



P.O. Box 1500  
4923 52<sup>nd</sup> Street  
Yellowknife, NT  
X1A 2R3

January 10<sup>th</sup> 2019

North American Tungsten Corporation Ltd  
Cantung Mine Site  
P.O. Box 848  
Watson Lake, YT  
Y0A 1C0

**RE: Water Licence MV2015L2-0003 and Various Land Use Permits – Cantung Mine Site, NT -  
Inspection**

Dear Mr. Delaney,

An Inspection of the Cantung Mine site was completed by Resource Management Officer's Devin Penney and Tim Morton on January 10<sup>th</sup> 2019. The inspection was conducted to ensure compliance with the terms and conditions of water licence MV2015L2-0003 and the various land use permits issued for the Cantung site.

The Inspectors were satisfied with the overall condition of the site as there were no concerns noted during the inspection. The environmental inspection report is attached along with pictures of the site that were taken during the inspection. If you have any questions or concerns please contact me at (867) 669-2468.

Thank you,

Devin Penney  
Resource Management Officer (Inspector)  
Resource and Lands Division  
Indigenous and Northern Affairs Canada

cc. MVLWB – via email  
INAC Resources and Lands – via email  
INAC CARD – via email  
Callum Beveridge – via email  
Cantung Environmental – via email



## WATER LICENCE ENVIRONMENTAL INSPECTION REPORT

Licensee:	North American Tungsten Corporation Ltd	Inspection Date – January 10 <sup>th</sup> 2019
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<b>Water Licence No.</b>	MV2015L2-003	<b>Last Previous Inspection:</b>	May 23 <sup>rd</sup> 2018
<b>Quantity of water not to be exceeded:</b>	30,000 Cubic Meters Per Week	<b>Licence Expiry Date:</b>	January 27 <sup>th</sup> 2024
<b>Contractor:</b>		<b>Subcontractor:</b>	

Location(s) Inspected:	Cantung Mine Site, NT
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Current Stage of Operation:	Care and Maintenance
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Program Modifications Approved:	N/A
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Compliance with Items: “A” - Acceptable “U” - Unacceptable “N/A” - Not Applicable

Part	Licence Items	Compliance with Items	Item # and Comments
A	Scope	A	
B	General Conditions	A	
C	Conditions Applying to Security	N/A	
D	Conditions Applying to Water Use	A	
E	Conditions Applying to Construction	A	
F	Conditions Applying to Modifications	A	
G	Conditions Applying to Waste and Water Management	A	
H	Conditions Applying to Aquatic Effects Monitoring Program	A	
I	Conditions Applying to Aquatic Effects Monitoring	A	
J	Conditions Applying to Closure and Reclamation	A	



## ENVIRONMENTAL INSPECTION REPORT Pg. 4 (Continued)

Date: January 10 <sup>th</sup> , 2019	Licence #: MV2015L2-003
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Explanatory Remarks
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On January 10<sup>th</sup>, 2019 an inspection of the North American Tungsten Corporation Ltd mine site was completed by Resource Management Officer's Devin Penney and Tim Morton. This inspection was conducted to ensure compliance with the applicable terms and conditions of water licence MV2015L2-0003 and land use permits MV2014C0015, MV2014D0012, MV2012C0014, MV2012S0011, and MV2009Q0049.

The Inspector noted no concerns with the water intake system. The inside of the plant was well organized and the plant was pumping water from the Flat River at a rate of 56.0 liters per minute (Photo #1), well within the licence limit of 30,000 cubic meters per week. The water treatment process consists of an injection of chlorine at a rate of approximately 11.5 ml/min. (Photo #2). The inspectors requested all chlorine containers be stored within secondary containment to prevent a release to the environment in the event of a container failure.

There was minimal activity onsite and there were no concerns noted by the Inspector during the inspection. All of the fuel tanks and hazardous waste were maintained in an acceptable manner.

Water sampling was conducted by the Inspector to ensure that water quality was within the parameters stated in water licence MV2015L2-0003. There was adequate signage in place for the identification of SNP stations, in compliance with condition #11 of the water licence (Photo #7). The following SNP stations were sampled for these parameters:

- 4-13            TSS, Total Ammonia, ICPMS2, Sulphate, Nitrate-N, Visible Oil & Grease, BTEX, Purg HC
- 4-20            TSS, Total Nitrogen, ICPMS2, Visible Oil & Grease, BTEX, Purg HC

Results from the lab are currently pending. Any exceedances reported within the sample results will be brought to the Permittee's attention immediately.

The Inspector's noted that the incinerator contained a burned Hydrocarbon container (Photo # 10). Staff were advised and no fuel accelerant is permitted to be burned inside the incinerator including used oil filters that were found in the bin next to the incinerator (Photo # 11).

Inspectors reviewed the Management plans on site and advised that the Spill Contingency Plan be updated to include the steps and procedures necessary to mitigated a release of sediment into the Flat river from the quarry. Over recent years this has become one of the environmental risks on site and the plan should be updated to address this risk.

Please contact the undersigned Inspector if you have any questions or concerns.

Completed off Site  
Representative's Signature

Devin Penney  
Inspector

Original Signed  
Inspector's Signature



Photo #1: Close up of the water meter intake.



Photo #2: Chlorine injection rate at the water treatment plant.



Photo #3: Chlorine being injected at the water treatment plant.



Photo #4: Chlorine being stored in the water treatment building.



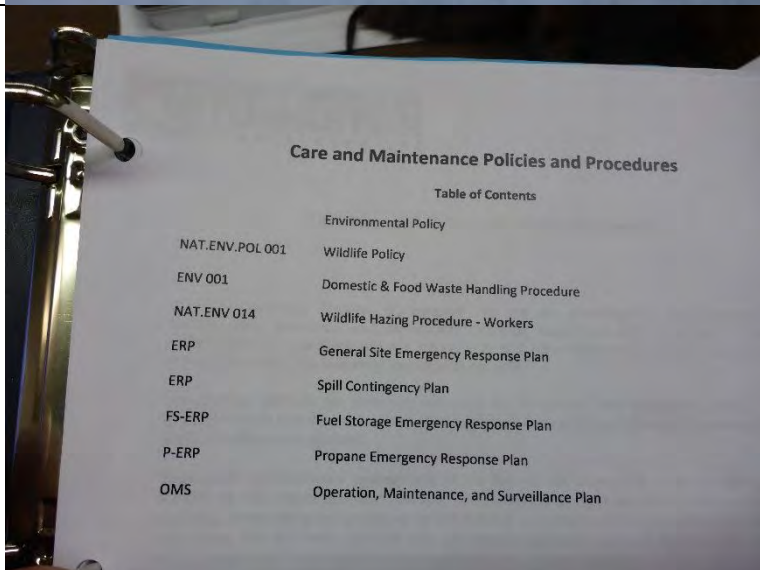
**Photo #5: Large orange fuel tank located uphill from the mill.**



**Photo #6: SNP station 4-12 discharging at the time of the inspection.**



**Photo #7: SNP station 4-20 discharging at the time of the inspection.**

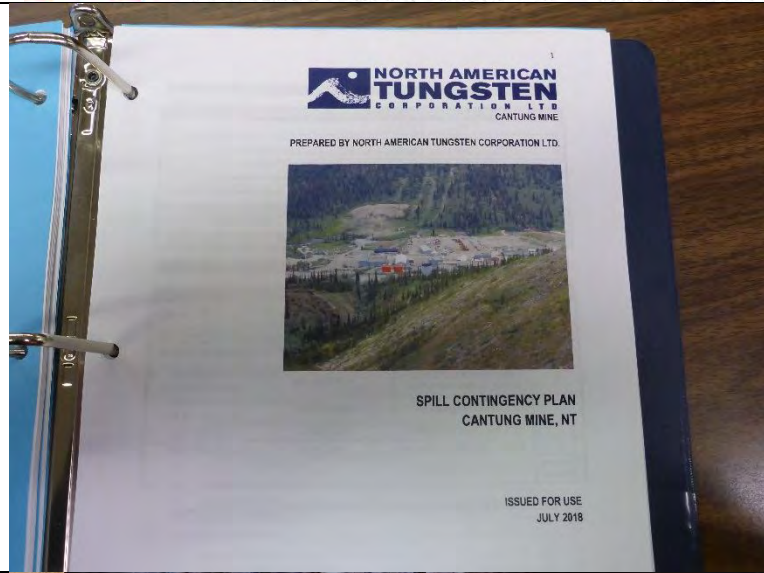


**Photo #8: Care and Maintenance Policies and Procedures on site.**

**Care and Maintenance Policies and Procedures**

Table of Contents

	Environmental Policy
NAT.ENV.POL 001	Wildlife Policy
ENV 001	Domestic & Food Waste Handling Procedure
NAT.ENV 014	Wildlife Hazing Procedure - Workers
ERP	General Site Emergency Response Plan
ERP	Spill Contingency Plan
FS-ERP	Fuel Storage Emergency Response Plan
P-ERP	Propane Emergency Response Plan
OMS	Operation, Maintenance, and Surveillance Plan



**Photo #9: Spill Contingency Plan located in the main office.**



**Photo #10: Flocculent used in the water treatment plant.**



**Photo #11: Flocculent used in the water treatment plant.**