

# **APPENDIX 1.IV**

## **NICO Project Permit History**

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License/ Permit	Dates		Scope	Site Inspections	
	Start	Expiry		Date	Findings
Land Use Permit N1995C0480	1-Mar-96	28-Feb-98	Winter road construction from Hislop Lake to Lou Lake, establishment of exploration camp, on site winter road construction, diamond drilling	13-May-96	The inspector noted that incineration of garbage was not being undertaken in an approved container and that non-combustible wastes required disposal.
				7-Jun-96	The inspector provided guidance on skidder road use due to concerns for rutting in wet areas.
				16-Jul-96	The inspector noted that incineration on site was acceptable and reminded the camp manager that non-combustibles must be bagged and brought out of site for disposal. The inspector noted appreciatively that historical fuel drums (pre-Fortune) has been removed by Fortune.
				13-Jun-97	The inspector noted that a large quantity of non-combustible refuse was accumulating and requiring collection and disposal off site. Excessive camp clearing and some erosion on access road in camp were noted. Multiple parallel skidder routes were noted.
				2-Oct-97	The inspector noted that incineration and non-combustible wastes was being properly managed. Small diesel spill beside a trailer required cleaning up. However, fuel was being stored properly. Use of flush toilet was requested to be discontinued due to risk of sewage overflowing sump into Lou Lake, unless a holding tank was established. A sump was requested to be dug for the shower and washing facilities. Erosion noted in previous inspection had improved.
		28-Feb-99	Extension of LUP granted on 21 January 1998		
				15-Apr-98	Fortune reported a diesel spill to the Spills Line (98-050).
				16-Apr-98	The inspector noted that a fuel drum was on its side on the ice on Lou Lake and had spilled requiring immediate clean up. The inspector reminded the camp manager that no fuel storage on ice is permitted. Improper handling of fuel drums during delivery and offloading caused damage to several drums resulting in leaks. The inspector ordered an immediate inventory and assessment of the drum cache with transfer of fuel from leaking drums to competent drums.
				21-Apr-98	The inspector noted, in this follow-up inspection of spill cleanups, that the drum inventory ordered in the previous inspection found 11 drums with insecure tops and 6 drums with punctures. The contents of these drums had been transferred to competent drums. Absorbents and booms were placed to recover spilled free product. The inspector requested containment berms and recovery trenches be established to avoid fuel entering Lou Lake and follow-up monitoring in the summer. Although the fuel cache was more than 30 m from the lake, the inspector recommended that the cache be relocated farther back from the shore. A contingency plan for fuel spills was requested to be provided by June 30.
				8-Jun-98	Fortune provided an Oil and Hazardous Material Spill Contingency Plan provided to the mining inspector.
Quarry Permit 1998Q0040	18-Jun-98	17-Jun-99	492.5 m <sup>3</sup> permitted from 5 sources		
Land Use Permit N1998C0953	18-Feb-99	17-Feb-01	Diamond drilling and exploration	17-Mar-99	The inspector noted acceptable conditions at camp. Incinerator required for site combustibles if camp occupation levels returned to those of the past few years.
				8-Jul-99	The inspector noted that winter shutdown had left non-combustibles in burn barrel. The kitchen area required a more thorough shutdown in winter as it and the burn barrel attracted a bear and suffered extensive damage. The inspector recommended considering solar electric fencing to deter bears. Excessive numbers of fuel drums noted on site should have been brought out over winter. Fuel spill 98-050 in fuel storage area had been adequately remediated and the file was to be closed. Grey water sump needed to be enlarged. A culvert under the road has been crimped by heavy equipment and required repairs.
				12-Apr-00	The inspector noted that newly delivered fuel drums were placed too close to Lou Lake and should be moved up hill. Sewage and greywater disposal adequate. Burning in drum was acceptable for the camp size but larger camps would require a fuel fired incinerator. Some fuel spillage at the burn barrel will require cleanup. Crimped culvert required repair before freshet. Recommended silt screen at base of road to prevent silty runoff to Lou Lake. The inspector noted piles of rod grease at some drill sites that required clean up.
				2-Jun-00	The inspector noted that winter shutdown has been generally acceptable. Some fuel leakage below heating drums required cleanup and these areas were recommended to be protected by drip pans and absorbent pads. The inspector noted that some fuel spillage in the drum storage area, that had been partially addressed in winter with absorbents, required additional cleanup. Some non-combustibles left in burn barrel were strewn about by a bear. Borrow pit required regrading.
				23-Aug-00	The inspector noted that the camp was generally in good condition. Many empty fuel drums have been neatly stacked for removal on the winter road. Borrow areas have been adequately recontoured. Some fuel leakage noted below heating drums require cleanup. Recommended installation of drip pans and absorbent mats at these locations.
		17-Feb-02	One year extension granted on Feb 1, 2001 by MVLWB.		
		17-May-02	Three month further extension granted on 5-Feb-02.		

FORTUNE MINERALS LIMITED DEVELOPER'S ASSESSMENT REPORT

Table 1.IV.1-1: NICO Project Permit History (continued)

License/ Permit	Dates		Scope	Site Inspections	
	Start	Expiry		Date	Findings
Land Use Permit MV2002C0002	25-Mar-02	26-Mar-07	Advanced mineral exploration	11-Sep-02	The inspector noted that two small diesel spills required remediation: in drum storage area and behind green plywood building (core shack). Excessive empty drum build up must be addressed by 15 April 2003.
				19-Mar-03	The inspector noted that winter road construction resulted in some area where organic soil layer had been scraped up. Some oil leaks were observed below the road construction equipment. Small fuels stains beside the core shack and drum storage area require cleanup. A containment pan was required below the burn barrel and a recommendation was provided to use a fuel fired incinerator instead of a burn barrel. The drillers' pump shack fuel drum required more sturdy support.
				29-Aug-03	The inspector noted that concerns from previous inspection had been satisfactorily addressed. Fuel staining in drum storage area requires cleanup.
				31-Mar-05	The inspector noted that most of portage sections on the winter road had no snow cover requiring that snow be placed onto the road prior to travel.
				28-Jul-05	The inspector noted minor rutting on winter road route.
	10-Feb-05		Land Use Permit amended to permit bulk sample, adit, upgrade of all-weather roads and above ground storage		
Water License MV2004L2-0005	10-Feb-05	9-Feb-07	Permitted bulk sample, adit, upgrade of all-weather roads and above ground storage, but based on portal opening in south basin.		
	8-Aug-06		Amended water license to move portal to current location and revised SNP to current.		
				30-Mar-06	The inspector noted no concerns. Winter road construction improved. The inspector was pleased to see a fuel fired incinerator being used. Recommended that the new fuel tanks be placed on lined area to contain spills and that a single individual be the designated fuel handler to minimize spills.
				7-Jun-06	The inspector noted that a small spill in drum storage area required cleanup. The inspector recommended an impermeable area be established for placement of contaminated soil and snow. Concerned that the liner on which the fuel tanks were placed could puncture due to a lack of bedding sand. A leaking fuel tranfer pump and small spills were noted in the fuel tanks area that required cleanup. Artesian flow was noted at one drill casing that required a permanent seal. Small fuel spill at the tanks near the portal required cleanup. The liner under this tank was on a slight slope and no bedding sand appeared to have been used. A gravity feed rigid fuel line from the large fuel tank near the portal to the compressor and generator required better support and a means to cut off flow should a disruption in the line occur. The solution was to be discussed with the inspectors prior to implementation. The liner under the generator and compressor at the portal was considered inadequate. A bermed lined containment area was ordered. One of the three settling ponds was reported to have leaked. The inspectors noted that a spill report must be submitted to the Spill Line and repairs would have to be implemented. The inspectors were not pleased that these ponds were constructed on waste mine rock without sand bedding.
				9-Jun-06	Fortune reported the leak of mine water from the settling pond to the Spills Line (06-233).
				3-Aug-06	The inspector noted that the majority of previous concerns had been addressed through communication with the inspectors and action on the ground. The rigid fuel line had been replaced with a small envirotank beside the compressors in a lined containment area. Berms were placed around the compressors. Settling pond concerns rectified and a new settling pond had been constructed. Cleanup of small spills was ongoing. The leaking offload pump has been placed in a lined box. The artesian flow was sealed off with a plug. Recontouring of quarries and brush disposal was required. A small spill near the set of 4 enviro tanks required cleanup. The lined area for contaminated soil requires construction of a lip to prevent leakage. A minor realignment of a road for safety reasons had not been brought to the inspector's attention.
				27-Feb-07	The inspector noted that site conditions were generally acceptable. A leaking nozzle holder was noted and immediately addressed. The sewage pit was considered to be adequate to support the camp.
				6-Sep-07	The inspector noted that some minor diesels spills that required cleaning up. Fuel leaking from the incinerator required cleaning up. The soil containment cell for hydrocarbon impacted soil required improved berms. Portal area laydown areas were acceptable.
				8-Aug-08	The inspector noted that the majority of previous concerns were addressed. One quarry required slope recontouring. Waste oil drums stored on site should be removed on the next winter road. Inspectors were pleased with the plan to consolidate and cover the ore piles.
				10-Mar-09	The inspector noted that winter road construction had begun prior to notification of the inspectors. Some of the drums on site did not have Fortune's name and permit number on them. Secondary containment was required below the generator. Spill kits could not be located for the inspectors. The waste oil drums had been removed.
	28-Nov-06	26-Mar-09	Extension of LUP MV2002C0002		

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License/ Permit	Dates		Scope	Site Inspections	
	Start	Expiry		Date	Findings
Quarry Permit 2005QP0001	6-Jan-05	6-Jan-06	4575 m <sup>3</sup> aggregate from various locations	2-Jan-06	Fortune's Quarry Permit Report indicates 1421 m <sup>3</sup> taken.
Water License W2006L2-0002	23-Jan-07	22-Jan-12	Renewal of Type B Water License MV2004L2-0002	28-Feb-07	INAC advised Fortune by letter that the mine water and runoff from the mine rock was not reporting to the settling pond as required. A meeting was planned to discuss this.
				8-Mar-07	The inspector notified Fortune by email that INAC's water sampling of mine discharge water contained total suspended solids exceeding discharge criteria.
				15-May-07	The inspector noted that water usage was considered acceptable. All runoff water from the mine rock was not being collected. This was to be addressed in a Water Management Plan due in July. The sewage pit appeared to be functioning adequately. A fuel spill was noted in front of the large tanks above camp that required cleaning up. Leakage from heating fuel drums was noted and spill pad wraps and drip pans were recommended. The soil containment cell had been repaired.
				6-Jun-07	
				23-Jun-09	The inspector noted that aviation fuel near the dock required secondary containment. Water quality in the settling pond, nearing capacity, was acceptable for discharge. The water level in the underground working had reached surface and was being managed in an acceptable manner as the quality of water met discharge criteria.
Land Use Permit W2009C0001	26-Mar-09	25-Mar-14		23-Jun-09	The inspector noted that diesel impacted soil had been cleaned up below the generator shed and secondary containment had been placed. Several small fuel spills were noted in various places that required cleaning up. Secondary containment is required for active drums. The incinerator had been leaking requiring cleanup of soil and placement of a drip pan. A report describing how the soil containment cell would be operated was requested. Av gas stored on the dock required secondary containment and a spill kit.
				11-Mar-10	The inspector noted that the winter road generally acceptable with some minor incursions into the duff layer and a few trees needing laying down due to minor rerouting required due to a water truck breaking through the ice in a small pond.
				25-Mar-10	The inspector noted that drill sites required further brush disposal and one drill pad was considered excessively large with incursions into the duff layer.
				28-Apr-10	Fortune reported a spill of diesel fuel from a drum that fell from its cribbing to the Spills Line (10-136).
				23-Jul-10	The inspector observed that The soils affected by the spill reported to the Spills Line (10-136) had been excavated and placed in impermeable mega bags pending submission of a landfarm design. Some rutting caused by drill movement was noted in the bowl zone that required remediation.
				8-Sep-10	Notice of excessive rutting in an area due to drill movement on site and order to repair the damage.
Quarry Permit 2010QP0120	8-Sep-10	7-Sep-11	500 m <sup>3</sup> aggregate from 2 potential source (previously quarried)		
				8-Sep-10	The inspector identified unauthorized quarrying in a previously worked pit that began a couple of days before the permit was issued (Sept 8, 2010). The inspection requested a written explanation for how this oversight occurred and estimates of the quantities of material that had been quarried prior to the permit issuance.
				13-Sep-10	Letter from Fortune to INAC responded to questions identifying some quarrying at the location of the new landfarm.
				15-Sep-10	INAC letter took issue with the quarrying reported in Fortune's Sept 13 letter as the area identified was not included in the issued permit.
				20-Sep-10	Fortune met with INAC in Yellowknife to discuss the issues and the path forward.
				7-Oct-10	Monthly report clarified that the aggregate taken from the unpermitted quarry earlier in the summer program had been done under the 50 m <sup>3</sup> exemption in the LUP. However, it acknowledges that the material used to fill the excavation from which the diesel affected soil was removed was also taken from this source. It also clarified that the landfarm was constructed in an area of previous fill requiring no new quarrying.
				11-Feb-11	Winter road and camp preparations underway were generally acceptable.
				25-Feb-11	Winter roads, camp and drill program were generally acceptable.

m = metre; m<sup>3</sup> = cubic metre; INAC = Indian and Northern Affairs Canada; LUP = land use permit