



INDUSTRIAL WATER LICENCE INSPECTION REPORT

Date: July 5, 2013	Licensee Rep. (Name/Title): Dave Vokey
Licensee: Elgin Mining / LMI	Licence No.: 2BM-ULU0914

I arrived on-site by helicopter. No vehicles were operational. The airstrip and the main site were inspected on-foot, and water samples taken at East and West Lakes.

WATER SUPPLY

Source(s): West Lake	Quantity used: NA - inactive
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Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Intake Facilities: A	Storage Structure: NI	Treatment Systems: NI	Chemical Storage: A
Flow Meas. Device: NI	Conveyance Lines: NI	Pumping Stations: NI	Screen: NI

Comments: Water intake has been removed from the lake while the site is inactive.

WASTE DISPOSAL

SEWAGE: Sewage Treatment System (Prim./Sec/Ter.): **Rotating Biological Contactor (RBC) (*inactive*)**

- | | |
|---|--|
| <input checked="" type="checkbox"/> Natural Water Body | <input type="checkbox"/> Wetlands Treatment |
| <input checked="" type="checkbox"/> Continuous Discharge (land or water) | <input type="checkbox"/> Seasonal Discharge |
| <input type="checkbox"/> Incineration | <input type="checkbox"/> Pit-privy/outhouse |

Comments: During operations, the RBC was used to treat sewage prior to discharge into East Lake. The camp is currently inactive and therefore no sewage is being produced. The RBC should not be used for short-term operations due to the time required for the discharge to become compliant (requires storage of the effluent until it meets discharge criteria). If short-term site operations are planned for 2014, an alternate sewage management system is recommended.

SOLID WASTE:

- | | |
|---|---|
| <input type="checkbox"/> Landfill | <input type="checkbox"/> Burn & Landfill |
| <input type="checkbox"/> Open Burn | <input checked="" type="checkbox"/> Incinerate |
| <input checked="" type="checkbox"/> Backhaul | <input type="checkbox"/> Other: _____ |

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Waste Management Area: U	Waste Segregation Practices: NI	Incinerator Efficiency: NI
Signage: NI	Records: NI	

Comments: Much work was done in 2012 to sort waste on-site. However, not all waste was removed from site. Waste storage areas should be marked, areas designated for each type of waste. Barrels are still found around on the rock pad, rather than in designated storage areas. Empty fuel barrels and hazardous waste remain to be backhauled. Barrels with sewage from 2012 remain at the airstrip for backhaul.



FUEL and HAZARDOUS MATERIALS MANAGEMENT

- | | |
|--|---|
| <input checked="" type="checkbox"/> Fuel | <input checked="" type="checkbox"/> Lubricants |
| <input type="checkbox"/> Drill additives/Salts | <input checked="" type="checkbox"/> Hazardous Waste |
| <input type="checkbox"/> Other: _____ | <input type="checkbox"/> |

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Berms & Liners: U	Water within Berms: A	Evidence of Leaks: A
Drainage Pipes: NI	Pipeline Condition: NI	Condition of Tanks: A
Pump Station: A	Spills: U	Contingency Plan: A

Comments: Numerous spills are visible around the site. Spills on-site should be addressed at the time of the spill. Two leaking barrels were found during the inspection: one at the airstrip (outside of containment) and one in the fuel storage area outside the main tank farm. All hazardous materials are to be stored in secondary containment. Hazardous and human waste is to be removed from site particularly with site in care and maintenance. All fuel at the airstrip is to be stored in secondary containment and is to be covered during periods when the site is inactive.

Berm at the airstrip containing MMG fuel is torn. Licensee is responsible for all hazardous materials onsite.

SITE CONDITIONS

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Ore & Waste Rock Stockpiles: NI	Mine Water Discharge: NI	Geotechnical Inspection: NI
Erosion: A	Seepages: NI	Construction: NA
Restoration Activities: U	A&R Plan: NI	

Comments: No signs of erosion were noted during the inspection. All drill sites are to be restored and drill casings cut or removed as per Licence requirements for progressive reclamation.

MONITORING PROGRAM

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Samples Collected:	Owner / Operator: -	AANDC: 2 - East and West Lakes
Signs Posted:	SNP: U	Warning: NI
Records & Reporting: U		

Comments: Monitoring of the site is to continue as per licence requirements under Part J, unless documentation can be provided to the Inspector showing dispensation from the Board to suspend monitoring at the site. Please note that any water discharged from the Retention Pond in the future will require specific monitoring as it was used temporarily to store sewage effluent in 2012. This will be addressed on an as-needed basis.

Non-Compliance of Act or Licence:

Part E Item 3. Secondary containment for hazardous materials and fuel storage areas.

Part J Item 1. Failure to implement the Monitoring Program.

Action Required:

1. All fuel is to be stored in secondary containment, and covered to prevent water accumulation in the containment during periods of inactivity.
2. Hazardous waste is to be backhauled.
3. Sewage at the airstrip is to be backhauled in 2013, and as much hazardous waste as possible removed from site.
4. MMG berm is to be repaired or replaced, or MMG fuel removed from site.



5. Spill at the airstrip is to be cleaned up as per Spill Contingency Plan.
6. Items 1-5 are to be completed and a report submitted to the Inspector by September 30 2013.
7. The Monitoring program is to be implemented immediately, or documentation provided to the Inspector by July 31, 2013 that demonstrates authorization of the Board to discontinue Monitoring.
8. Waste storage areas are to be clearly identified.
9. Waste is to be clearly identified.
10. A timeline to address progressive reclamation of drill sites is to be prepared.
11. Items 8-10 are to be addressed in the next field season.

Failure to implement the recommendations of the Inspector will result in the issuance of an Inspector's Direction under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*.

Eva Paul

Inspector's Name

Inspector's Signature

July 25, 2013

Date