



Inspection Report

License #: 1AR-NAN

Inspector: A.Keim

CIDMS # 389147

Client	Breakwater Resources Ltd		
Mailing Address	95 Wellington Street West, Suite 950 Toronto, ON M5J 2N7		
Inspection site location	Baffin Region		
Contact name	Bob Carreay	Title	VP. CSR and Sustainability
Last inspection date	August 4, 2007	July 14, 2008	
Inspection start date	July 14, 2009		
Region	Qikiqtani		



INAC, Nunavut District
P.O. Box 100
Building 918
Iqaluit, NU, X0A 0H0

Submitted Via E-Mail

Our File: 1AR-NAN0914

Your File: _____

CIDM # 389147

February 8, 2010

Robert Carreau,
Vice President, CSR and Sustainability
Breakwater Resources Ltd.
95 Wellington Street West, Suite 950
Toronto, ON M5J 2N7

RE: Water license Inspection – Nanisivik Mine site July 14, 2009

The following inspection report is generated on the information collected during a compliance inspection carried out at the Nanisivik Mine site and the remaining facilities. The inspection was conducted to determine compliance with the terms and conditions of the Water License (1AR-NAN0914) issued to Breakwater Resources Ltd by the Nunavut Water Board (NWB).

The report references the applicable parts of the Water License (1AR-NAN0914) and the findings observed under each of those parts. During the writing of this report a compliance review was undertaken of the documents, plans and manuals filed by the Licensee and located on the Nunavut Water Board's FTP site.

No representatives of Breakwater Resources were available during the period of inspection. The local contractor in the community of Arctic bay was also not available during the period of Inspection. As such Inspectors, Andrew Keim and Kevin Robertson (see K. Robertson's report at CIDM # 364731) attended the site

Issues noted in previous Inspections;

2007

- Ponding of water noted in tailings confinement area
- 2 dykes breached – to be addressed in annual report
- Water usage records were not available for review during inspection – to be submitted in Annual report

2008

- Ponding was again noted within the tailings confinement area
- Remedial re-contouring of quarry areas was identified as a pre –closure requirement of the licensee
- Portal coverings were to be inspected prior to final closure and monitoring
- Submission of a report on the rate of permafrost rise within the tailings confinement are to be provided
- Hydrocarbon contaminated soils in the area of the deep water port and fuel supply

During the period of the 2009 inspection the following issues were identified by the Inspector;

NB: A complete site inspection was not completed because of inadequate transportation and a wash-out (man-made ditch) prevented access to the whole site. Inspectors could not access the back areas of the site.



- Continuing work on reclamation of the Tank farm had not been undertaken during the period of Inspection
- Wastes generated from on-site remedial activities were not noted on site. It is unclear where the hazardous materials and other wastes are being deposited
- Water was noted within the containment area at the tank farm

Non-Compliance: Issues identified during the inspection and/or review of relevant material

Issues with a known or anticipated human health impacts;

- None

Issues where there is a known or anticipated environmental impairment;

- Location of hazardous and other wastes are undetermined at this time
- Water found in the containment area of the tank farm

Issues where there is a known or suspected violation of a requirement of the Water License or Act;

- None

Andrew Keim
Inspector's Name

Inspector's Signature

Cc:

Peter Kusugak - Manager Field Operations Section- Indian and Northern Affairs Canada
Phyllis Beaulieu – Manager licensing – Nunavut Water Board



































