Government of Gouvernement des Northwest Territories Territoires du Nord-Ouest



Department of Lands Dehcho Region P.O. Box 150 Fort Simpson, NT X0E 0N0 Telephone:867-695-2626 ext. 205Fax:867-695-2615

September 8, 2021

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

Attention: Terence Hughes

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

Dear Terence Hughes,

An inspection of the above noted operation was conducted on August 26, 2021 by Manager, Resource Management Danielle Rogers, and Resource Management Officer II Andrew Lirette.

Enclosed is a copy of the Environmental Inspection Report.

If you have any questions, please contact me at 867-695-2626 ext. 205.

Sincerely,

an

Danielle Rogers Manager, Resource Management Department of Lands Dehcho Region

CC: Erica Janes, Regulatory Specialist, MVLWB

Melinda Lenoir- Regional Superintendent, Department of Lands, Dehcho Region Andrew Lirette- Resource Management Officer II, Department of Lands, Dehcho Region

| Permittee: | Paramount Resources Ltd. | Permit Expiry Date: | June 04, 2021 | | | |
|------------------------------------|-----------------------------|-------------------------|-------------------|--|--|--|
| Land Use Permit No. | MV2014X0011 | Previous Inspection: | July 29, 2020 | | | |
| Quarrying Permit No. | | Inspection Date: | August 26, 2021 | | | |
| Contractor: | | Subcontractor: | | | | |
| Location(s) Inspected: | Well Sites A-1, A-2, A-3, | A-4, B-1, B-2, Plant | Site and Airstrip | | | |
| Current Stage of Operation: | Reclamation/Remediation | | | | | |
| Program Modifications Approved: | N/A | | | | | |

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

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

Explanatory Remarks -

Inspectors from the Department of Lands inspected the well sites, plant site and airstrip associated with the MV2014X0011 Land Use Permit on July 14 and August 26, 2021. Aerial photographs and access to the locations were done using a helicopter.

Well Sites:

A-1

Vegetation is established with limited bare soil present throughout the site. There was a sign in place where the wellhead used to be. Inspectors have no concerns with the A-1 well site and will continue to monitor the location.

A-2

Vegetation regrowth is adequate and Inspectors noted a white flowering species throughout the site. There was a sign in place where the wellhead used to be. Inspectors have no concerns with the A-2 well site and will continue to monitor the location

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A-3

Piping near the entrance was still on site. Vegetation regrowth is adequate. There was a sign in place where the wellhead used to be. Inspectors have no concerns with the A-3 well site and will continue to monitor the location.

A-4

Vegetation regrowth is adequate and Inspectors noted a white flowering species throughout the site. There was a sign in place where the wellhead used to be. Inspectors have no concerns with the A-4 well site and will continue to monitor the location.

B-1

Vegetation regrowth is adequate. There was a fallen down sign where the wellhead used to be. Inspectors have no concerns with the B-1 well site and will continue to monitor the location.

B-2

Vegetation regrowth is adequate. The sign was fallen over where the wellhead used to be. Inspectors have no concerns with the B-2 well site and will continue to monitor the location

Plant Site:

Most of the above ground infrastructure has been removed. The ponds on site were holding water with the surge pond having sturdy fencing with bird deterrents. Vegetation regrowth is adequate. There was bison present on site at the time of the inspection. Inspectors have no concerns with the Plant Site and will continue to monitor the location.

Airstrip:

The sea cans, totes and culverts were still on site. Vegetation is present throughout the site. Inspectors have no concerns with the airstrip and will continue to monitor the location.

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Inspection Images: Figure 1 Aerial of A-1



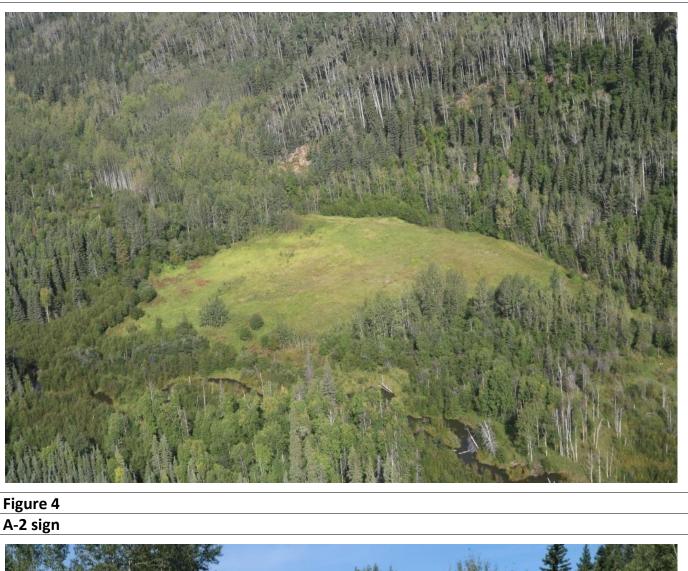
Figure 2 A-1 sign



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Figure 3 Aerial of A-2





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Figure 5 Aerial of A-3



Figure 6 Pipes on A-3



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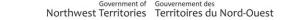


Figure 7 A-3 sign



Figure 8 Aerial of A-4



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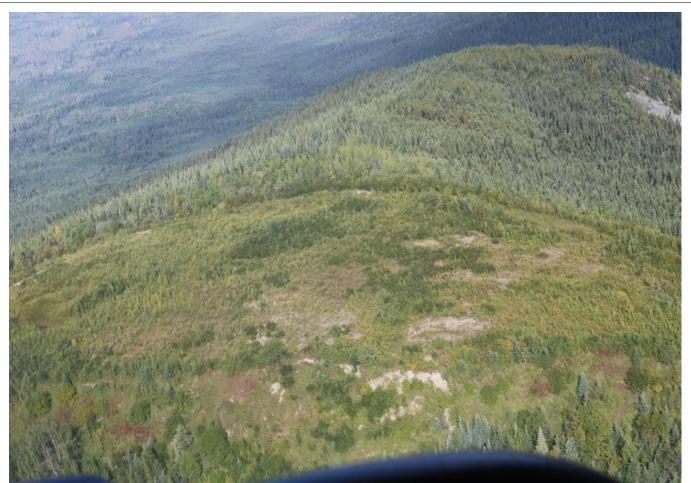
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Figure 9 A-4 sign



Figure 10 Aerial of B-1



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Figure 11 B-1 sign fallen



Figure 12 Aerial of B-2



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Figure 13 B-2 sign fallen



Figure 14 Aerial of plant site



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Figure 15 Aerial of bison on plant site



Figure 16 Aerial of airstrip



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Figure 17

Aerial of seacans, totes and culverts



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