February 18, 2015

Inuvialuit Water Board
P.O. Box 2531
Inuvik, NT X0E 0T0

Attn: Freda Wilson, Office and Finance Administrator

RE: INDUSTRIAL Water Use N7L1-1835
CLASS A – INDUSTRIAL
Inuvik – Tuktoyaktuk Highway – South End

To: Ms. Wilson,

Please find the enclosed Inspection Report for your review and records.

An electronic copy (un-editable Adobe pdf.) has also been provided by e-mail.

If you have any questions or concerns regarding the enclosed, and/or if additional information is required please contact me at (867) 777-8900.

Regards,

Donald Arey
Manager Resource Management
Department of Lands
Beaufort Delta Region-Inuvik

Cc:
Conrad Baetz, Superintendent Dept. of Lands, Beaufort Delta Region
Stephen Charlie, Superintendent, Dept. of Environment and Natural Resources
February 18, 2015

Government of the Northwest Territories - Department of Transportation
Lahm Ridge Tower, 2nd Floor, 4501 - 51 Avenue
P.O. Box 1320
Yellowknife, NT X1A 2L9

Attn: Larry Purcka

RE: INDUSTRIAL Water Use N7L1-1835
    CLASS A – INDUSTRIAL – South End

To: Larry Purcka,

An inspection of the above noted operation was conducted on February 17, 2015 by the undersigned and Resource Management Officer II Herbert Allen.

Enclosed is a copy of the Industrial Water Use Inspection Report.

If you have any questions, please contact me at 867 777-8900.

Regards,

Donald Arey
Manager Resource Management
Department of Lands
Beaufort Delta Region

Cc: Conrad Baetz, Superintendent Dept. of Lands, Beaufort Delta Region,
    Stephen Charlie, Superintendent, Depart. of Environment and Natural Resources
INDUSTRIAL WATER USE INSPECTION REPORT

<table>
<thead>
<tr>
<th>LICENCE #:</th>
<th>N7L1-1835</th>
<th>EXPIRY DATE:</th>
<th>December 11, 2023</th>
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<tbody>
<tr>
<td>LICENEE:</td>
<td>Government of the Northwest Territories - Department of Transportation</td>
<td>PREVIOUS INSPECTION:</td>
<td>February 06, 2015</td>
</tr>
<tr>
<td>COMPANY REP:</td>
<td>Larry Purcka</td>
<td>INSPECTION DATE:</td>
<td>February 17, 2015</td>
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</tbody>
</table>

WASTE DISPOSAL - MINING - OTHER

<table>
<thead>
<tr>
<th>Indicate:</th>
<th>A - Acceptable</th>
<th>U - Unacceptable</th>
<th>N/A - Not Applicable</th>
<th>N/I - Not Inspected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ore &amp; Waste Rock Stockpiles</td>
<td>N/A</td>
<td>Chemical Storage</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Ground Water Discharge</td>
<td>N/A</td>
<td>Mine Water Discharge</td>
<td>N/A</td>
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</tbody>
</table>

Mining-Other Comments:
Nothing evident in regards to waste water with the quarries at this time.

FUEL STORAGE

<table>
<thead>
<tr>
<th>Indicate:</th>
<th>A - Acceptable</th>
<th>U - Unacceptable</th>
<th>N/A - Not Applicable</th>
<th>N/I - Not Inspected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner:</td>
<td>NWI</td>
<td>Operator:</td>
<td>NWI</td>
<td>Condition of tanks: A</td>
</tr>
<tr>
<td>Berms &amp; Liners</td>
<td>N/A</td>
<td>Water within Berm:</td>
<td>NIL</td>
<td>Evidence of Leaks: NIL</td>
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<tr>
<td>Drainage Pipes</td>
<td>N/A</td>
<td>Pump Station and Catchment Berm</td>
<td>A</td>
<td>Runoff Diversion N/A</td>
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<tr>
<td>Pipeline Condition</td>
<td>N/A</td>
<td></td>
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</table>

Fuel Storage Comments:
All aspects observed were satisfactory at the time of the inspection.

GENERAL CONDITIONS/REPORTS/PLANS

<table>
<thead>
<tr>
<th>Indicate:</th>
<th>A - Acceptable</th>
<th>U - Unacceptable</th>
<th>N/A - Not Applicable</th>
<th>N/I - Not Inspected</th>
</tr>
</thead>
<tbody>
<tr>
<td>C &amp; R Plan</td>
<td>N/I</td>
<td>Records &amp; Reporting</td>
<td>A</td>
<td>Final Report</td>
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<tr>
<td>Geotechnical Inspection</td>
<td>N/I</td>
<td>Posting, Signage</td>
<td>N/I</td>
<td>Contingency Plan</td>
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<tr>
<td>Restorations Activities</td>
<td>N/A</td>
<td>Spills</td>
<td>N/I</td>
<td>O&amp;M Plan</td>
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<tr>
<td>Maintenance</td>
<td>A</td>
<td>Modifications</td>
<td>N/A</td>
<td>Annual Report</td>
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General Condition Comments:
Access road and lake to PW 10-11 currently being watered down along the RoW ahead of construction. Camp and staging area on private lands as well being watered down. No environmental concerns were observed during the inspection, so far all appeared satisfactory. In regards to the PW 10-11 lake access it is evident that continued use of the lake will be used from the rock trucks (loaded and empty) and the management should ensure that the ice thickness will be capable to hold the continued use in
INDUSTRIAL WATER USE INSPECTION REPORT

Inspection Images:

Figure 1
Source 1401A fuel storage area

Figure 2
access ahead of construction
Figure 3
Access to source PW 10-11

Figure 4
Camp and staging area