



Monthly Surveillance Network Program Report for January 2025

Kennedy North Project
Kennedy Diamonds Inc.
MV2023L2-0011
South Mackenzie District, NWT

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1. Introduction

Kennady Diamonds Inc. (KDI or the Company) is currently exploring for diamondiferous kimberlites in the Kennady North Project area, which is located in the Northwest Territories approximately 280 kilometers (km) east-northeast of Yellowknife, immediately adjacent to the Gahcho Kué Mine (Figure 1). KDI's interests in the Kennady North Project area consist of 99 mineral claims and 30 mineral leases totalling ~113,437 ha of land (Figure 2). KDI is a wholly owned subsidiary of Mountain Province Diamonds Inc. (MPVD). MPVD holds a 49% interest in the Gahcho Kué Mine Joint Venture (GKJV) with De Beers Group, who holds 51% interest in the GKJV and is the operating partner. Aurora Geosciences Ltd. (AGL) has been contracted by KDI to manage and operate exploration activities since the beginning of exploration in the Kennady North Project area. RainCoast Environmental Services has been retained by KDI to oversee permitting and environmental compliance activities.

The KNP was previously two closely interlinked projects which were individually authorized under separate licences and permits; the Advanced Exploration Project (AEP; Type B Water Licence MV2013L2-0005 and Type A Land Use Permit MV2016C0030) and the Regional Exploration Project (REP; Type B Water Licence MV2022L2-0007 and a Type A Land Use Permit MV2022C0019). In 2023, KDI filed an application to merge these two projects (the AEP and REP) into a single Kennady North Project. On February 8, 2024 the Board issued KDI a Type B Water Licence MV2023L2-0011 and Type A Land Use Permit MV2023C0035 for the consolidated Kennady North Project.

KDI's interests in the Kennady North area consist of the Kennady North Project (KNP) authorized under Type B Water Licence MV2023L2-0011 (the Licence) and Type A Land Use Permit MV2023C0035 (the Permit). The KNP includes two exploration camps, Bob Camp and Kelvin Camp, which support exploration activities such as geophysical surveys, geochemical surveys, and drilling in the KNP area.

This monthly Surveillance Network Report (SNP Report) is being filed in compliance with Schedule 1 of the Licence. To facilitate ease of comparison with the Licence, Section 2 of this report has been directly aligned with Schedule 1, Item 10 of the Licence.

No activities took place under this Licence this month.

2. Monthly Surveillance Network Program Report per Schedule 1

Schedule 1, Item 10 of the License states that “The Licensee shall, within thirty (30) days following the month being reported, submit to the Board and Inspector, in electronic and printed formats acceptable to the Board, all data and information required by the Surveillance Network Program, including results and interpretation of the approved QA/QC program procedures, any interpretive comments and calculations, and rationale for SNP stations where samples were not collected.

At present, only one SNP station is currently ‘active’ in Schedule 1 of the Licence; Station # 2016-1, representing daily volume of water used by water source. An overview of this Station is provided in Table 2-1.

Table 2-1. SNP station 2016-1

Description	The daily Water Use for each approved Water source used as per Part D, Condition 1 (WATER SOURCE AND MAXIMUM VOLUME) of the Licence. Water Use shall be measured and recorded in m ³ .
Location	As identified in Annex A of the Licence.
Sampling Frequency	Daily, when Water is used.
Sampling parameters	Flow - Meter, Volume (m ³).
Rationale	Compliance monitoring, in accordance with Water Use limits identified in Part D, Condition 1 (WATER SOURCE AND MAXIMUM VOLUME) of this Licence. To monitor the quantity of daily Water use for the Project.
Status	Active.

No water was used under this Licence this month.

A) AN EXPLANATION OF ANY ACTIONS TAKEN IN RESPONSE TO ANY EXCEEDANCES OF THE EFFLUENT QUALITY CRITERIA

Not applicable this month as no exploration or activities were undertaken this month at the KNP site.

B) INFORMATION REGARDING THE CALIBRATION AND STATUS OF THE METERS AND DEVICES REFERRED TO IN PART B OF THIS LICENCE

The water meter make and model used at the Kelvin Camp to track the water usage for camp activities is a Sensus accuSTREAM™ Water Meter. This unit is one that does not require calibration and is virtually maintenance free. The unit has a manufacture date of February 2016 and a “replace by” date of February 2035. The water volumes reported by the meter are verified against the size of the tanks to ensure accuracy of the meter.

C) THE COORDINATES OF ALL SNP STATIONS WHICH WERE ESTABLISHED WITHIN THE MONTH BEING REPORTED, INCLUDING AN UPDATED MAP IDENTIFYING THE LOCATIONS OF ALL THE SNP STATIONS

Not applicable this month as no new SNP stations established this month at the KNP site.

i. Weekly quantity of Water in cubic metres withdrawn from the Water Supply Facilities

As per Schedule 1, Item 11 of the License:

All flow and volume measurements shall be measured and recorded continuously (i.e., using electronic data storage chips, water elevation, or weir, or equivalent) during periods of flow or pumping and reported on a monthly basis in cubic meters (m3):

a) The daily volume of Water pumped from water source as described in Part D, Condition 1 (WATER SOURCE AND MAXIMUM VOLUME) for all purposes (SNP station 2016-1)."

No water was used under this Licence this month as no exploration activities were undertaken this month at the KNP.

ii. Weekly quantity of Waste in cubic metres Discharged

General camp waste is estimated using the GNWT MACA standard of 0.015 m³ of waste generated per person per day. Greywater discharge is approximately equivalent to camp water use (see Section 2 D below).

No water was used or waste generated this month at the KNP site.

D) A TABULAR SUMMARY OF CUMULATIVE WATER USE.

No water was used or waste generated this month at the KNP site.