



**File: MV2021D0009**

June 19, 2025

De Beers Canada Inc.  
Gahcho Kue  
Suite 300, 1601 Airport Road NE  
Airport Corporate Centre  
Calgary, AB T2E 6Z8

**Attention:      Mr. Mason Elwood**

**Re:      Land Use Permit MV2021D0009  
         Margaret Lake Camp  
         Kennady Lake, NT**

Dear Mr. Elwood,

An inspection of the De Beers Canada Inc. Type A Land Use Permit MV2021D0009 for Mining Exploration was conducted by Inspectors Tom Bradbury and Clint Ambrose on June 17, 2025. The inspection was carried out to ensure operating conditions annexed to the above-noted land use permit are being adhered to during this land use operation.

Overall, Nuna Logistics personnel conducting work associated with the Mining Exploration program were not taking the proper steps necessary to minimize impacts to the land use area. The Inspector is seriously concerned with the efforts of onsite personnel to ensure all operating conditions annexed to Land Use Permit MV2021D0009 are being adhered to. Your copy of the Environmental Inspection Report is enclosed for your review and records.

If you have any questions or concerns, please contact the undersigned at (867) 446-4487.

Sincerely,

Resource Management Officer III  
GNWT-E.C.C.

North Slave Region

[tom\\_bradbury@gov.nt.ca](mailto:tom_bradbury@gov.nt.ca)

Cc:

Patrick Kramers – SHERT Manager, De Beers  
Sarah Maclean - Environment and Permitting Manager, De Beers  
Mason Elwood – Environmental Superintendent, De Beers



Kurtis Trefry – Regulatory and Permitting Superintendent, De Beers

Dave Ott - Environmental Coordinator, De Beers

Richard Ehlert – Environmental Coordinator, De Beers

Angela Love – Regulatory Specialist, Mackenzie Valley Land and Water Board



ENVIRONMENTAL INSPECTION REPORT

Permittee:	De Beers Canada Inc. – Margaret Lake Camp	Inspection Date: June 17, 2025
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		Permit Expiry Date	Previous Inspection
Land Use Permit No.	MV2021D0009	June 28, 2026	March 26-27, 2025
Quarrying Permit No.	N/A		
Contractor:	Nuna Logistics Ltd.	Subcontractor:	

Location(s) Inspected:	Margaret Lake Camp
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Current Stage of Operation:	The camp assists with GK mining operations and is open during the winter road season.
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Condition of Operation A- Acceptable U - Unacceptable N/A - Not Applicable

	Operating Condition	Aspect Inspected	
		General Conditions	Condition
A	Location and Area	A	
B	Time	A	
C	Type and Size of Equipment	A	
D	Methods and Techniques	A	
E	Type, Location, Capacity and Operation of All Facilities	A	
F	Control or Prevention of Ponding of Water, Flooding, Erosion, Slides and Subsidence of Land	A	
G	Use, Storage, Handling and Ultimate Disposal of Any Chemical or Toxic Material	A*	26(1)(g)-37
H	Wildlife and Fisheries Habitat	A	
I	Storage, Handling and Disposal of Refuse or Sewage	A*	26(1)(i)-41
J	Protection of Historical, Archeological and Burial Sites	N/A	
K	Objects and Places of Recreational, Scenic or Ecological Value	N/A	
L	Security Deposit	A	
M	Fuel Storage	U*	26(1)(m)-49(a)(b), 51, 53, 60, 62,63
N	Methods & Techniques for Debris & Brush Disposal	A	
O	Restoration of the Lands	A	
P	Display of Permits and Permit Numbers	A	
Q	Matters Not Inconsistent with the Regulations	A	
R	Sections 8 to 16 M.V.L.U.R.	A	



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Date: June 17, 2025	Permit#: MV2021D0009
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Explanatory Remarks
<p>An inspection of the De Beers Canada Inc., Gahcho Kue Mining and Associated Activities LUP was conducted by Inspector Tom Bradbury on June 17, 2025, while accompanied by Clint Ambrose. The inspection was carried out to ensure operating conditions annexed to the above-noted land use permit are being adhered to during this land use operation.</p> <p>It was apparent while on approach to the site via helicopter that the condition of the site was in disarray! After landing it was hard to comprehend the sheer amount of hydrocarbon staining and spillage observed throughout the site without having completed the inspection!</p> <p><b>Observations</b></p> <p>*Extensive Hydrocarbon Staining and Spillage:</p> <ul style="list-style-type: none"><li>A significant hydrocarbon stain/spill was observed when heading from Margaret Lake camp toward the spur road, which looked extensive, as it was mixed with pooled water and had a strong odor (Photos 1-2). It is hard to determine if this was a reportable spill through observation after the fact, however clean-up is expected to be treated as if it were reportable and updates will be sent to the Inspector. This is not a small clean-up and will likely result in the generation of a significant amount of contaminated soil. As this specific spill is considered significant it will require follow-up testing to ensure it has been properly mitigated. This work is expected to be conducted during summer months and may require more than one round of testing to ensure compliance.</li><li>There were so many incidents of vehicles where hydrocarbon staining was apparent on the underside that only several examples will be provided in this report, however, all staged equipment is expected to be inspected and resultant spills cleaned up (even if there is only a small footprint of hydrocarbon staining). If any active leaks are observed it is expected that maintenance will be performed to stop the leak or appropriate secondary containment is placed to capture said leakage, as there remains a long period of time before regular personnel occupy the camp for winter road construction. It has also become obvious that spill boards with absorbent pads are either not working to prevent hydrocarbon staining under light vehicles and heavy equipment or there is a lack of attention and action in preventing/cleaning up leakage when observed (Photos 3-6). This work is expected to be conducted during summer months.</li><li>A number of hydrocarbon stains were observed in open spaces, the majority being between the maintenance shops and the main camp (Photos 7-9), however hydrocarbon staining was noted behind the maintenance shops (Photo 10), and adjacent to many parked vehicles/equipment (Photo 11). All aforementioned hydrocarbon staining is expected to be cleaned up. This work is expected to be conducted during summer months.</li><li>A number of spills and hydrocarbon staining was observed in buildings and around other infrastructure on site, further to what was previously noted. Hydrocarbon staining was observed around the refueling area (Photos 12-13). The raised tank outside the maintenance shop has staining on the underside (Photo 14), therefore the concern is the tank is likely leaking, though not observable during the inspection. As this tank/area has a history of leakage and staining there must be effort placed on both repair and containment or simple replacement. The inside of the maintenance shop had significant staining (Photo 15), the sea can where the generator is housed looks to be leaking hydrocarbons to the outside and should be inspected. One could argue that the shop buildings both have liners so hydrocarbon staining/spillage should not be an issue, however, liners are to prevent migration of spilled fluids and to help de-risk high risk areas. This is an example of poor housekeeping and failure to implement best practices. This area should have regularly practiced clean-ups that occur between jobs or as part of a weekly maintenance schedule. The last location highlighted during the inspection is the incinerator area. There was an overturned drum of fuel with significant staining (Photo 16). It can not be determined how much volume spilled or if it were a reportable spill, however, excavation and testing will be required to determine the impact and depth of the spill. There would appear to be a second spill at the incinerator which could potentially be leakage from the fuel line (Photo 17). Please ensure an inspection is conducted to determine the cause of the leakage and repairs if necessary. It is also difficult to determine the volume of the spill from observation, therefore the impacted area around the incinerator must be excavated and tested. The spill(s) must be treated as though reportable, and updates provided to the Inspector as opposed to the spill line. This work is expected to be conducted during the summer months.</li></ul>



### **Generally Poor Housekeeping/Best Practices**

In previous inspections there was dialogue between the Inspector and De Beers and its contractor to take a staged approach regarding the removal of waste which has accumulated on site. There was some progress made in the removal of old vehicles and materials during the 2025 winter road season, however, given the state of the site during the most recent inspection, the Inspector must see all scrap materials that have accumulated be removed on the upcoming winter road, and there is to be no further accumulation of materials from year to year. This would include all the material observed in the scrap metals/miscellaneous waste pile (Photo 18). A number of drums with scrap material (Photo 19) was also observed, which should have been shipped out while the winter road was open. The remainder of derelict vehicles must also be prioritized for shipment off site in 2026.

Apart from hydrocarbons related clean-up and scrap material removal, another theme observed on site is the continual deterioration of spill boards and their absorbents. Often the boards placed under heavy equipment have no absorbents, at times absorbent pads are shredded and require replacement or are not changed out when soaked in hydrocarbons. It is becoming more common to see significant staining under parked vehicles and heavy equipment when spill boards are in place (Photo 20), therefore current practices must change. Regular maintenance needs to occur throughout the operating season to ensure leakage from the fleet is being captured. Personnel are not doing enough to prevent spills or proper clean-up when they occur, which circles back to poor housekeeping and failure to implement best practices. This must change going forward to observe compliance.

### **Summer Work Program**

It should be noted that Nuna personnel usually arrive at Margaret Lake camp at some point in the summer months to complete a task list that would incorporate a clean-up of site, and as such, a number of the follow-ups highlighted in this report would be tackled regardless of the most recent inspection. The following is the list of items provided for summer work in 2024, which are typical of any given year:

- Pump out lagoon water over land through vegetation utilizing a 3” trash pump.
- Gravity drain the Contaminated Snow Tank through a series of charcoal filters with the final product ending up in our lagoon.
- Clean interior of said tank with absorbent pads to collect additional hydrocarbon contaminants.
- Dig up and clean any hydrocarbon leaks/spills around the yard and place into KBL bags. This includes but not limited to under equipment, around generators, around shop exterior, inside of shop, and around the fuel farm.
- Pump out shop sump, put into CST.
- De-grease shop floor.
- Clean, condense, and organize our scrap steel area as well as our fuel/lube containment area.
- Walk through site and pick up any trash or debris that may be laying around.
- Fuel dips.
- Incinerate waste.

Though much of the follow-up items provided in this report are redundant to Nuna’s regular work program, the concern for the Inspector is that a site should never be allowed to reach this level of deterioration to begin with.

### **Inspector Expectations Going Forward**

#### **Summer Work Program**

In addition to the regular notification De Beers provides to the Inspector when a timeline and list of planned work activities for Nuna’s summer work program is established, a progress report will be required which outlines work completed at the halfway mark of the summer work program and the work yet to be completed before the crew departs site. The progress report will include a photo log, sampling conducted in relation to the spills previously highlighted, and any other information deemed relevant to compliance. This will allow time for an assessment to be made before the field crew departs site in the event the Inspector is not satisfied with progress. De Beers management has also stated that an internal inspection of the site will be conducted to ensure compliance with the terms and conditions of this land use permit.

#### **Winter Operations**

De Beers is to provide a work plan, previous to the start of winter work at the Margaret Lake camp, to demonstrate how compliance will be achieved throughout winter operations. In addition to the work plan, Nuna personnel will provide bi-weekly updates as to how the work plan is being adhered to, which will include but not be limited to the shipment of waste off site, activities which coincide with the prevention of spills, and any clean-ups conducted



involving hydrocarbons.

The Inspector is willing to work with De Beers and their contractors to develop a work plan to avoid a repeat of conditions recently observed at site, and to bring Land Use Permit MV2021D0009 back into compliance.

If the Inspector does not observe compliance through the aforementioned requests provided in this inspection report, an Inspector’s Order can be issued pursuant to Sub-Section 86(2) of the *Mackenzie Valley Resource Management Act* (Act) compelling the Permittee to remove waste and mitigate spills.

Failure to comply with an Inspector’s Order is an offence as per Sub-Section 92 of the Act and the Permittee would be liable on summary conviction to a fine not exceeding \$100,000.00 or to imprisonment for a term not exceeding six months, or to both. It should also be noted that each day that an offence is committed or continued on more than one day constitutes a separate offence for each day on which it is committed or continued.

A follow-up inspection will be conducted at the Margaret Lake camp on completion of Nuna’s summer work program, upon inspection, if the Inspector remains dissatisfied, further follow-up work may be required before winter.





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Photo Log/Explanatory Remarks

Photo 1 – Margaret Lake Camp – Significant hydrocarbon staining/spillage.



Photo 2 – Margaret Lake Camp – Same spill looking toward spur road from camp.







Photo 3 – Margaret Lake Camp – Hydrocarbon staining under vehicle (1).



Photo 4 – Margaret Lake Camp – Hydrocarbon staining under and around flatbed (2).







Photo 5 – Margaret Lake Camp – Hydrocarbon staining under equipment (3).



Photo 6 - Margaret Lake Camp – Hydrocarbon staining under and around vehicles (4).







Photo 7 - Margaret Lake Camp – Hydrocarbon staining between shops and main camp.



Photo 8 - Margaret Lake Camp – Hydrocarbon staining outside shop area (1).







Photo 9 - Margaret Lake Camp – Significant hydrocarbon staining leading into shop area.



Photo 10 - Margaret Lake Camp – Hydrocarbon staining behind shops.







Photo 11 - Margaret Lake Camp – Hydrocarbon staining near staged equipment area.



Photo 12 - Margaret Lake Camp – Hydrocarbon staining near refueling area (1).







Photo 13 - Margaret Lake Camp – Hydrocarbon staining near refueling area (2).



Photo 14 - Margaret Lake Camp – Hydrocarbon staining underneath raised fuel tank.







Photo 15 - Margaret Lake Camp – Hydrocarbon staining inside the maintenance shop.



Photo 16 - Margaret Lake Camp – Fuel spill from overturned drum.







Photo 17 - Margaret Lake Camp – Hydrocarbon staining from a potential fuel line leak.



Photo 18 - Margaret Lake Camp – Historical accumulation of scrap material.







Photo 19 - Margaret Lake Camp – Scrap material in drums requires shipment off site.



Photo 20 - Margaret Lake Camp – Scrap material in drums requires shipment off site.



Completed off Site  
Representative’s Signature

Tom Bradbury  
Inspector

*Tom Bradbury*  
Inspector’s Signature