

Department of Environment and Climate Change Land and Water Division- Dehcho P.O Box 150 Fort Simpson, NT X0E 0N0 Telephone: 867-695-1972

October 16, 2024

Paramount Resources Ltd. Suite 2800, 421 - 7th Avenue SW Calgary, AB T2P 4K9

Attention: Terence Hughes

| File Number | MV2014X0011 |
|-------------------|---|
| Type of Operation | MISC. |
| Location | A-1, A-2, A-3, A-4, B-1, B-2 and Plant Site |

Dear Terence Hughes,

An inspection of the above noted operation was conducted on September 25, 2024 by Manager, Resource Management Danielle Rogers.

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 this matter is appreciated.

If you have any questions, please contact me at 867-695-1972.

Sincerely,

Danielle Rogers Manager, Resource Management Department of Environment & Climate Change

CC: Andrea Cleland- Regulatory Specialist, MVLWB

| Permittee: | Paramount Resources Ltd. | Permit Expiry Date: | June 04, 2021 | | |
|------------------------------------|-----------------------------|--|-----------------|--|--|
| Land Use Permit No. | MV2014X0011 | Previous Inspection: | August 15, 2023 | | |
| Quarrying Parmit No. | | Inspection | September 25, | | |
| Quarrying Permit No. | | Date: | 2024 | | |
| Contractor: | | Subcontractor: | | | |
| Location(s) Inspected: | A-1, A-2, A-3, A-4, B-1, B | -2 and Plant Site | | | |
| Current Stage of | Abandonment and Recla | mation | | | |
| Operation: | | | | | |
| Program Modifications Approved: | 2023 Remedial Action Pl | 2023 Remedial Action Plan- NT Spill 202355 | | | |

Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable "N/I" - Not Inspected

| Operating Condition | Aspect I | nspected | |
|-------------------------------------|----------|----------|--|
| | Sites | | |
| Location as Permitted | А | | |
| Time as Permitted | А | | |
| Equipment as Approved (Type & Size) | A | | |
| Methods & Techniques | А | | |
| Facilities | А | | |
| Erosion (Control or Prevention) | А | | |
| Chemicals | А | | |
| Wildlife and Fisheries Habitat | А | | |
| (Protection) | | | |
| Wastes | А | | |
| Fuel Storage | А | | |
| Brush Disposal | А | | |
| Restoration of Lands | А | | |
| Permits | U | | |

Explanatory Remarks -

An Inspector from the Department of Environment and Climate Change conducted an inspection of the wellsites and the plant site that are associated with the MV2014X0011 Land Use Permit on September 25, 2024, via helicopter.

A-1: Vegetation growth was present. There was ground water monitoring wells and a sign. The Inspector has no concerns with this site.

A-2: Vegetation growth was present. There was a ground water monitoring well and a sign. The Inspector has no concerns with this site.

A-3: Vegetation growth was present throughout the site. There were pipes still present on the site.

A-4: Vegetation growth was present throughout the site. There was a sign where the wellhead used to be. The Inspector has no concerns with this site.

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B-1: Vegetation growth was present throughout the site. There was a sign where the wellhead used to be. The Inspector has no concerns with this site.

B-2: Vegetation growth was present throughout the site. There was a groundwater monitoring well. The Inspector has no concerns with this site.

Plant Site: There was vegetation regrowth occurring where the surge pond, the cells and the clean backfill soil was removed from during last summers spill remediation. There was no ponding of water occurring, but the Inspector did note that there was erosion present throughout the remediated site. The fencing around the contaminated soil pile and the berm were intact at the time of the inspection. The Inspector did note that a section of the covering was not in place and was bunched up near the contaminated soil. This covering should be fixed as soon as possible to prevent any of the contaminated soil spreading to other areas of the site.

The Inspector listed the Permit section as Unacceptable as this LUP is expired but they are aware there has been a new LUP application submitted.

The Inspector will continue to the monitor.

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Government of Gouvernement des Northwest Territories du Nord-Ouest

ENVIRONMENTAL INSPECTION REPORT

Inspection Images: Figure 1



Figure 2 A-1



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Figure 4 A-2



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Figure 5



Figure 6 A-3- Note Pipes

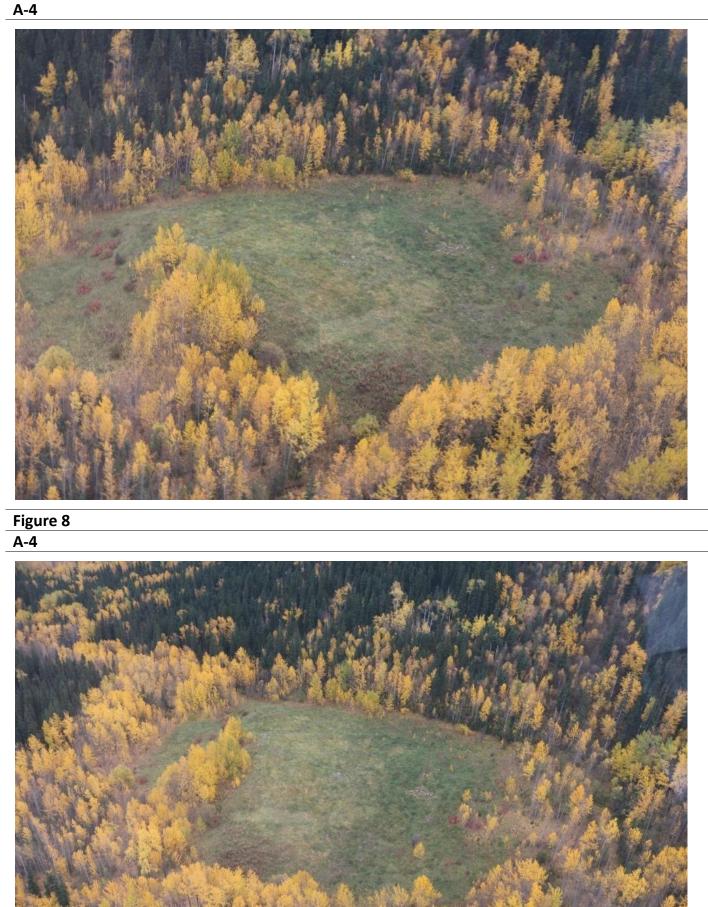


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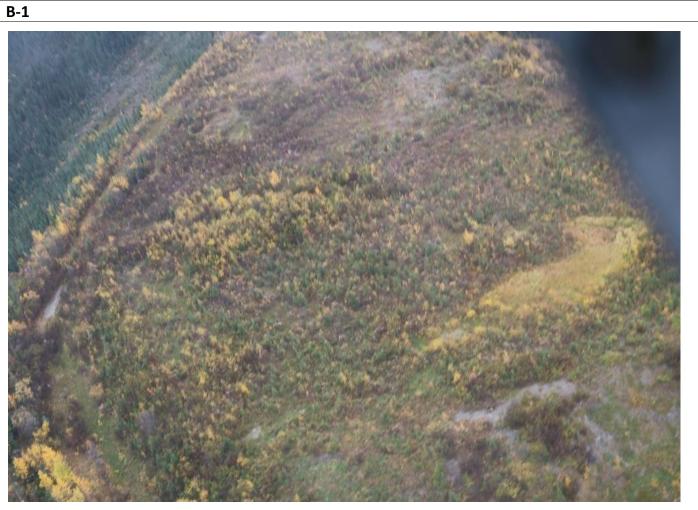
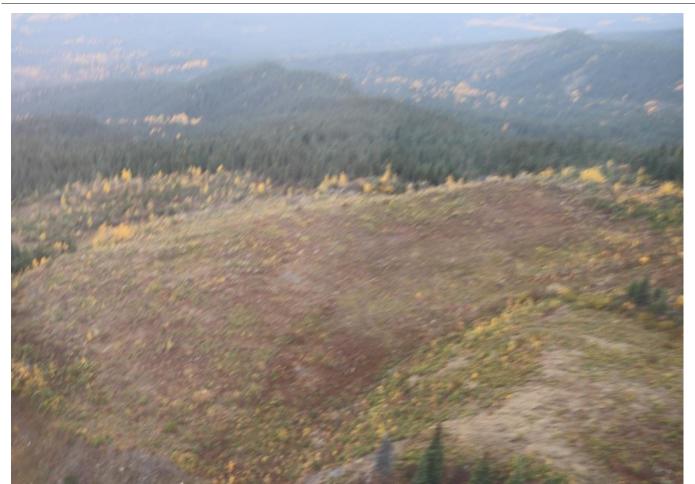


Figure 10 B-2



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Figure 11 Plant Site



Figure 12 Plant Site- Note Erosion



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Figure 13 Plant Site- Note Erosion



Figure 14 Plant Site- Note Cover



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