А	
31 (1)(f) Control or prevent of flooding, erosion, and su			Α	
31 (1)(g) Use, storage, handling and disposal of chemical	al or toxic materials	36,37,38	С	
31 (1)(h) Wildlife and fisheries habitat			А	
31 (1)(i) Objects and places of recreation, scenic and ec	ological value		А	
31 (1)(k) Petroleum fuel storage		63,66	С	
31 (1)(m) Matters not inconsistent with the regulations	1		Α	
Lease #:		Term No.*	Condition	Observation No.
Term				
Rent and Taxes				
Use				
Assignments				
Breach				
Termination				
Reclamation				
Environmental				
Fuel and Hazardous Chemicals				
Boundaries/Survey				
Improvements				
Access				
Indemnification				
Notices				
Archeology	Archeology			
General				
*refers to specific terms and conditions found in the permit/lease in q	uestion.			
SECTION 1 Comments (s.1)	lon-Compliance with Pern	nit, Act or Regs (s.2)	Action	Required (s.3)
On July 25, 2018 an Inspection was conducted of t	<u> </u>			

involved in the second in the
On July 25, 2018 an Inspection was conducted of the Land Use Permit (LUP) N2015C0014, The Project Is located
approximately 110 km south of Resolute Bay NU, at N 73°39.4504′ X W94°27.1407′ adjacent to the Aston river on
Somerset Island.

Inspection:

- The main camp is located in the Aston River, river valley, at the time of the inspection the site was clean with no concerns were noted about the location of this camp.
- All secondary containment appeared to be used at all storages of fuel.
- The Kitchen tent and two wash tents had pipes leading to sumps constructed of wood walls, it appears the sumps are operating as intended and the waste does not appears capable of flowing directly into water or spreading to surrounding lands.



Report # Page 1 of 4

Affaires autochtones et du Nord Canada

- The previous inspector and the permittee had agreed to deposit drill cuttings in porous boulder fields, I am recommending that the Licensee use sumps as required in this permit. The use of sumps will help to ensure that the drill cutting so not spread to surrounding lands.
- The licensee is still in the process of remediating old drill collars from exploration that occurred in the 1970's.
- At the time of the inspection the licensee was storing fuel outside their bear fence, Item 63, of the LUP N2015C0014 states that "the permittee shall store fuel and chemicals in such a manner that it is inaccessible to wildlife.", It is recommended that the licensee consult with the Engineer of Lands at CIRNAC to determine the extent of the inaccessibility to wildlife is required.
- During the inspection it was noted that three (3) small fuel containers were left open, this is in contradiction of, item 66, of the permit N2018N0004 which states; "the permittee shall seal all container outlets except the outlet currently in use." The licensee was informed of this issue at the time of the inspection and was encouraged to ensure all employees are aware of the terms and conditions of their LUP.

SECTION	Comments	Non-Compliance with Permit, Act or Regs	★ Action Required
•		s at the drill sites and ensure that drill waste is contiguous surrounding. This is required in items; of drill cuttings.	•
•	The permittee is to consult with the Item 63. See figure 2 and 3 for fuel s	Engineer of Lands regarding the extent of wildli torage	fe inaccessibility required in
•	The Permittee is to ensure all fuel co	untainers are sealed when not in use. See figure	1 for containers not sealed

Licensee or Representative	Inspector's Name
APEX Geoscience	Jonathan Mesher
Signature	Signature
	M/M/M
Date	Date
	September 4, 2018

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



Report # Page 2 of 4



Figure 1: Containers not sealed



Figure 2: Jet fuel



Report # Page 3 of 4



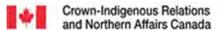
Figure 3: Oil and Grease storage



Figure 4: drill cuttings not disposed into a sump



Report # Page 4 of 4



WATER LICENCE INSPECTION FORM

\leq	Original	
	Follow-Up	Report

Licensee			Licensee Representative		
Christopher Li	vingstone		Christopher Living	gstone	
Licence No. / Expiry			Representative's Title		
2BE-STO1520			Project Geologist		
Land / Other Authorizatio	ns		Land / Other Authorizations		
N2015C0014					
Date of Inspection			Inspector		
July 25, 2018			Jonathan Mesher		
Activities Inspected					
	⊠ Drilling	☐ Mining	☐ Construction	☐ Reclamation	
☐ Roads/Hauling	Other: Water Discharge)	Other: Municipal		

Conditions:	A - Acceptable	(C - Concern U - Unac	cceptable	NA –	Not Applicable	NI – Not Ins	pected
Water Use	Condition	Comment	Site Conditions	Condition	Comment	Haz/Mat Management	Condition	Comment
Intake/Screen	А		Water Management Structures	NA		Storage	А	
Flow Measure. Device	A		Culverts / Bridges	NA		Spills	NI	
Source: Aston Rive	er A		Drainage	NA		Spill Plan	А	
Water Use:	А		Erosion / Sediment	NA				
Recirculation (y /ı	n) NA		Mitigation Measures	NA		Administrative		
			Reclamation Activities	NA		Records	А	
			Materials Storage	Α		Reports	А	
Waste Disposal			Signage	Α		Plans	А	
Waste Water	А					Notifications	NA	
Solid Waste	А		Monitoring			Other		
Hazardous Waste	NI		Sample Collection / Analysis	A				
	*The numbe	r in the co	mments field will corresp	oond with sp	ecific com	nments provided bei	low.	
Samples taken by	Inspector:		Location(s):					
☐ Yes ⊠ No								

SECTION 1	Comments (s)	Non-Compliance with Act or Licence (s)	Action Required (s
-----------	--------------	--	--------------------

On July 25, 2018 an Inspection was conducted of the Water licence 2BE-STO including the Camp, lay down areas, fuel containment structures and drilling activities.

The Project Is licensed for up to 2 cubic meters of water per day for camp use as well as 15 cubic meters per day of water for drilling activities. The Camp is located approximately 110 km south of Resolute Bay nu, at N 73°39.4504′ X W94°27.1407′ adjacent to the Aston river on Somerset Island.

Inspection:

Water usage

- The main camp uses water from the Aston River and the drill sites use water from surrounding water bodies.
- A mesh screen was installed at the locations where water was being drawn.
- No concerns were noted regarding the usage of water at the camp or drill sites.

Waste Disposal/ storage

- Secondary containment appeared to be used at all storages of fuel; no concerns were noted regarding the licensee's storage of fuel.
- The Kitchen tent and two wash tents had pipes leading to sumps constructed of wood walls, it appears the sumps are operating as intended and the waste does not appears capable of flowing directly into water.
- The previous inspector and the licensee had agreed to deposit drill cuttings in porous boulder fields, I am recommending that the Licensee use sumps to ensure that the drill cutting so not enter surrounding water bodies.
- The licensee is still in the process of remediating old drill collars from exploration that occurred in the 1970's.



Crown-Indigenous Relations and Northern Affairs Canada

Comments (s.

SECTION 2

Non-Compliance with Act or Licence (s.__)

Action Required (s.__)

The only Action required at this time is to discontinue the practice of depositing cuttings into a boulder fields and start using sumps.

Photo Log			
Date	Authorization	Camera	Inspector
July 25,2018	2BE-STO1520	Sony Cyber shot	J.Mesher



Figure 1: Sleeping tent heating fuel.





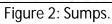




Figure 3: Fuel storage.



Figure 4: oil and grease storage.





Figure 5: drill site

Licensee or Representative	Inspector's Name
	Jonathan Mesher
Signature	Signature
Date	Date
	10/15/2018

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

