



Telephone: 867-872-2558 ext. 24
Fax: 867-872-3472

December 18, 2018

Pine Point Mining Limited
1100 Avenue des Canadiens-de-Montreal
Bureau 300
Montreal, QC H3B 2S2

Attention: Robin Adair, Jeff Hussey

File Number MV2017C0024
Type of Operation MINERAL EXP - drilling
Location SCS staging, First aid station, M48 drilling, camp set-up, X65 drilling, Foraco staging

Dear Robin Adair, Jeff Hussey,

An inspection of the above noted operation was conducted on December 12, 2018 by Manager, Resource Management Mike Vassal and Manager, Resource Management Rob Walker.

Enclosed is a copy of the Environmental Inspection Report. Please refer to the unacceptable and noted conditions in the general comments section of this report. Your attention to this matter is appreciated.

If you have any questions, please contact Mike at 867-872-2558 ext. 24 or myself at 867-874-6995 Ext 21.

Sincerely,

Rob Walker
Manager, Resource Management
Department of Lands
South Slave Region

CC: MVLWB



ENVIRONMENTAL INSPECTION REPORT

Permittee:	Pine Point Mining Limited	Permit Expiry Date:	July 19, 2022
Land Use Permit No.	MV2017C0024	Previous Inspection:	October 04, 2018
Quarrying Permit No.		Inspection Date:	December 12, 2018
Contractor:		Subcontractor:	
Location(s) Inspected:	First aid station, camp set-up, X65 drilling		
Current Stage of Operation:	One drill in operation. Camp is being set-up		
Program Modifications Approved:			

Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable "N/I" - Not Inspected

Operating Condition	Aspect Inspected				
	Drill Program				
Location as Permitted	A				
Time as Permitted	A				
Equipment as Approved (Type & Size)	A				
Methods & Techniques	A				
Facilities	A				
Erosion (Control or Prevention)	A				
Chemicals	A				
Wildlife and Fisheries Habitat (Protection)	A				
Wastes	A				
Historical / Archaeological Sites	A				
Ecological Resources	A				
Fuel Storage	A				
Brush Disposal	A				
Restoration of Lands	A				
Permits	A				
Matters not Inconsistent	A				

Explanatory Remarks -

Drill Program:

Foraco was drilling in the X65 area on the X65-PP-023 site, 60° 51' 54.1" N 114° 37' 49.6" W .

3 artesian wells were encountered in the X65 area and were all capped on Thursday Dec 13, including X65-021 at 60° 51' 57.2" N 114° 37' 46.5" W which was previously plugged but had started flowing again. The area being drilled is quite swampy hence the increase in artesian wells being encountered.

Inspected previously drilled holes at **X65-15:** 60° 51' 56.8" N 114° 37' 37.6" W, **X65-16:** 60° 51' 54.6" N 114° 37' 38.0" W and **X65-22:** 60° 51' 54.8" N 114° 37' 47.1" W

Foraco staging area was at 60° 51' 50.6" N 114° 37' 40.7" W, set up next to the old X-64 pit. The sump being used for the X65 holes was located at 60° 51' 51.1" N 114° 37' 32.1" W and



ENVIRONMENTAL INSPECTION REPORT

was approximately 10 meters by 8 Meters. Water seen outside the pit was fresh water that was pumped through system when not drilling.

There were a few leaners along the access routes in the X65 area, this was pointed out to Allison the PPML rep on site and was going to be fixed that day. Otherwise access routes were well cut with little windrowing and salvageable timber being cut and stacked. The mulcher is doing good work opening up the access routes.

Work had just started that morning on the tent camp located on the top of the old I-46 waste rock pile at 60° 51' 32.5" N 114° 27' 51.0" W. Discovery Mining was setting up the camp with just a couple tent floors built at the time of inspection.

First Aid truck and office area was located at 60° 52' 01.3" N 114° 25' 13.5" W at the intersection of two major haul roads.

N.A.

Representative Signature



Inspector's Signature



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Inspection Images:

Figure 1
Foraco drilling at X65-18-PP-023



Figure 2
Foraco drilling X-65 023 site



Figure 3
Foraco drilling X65-023



Figure 4
Foraco water source



Figure 5
X65 sump



Figure 6
Foraco staging area at X65





ENVIRONMENTAL INSPECTION REPORT

Figure 7
X-65 015 drill hole



Figure 8
X-65 017 drill hole



Figure 9
Closer view of X65 -021 artesian well



Figure 10
Flowing artesian well, X65-18-PP-021



Figure 11
Core from X-65 hole, end of hole near 45 M.



Figure 12
View of X65-017 drill site





ENVIRONMENTAL INSPECTION REPORT

Figure 13
Completed hole X65-016 with stacked wood



Figure 14
PPM camp being set up



Figure 15
PPM camp. Black diesel drums are empty



Figure 16
PPM camp lay down area



Figure 17
First aid and office site.



Fig 18