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October 12, 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** W-85 sites and access into the site

Dear Robin Adair, Jeff Hussey,

An inspection of the above noted operation was conducted on October 04, 2018 by 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 these matters is appreciated.

If you have any questions, please contact me at 867 874-6994 .

Sincerely,

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

CC: MVLWB



## ENVIRONMENTAL INSPECTION REPORT

<b>Permittee:</b>	Pine Point Mining Limited	<b>Permit Expiry Date:</b>	July 19, 2022
<b>Land Use Permit No.</b>	MV2017C0024	<b>Previous Inspection:</b>	Sept. 7, 2018
<b>Quarrying Permit No.</b>		<b>Inspection Date:</b>	October 04, 2018
<b>Contractor:</b>	Procore	<b>Subcontractor:</b>	
<b>Location(s) Inspected:</b>	W-85 sites and access into the site		
<b>Current Stage of Operation:</b>	Drill was not in operation , core being hauled out.		
<b>Program Modifications Approved:</b>			

**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)	U	24 & 27		
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:**

Access into the W85 sites is about a 10 km overland drive from end of existing mine road and then utilizes existing cutlines and access. Site is in a recent burn area and partially in soft swampy ground. Access in to the site goes thru swampy areas and is starting to show signs of rutting, recommend that work be suspended and wait for the ground to fully freeze.

Condition # 27 ( Picture # ) Site that is being drilled, W8518PP004, looked good, using a tank to collect drill cuttings and recirculate the water. Its then hauled back to sump near old haul road. Four holes have been drilled in the area with W-85 18 PP-003 (N60 50 06.7 W114 47 27.9) having water flowing out of the hole with a strong sulfur smell in the area. Talking to staff an attempt was made to plug it but it continues to flow. Inspectors were contacted to inform them of the artesian well and plans to plug it. A reminder that under condition # 24 as well as stopping the flow the Board should be advised of this as



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well. H2S gas was high enough from the hole to trigger the detector on the drill rig. Water is supplied via a water truck from the old pit N 81. Three pumps are located close to the shoreline and should be pulled back and in containment similar to what the fuel and oil on site are in. (Picture #15) Around the drill rig and area was pipe, hose and other drilling materials laying on the ground. With the snowfalls that have occurred it is recommended that these outlying items be more consolidated so are not forgotten at site. As mentioned in the last two reports for the 2018 permit, this drill rig is out of compliance as the diesel and hydraulic tanks that are not in secondary containment. (pictures # 4 & 5) This rig should not be used until such time that there is secondary containment under these tanks or tanks changed to double walled. It was noted that all equipment parked on site had drip trays under them.

#### MATTERS FOR FOLLOW UP

Artesian well flowing hole. Secondary containment on tanks on drill rig. Access route.

N/A  
Representative Signature

  
Inspector's Signature

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Inspection Images:

**Figure 1**  
Water Supply and drill waste tanks.



**Figure 2**  
Drill rig on hole W 85 18 PP 004.



**Figure 3**  
Drill with drip tray under it.



**Figure 4**  
Tanks on drill unit no secondary containment.



**Figure 5**  
Close up of hydraulic tank on left and diesel tank on right.



**Figure 6**  
View of finished hole W85 18 PP 002.





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**Figure 7**  
View of flowing water at drill hole 003.



**Figure 8**  
W 85 18 PP 003 flowing water from drill hole.



**Figure 9**  
Pipe and metal rod near drill sites.



**Figure 10**  
Hose near drillsites being covered.



**Figure 11**  
Staging area near W 85 drill.



**Figure 12**  
Jerry can sitting precariously on edge of low boy.





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**Figure 13**

Soft area showing signs of rutting on access into W-85.



**Figure 14**

Pumps on edge of bank.



**Figure 15**

Water pumps on edge of shoreline.

