



August 21, 2024

Kennady Diamonds Inc.  
P.O. Box 216  
2315-161 Bay Street  
Toronto, ON M5J-2S1

**Attention: Mr. Matthew MacPhail**

**Re: Land Use Permit MV2016C0030  
Mineral Exploration (Advanced)  
Kennady Lake area, NT**

Dear Mr. MacPhail,

An inspection of Kelvin Camp was conducted by Inspectors Clint Ambrose and Karine Gignac on August 8<sup>th</sup>, 2024. The inspection was carried out to ensure that all operating conditions annexed to the above noted land use permit are being adhered to during this land use operation. The Inspectors met with Mr. John Delgaty & Mr. Nigel Bocking (Contractor) on site and all findings of the inspection were discussed.

The camp was occupied on July 24<sup>th</sup>, 2024 to support exploration activities in the land use area and at the time of the inspection, eight (8) people are being housed in the camp. No major concerns were noted during the inspection and the cooperation of the Permittee to plan for waste removal or the removal of items/equipment that no longer serve a purpose on site must be made a priority to prevent further accumulation. Your copy of the Environmental Inspection Report is enclosed and should be self-explanatory.

If you have any questions or concerns, please contact the undersigned at (867) 767-9188 or Ms. Karine Gignac at (867) 767-9187 ext. 24189.

Sincerely,

Clint Ambrose  
Manager, Resource Management (Inspector)  
Land & Water North Slave Regional Office  
GNWT – ECC

cc: MVLWB  
Aurora Geosciences Ltd. – via email



## ENVIRONMENTAL INSPECTION REPORT

Permittee:	Kennady Diamonds Inc.	Inspection Date: August 8 <sup>th</sup> , 2024
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	Permit Expiry Date	Last Previous Inspection
Land Use Permit No.	MV2023C0035	February 7 <sup>th</sup> , 2029
Quarrying Permit No.	N/A	May 31 <sup>st</sup> , 2023 (Under Land Use Permit MV2016C0030)
Contractor:	Aurora Geosciences Ltd.	Subcontractor:

Location(s) Inspected:	Kelvin Camp.
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Current Stage of Operation:	The camp was occupied with eight (8) people at the time of the inspection.
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Program Modifications Approved:	The Permittee submitted \$61,500 on February 21 <sup>st</sup> , 2024 to top up the security amount as required by Condition #63 of the land use permit.
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Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable

	Operating Condition	Aspect Inspected	Condition
		Kelvin Camp	
A	Location and Area	A	
B	Time	A	
C	Type and Size of Equipment	A	
D	Methods and Techniques	A	
E	Type, Location, Capacity and Operation of All Facilities	A*	#27 Clean Work Area
F	Control or Prevention of Ponding of Water, Flooding, Erosion, Slides and Subsidence of Land	A	
G	Use, Storage, Handling and Ultimate Disposal of Any Chemical or Toxic Material	A	
H	Wildlife and Fisheries Habitat	A	
I	Storage, Handling and Disposal of Refuse or Sewage	A* A*	#54 Waste Management Plan #61 Remove Garbage
J	Protection of Historical, Archeological and Burial Sites	A	
K	Objects and Places of Recreational, Scenic or Ecological Value	N/A	
L	Security Deposit	A	
M	Fuel Storage	A	
N	Methods and Techniques for Debris and Brush Disposal	A	
O	Restoration of the Lands	A	
P	Display of Permits and Permit Numbers	A	
Q	Matters Not Inconsistent With the Regulations	A	
R	Sections 8 to 16 M.V.L.U.R.	A	



## ENVIRONMENTAL INSPECTION REPORT Pg. 2

Date: August 8<sup>th</sup>, 2024

Permit#: MV2023C0035

### Explanatory Remarks

An inspection of Kelvin Camp was conducted by Inspectors Clint Ambrose and Karine Gignac on August 8<sup>th</sup>, 2024. The inspection was carried out to ensure that all operating conditions annexed to the above noted land use permit are being adhered to during this land use operation. The Inspectors met with Mr. John Delgaty & Mr. Nigel Bocking of Aurora Geosciences Ltd. (Contractor) on site and all findings of the inspection were discussed.

The concerns noted during the May 31<sup>st</sup>, 2023 inspection were satisfactorily addressed and the cooperation of the Contractor is appreciated.

### Kelvin Camp

Notification of camp occupancy was provided to the Inspectors prior to personnel mobilizing on July 24<sup>th</sup>, 2024 and Kelvin camp (Figure 1 through 4) was occupied with eight (8) people at the time of the inspection. Overall, the camp continues to be well managed and the following observations were documented during the inspection;

- There are various types & quantities of drummed fuel in the land use area and these caches can be viewed in Figure 5 through 9. Proper storage is occurring, drums are upright & banded together on pallets and stored greater than 100 metres from the nearest watercourse.
- Forty-five gallon drums of fuel at the generator building are being stored with their bungs at 3 & 9 o'clock or upright on spill pallets (Figure 10).
- No spills or saturated hydrocarbon absorbent matting were observed on the active drums behind each camp structure.
- The grey water sump was functioning and no seepage was observed at the toe.
- Sewage is being collected in pacto bags and shipped offsite for proper disposal at a licensed facility.
- Garbage and hazardous waste is being securely stored until it is shipped off site for proper disposal in Yellowknife.
- The burn bin that is used for open burning only contained acceptable items and when fire & weather conditions permit, the contents will be burnt.
- If equipment like that viewed in Figure 11 no longer serves a purpose for this land use operation, it must be removed from the land use area at the very earliest opportunity.
- Mega bags of waste, concrete and other items that no longer serve a purpose are present at the old KDI shop & consumables laydown (Figure 12). Once again, ongoing removal of waste & other items is anticipated to prevent accumulation on site and this must be made a priority of the Permittee.
- Spill pallets (Figure 13) are being actively used throughout the land use area and the majority were quite full of water, but no hydrocarbon sheens were observed. Maintenance is anticipated to occur with proper treatment of water by mopping it with hydrocarbon absorbent matting or treating it through a rain drain.

Since the camp has only been accessed by air for the last few land use operations that have occurred, there is limited room on small aircraft for the removal of empty fuel containers (45 gallon drums) and therefore stacking east of the old KDI shop has occurred (Figure 14). The Inspectors appreciate that since drums "bulk out" an aircraft they have accumulated in the land use area.

It is assumed that most of the drums, if not all, would have been decanted leaving minimal product in them. This would reduce the potential for a spill or environmental concern to arise but it is imperative that when opportunities arise, drums are removed for proper offsite recycling or disposal. It is anticipated that this will occur and if a future winter road is constructed into the land use area, the scheduling of drum removal must be made a priority.

Once camp operations are complete for the season, the Permittee/Contractor must provide the undersigned Inspector notice to comply with Condition #12 of the land use permit.

Complete off Site  
Representative's Signature

Clint Ambrose  
Inspector

Inspector's Signature



# ENVIRONMENTAL INSPECTION REPORT#

**Figure 1**  
**Looking north at Kelvin Camp.**



**Figure 2**  
**Northtech laydown and shop east of Kelvin Camp.**





## ENVIRONMENTAL INSPECTION REPORT#

**Figure 3**  
**Shop and laydown. Looking southwest.**



**Figure 4**  
**Shop and equipment northwest of Kelvin Camp.**





## ENVIRONMENTAL INSPECTION REPORT#

**Figure 5**

**Jet fuel cache. Laid down drums are being slung to the helicopter fuel rack at the camp. Other drums are being stored upright and banded on pallets.**



**Figure 6**

**Diesel fuel cache in the consumables laydown.**





## ENVIRONMENTAL INSPECTION REPORT#

**Figure 7**

**Diesel drums are stored upright adjacent to the shop generator.**



**Figure 8**

**Drums of jet fuel at the Shop Laydown. If this fuel no longer serves a purpose on site it must be removed from the land use area for proper offsite disposal.**





## ENVIRONMENTAL INSPECTION REPORT#

**Figure 9**

**Another diesel fuel cache in the shop laydown. If the pallets of concrete in the background no longer serve a purpose on site they must be removed at the very earliest opportunity.**



**Figure 10**

**Fuel drums at the camp generator are stored on a rack with the bungs positioned at 3 and 9 o'clock.**







## ENVIRONMENTAL INSPECTION REPORT#

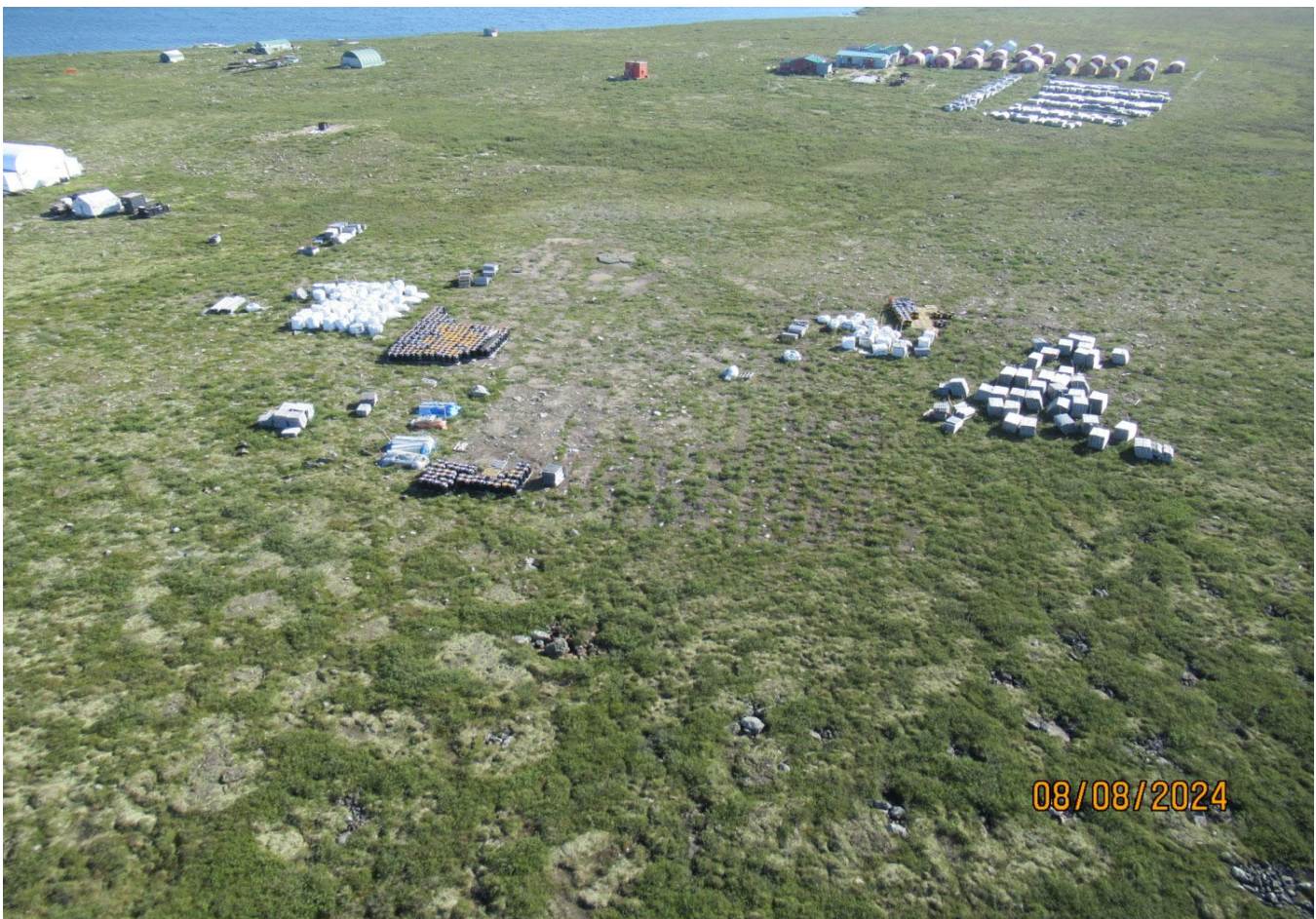
**Figure 11**

**If any of these items no longer serve a purpose on site they must be removed at the very earliest opportunity.**



**Figure 12**

**Consumables laydown. If the mega bags of concrete no longer serve a purpose they must be removed for proper offsite disposal at the very earliest opportunity.**





## ENVIRONMENTAL INSPECTION REPORT#

**Figure 13**

Water in containment structures will be mopped for hydrocarbons or put through a rain drain prior to discharge.



**Figure 14**

Empty fuel drums have accumulated at the Shop Laydown. Drums must be removed from the land use area at the very earliest opportunity.

