

From: Jimmy Noble
To: Carl McLean
Date: 11/10/2005 4:50:26 PM
Subject: Tahera Site Inspection Oct 2005

Good Afternoon,

As per our discussion prior to lunch today, here is an outline of what I felt needed to be addressed.

1) Operational Land Farm - Inspector took note that things were being buried, such as metals / non burnable.

- It was undetermined at the time of Inspection, as to what was in place under the Water Licence or how things would be monitored with respect to having things buried or if they were allowed to cover up the debris on site.

2) Surveillance Network Program - Inspector noted that signs were not in place during inspection.

- The SNP station should now be in place for the purpose of being identified by the Inspector and whomever is monitoring this location. It was noted that the GPS coordinated have been taken and will be identified in the coming months. I feel that this should be done in conjunction with the INAC Inspector, as it needs to meet guidelines that pertains to sampling protocols.

3) Long Lake Spillway - Visual observation only.

- During our visit to this location, I questioned how this operation would be working with respect to the discharge process, and how the "lowering" a portion of the lake would effect the surrounding area, with respect to habitat issues. I didn't question whether or not it was in the scope of DFO's terms and conditions, which I feel should be monitored by DFO, for potential spillway effects to surrounding lakes due to the siphoning.

4) Tank Farm - During our inspection Inspectors note the following:

- Minor spills around the refueling area, had the personel on site report a spill within this area and a follow up by Tahera is required on this issue. Inspector's indicated clearly that proper measures should be in place for potential spills, as we noted no spill kits nor a spill contingency plan within this site.

Overall from a Land Use prospective everything else was in the scope of the Land Lease and more monitoring of this site should be carried out from Water Resources to insure that it's within the scope of the Water Licence and guidelines setforth.

Should you require additional information feel free to contact me anytime, I'll only be across the road and Carl I'll only be downstairs, again any question I'll be around. Cheers.

Jimmy Noble - RMO Baffin

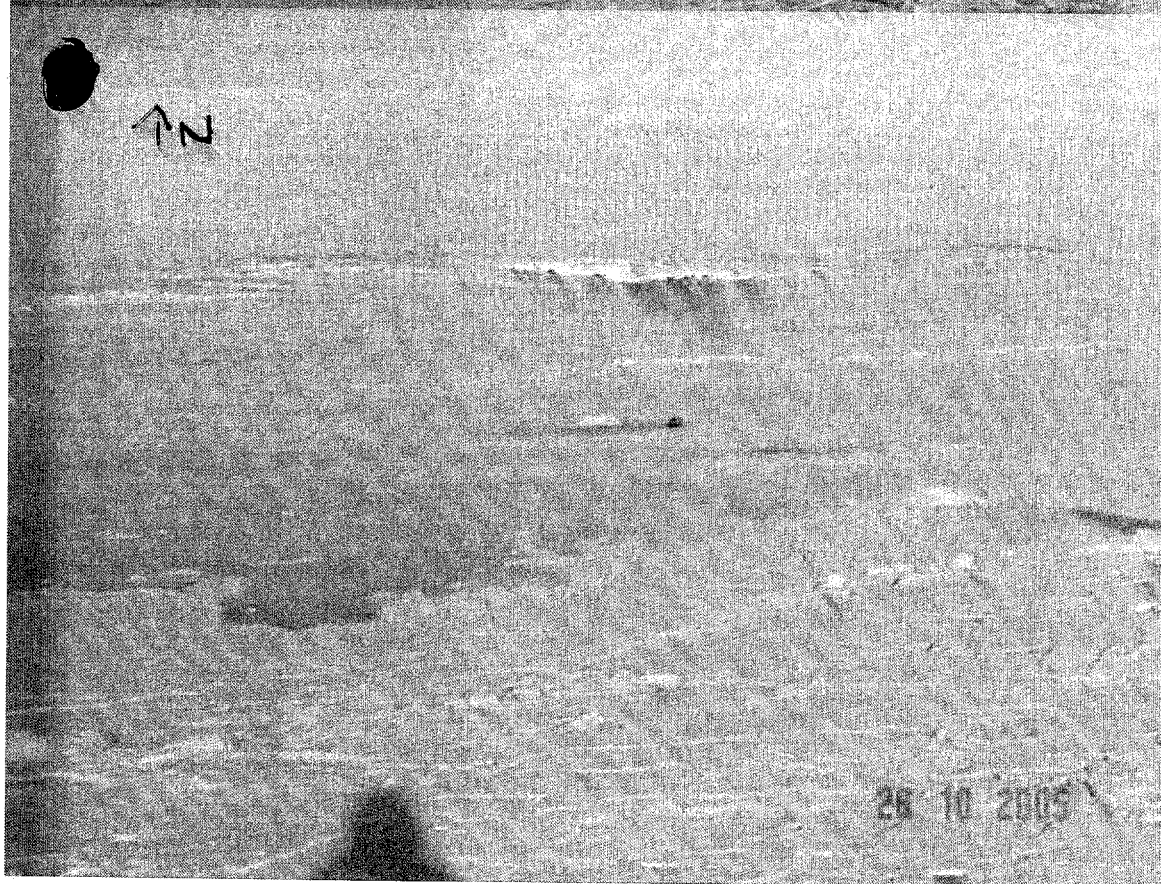
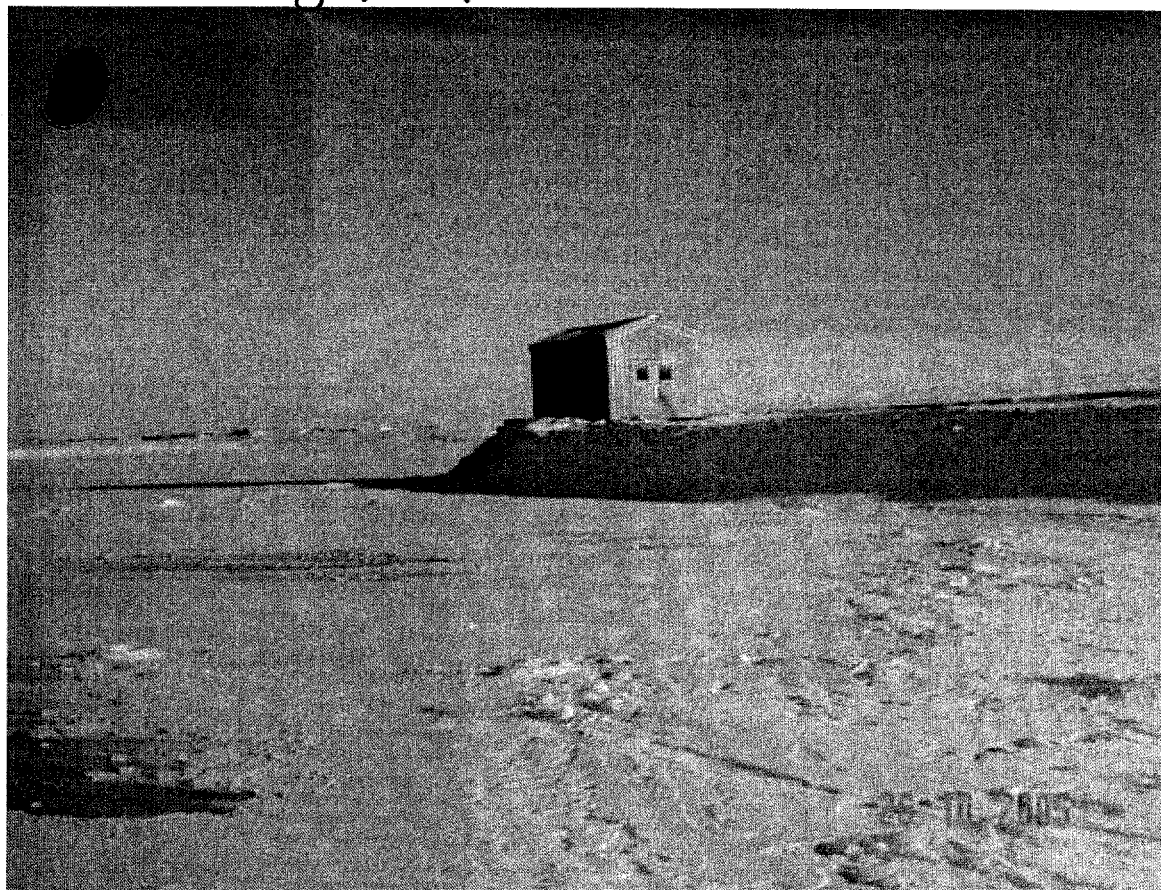
CC: Jim Rogers; Peter Kusugak; Spencer Dewar

West side of Accommodation Area



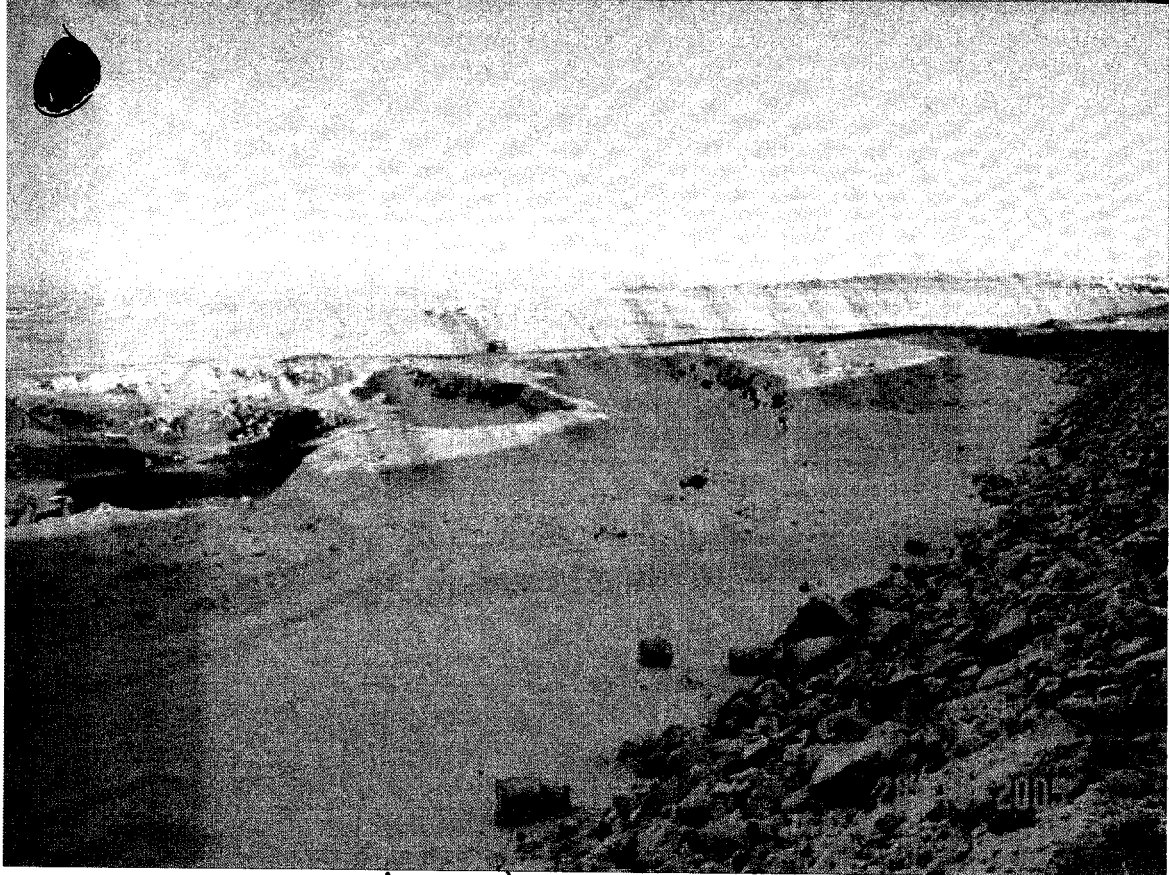
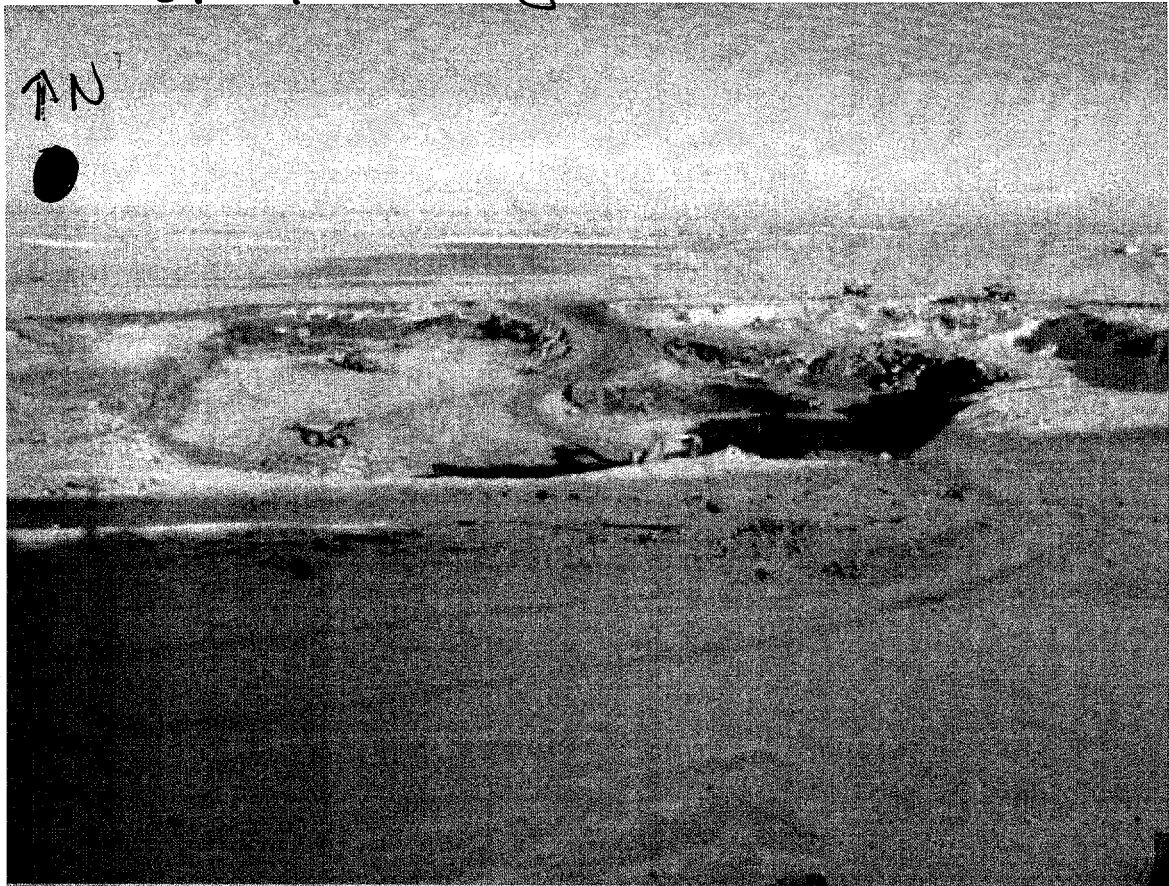
Freshwater Intake Area

Causeway pump house - Fresh water



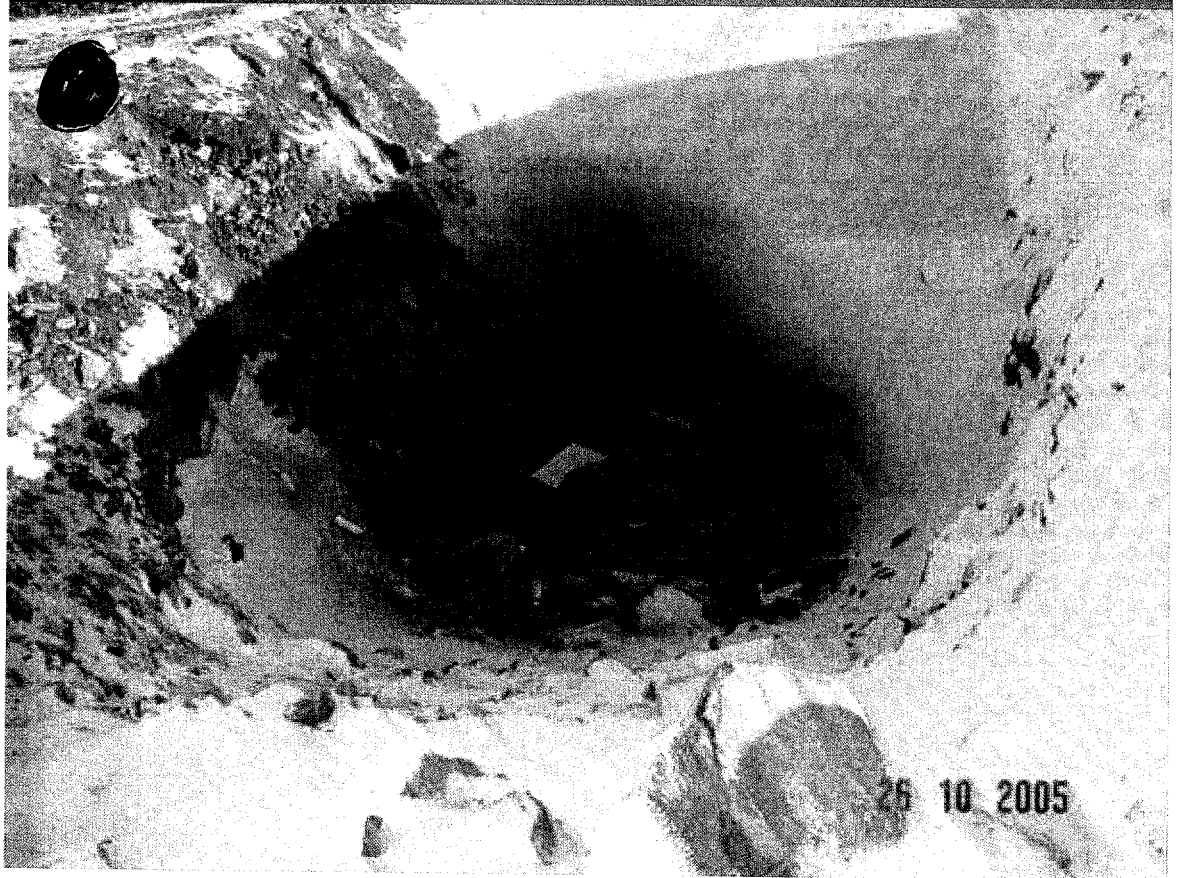
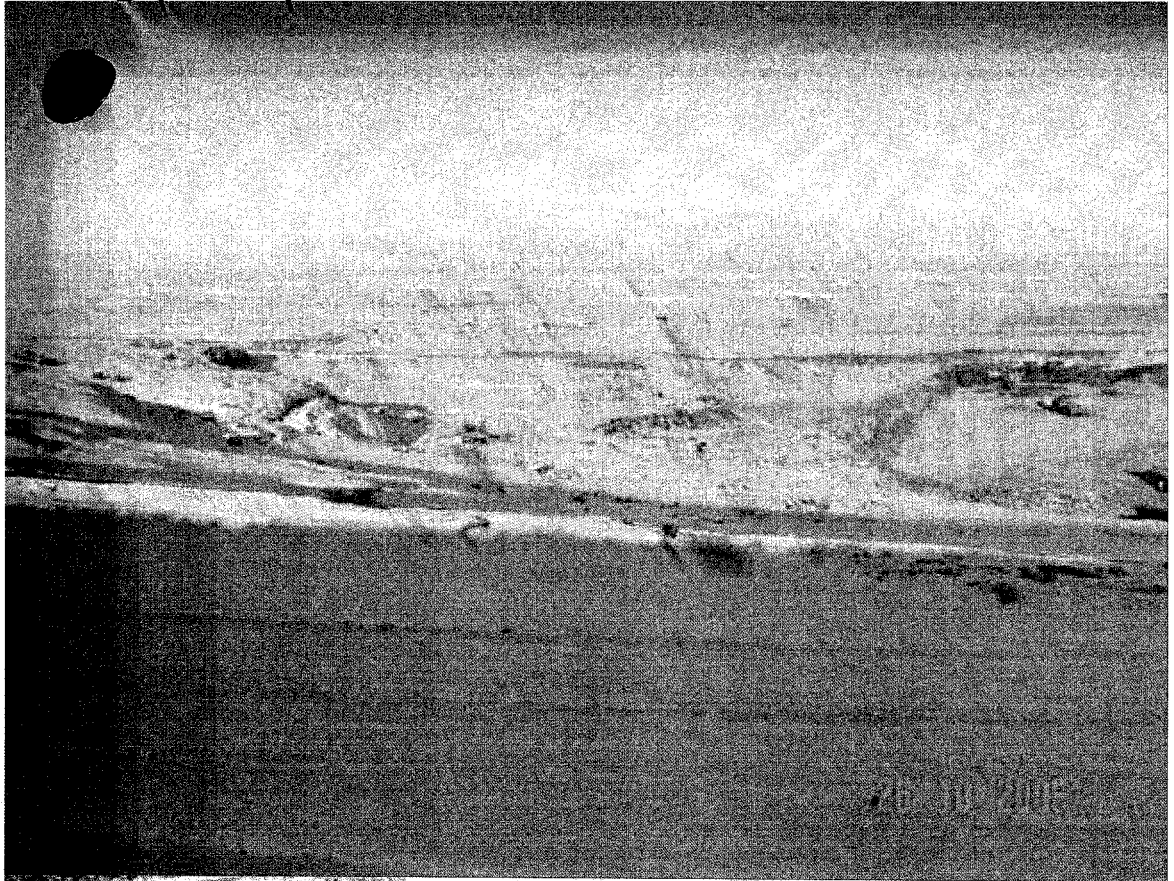
Carat Lake

open pit facing north



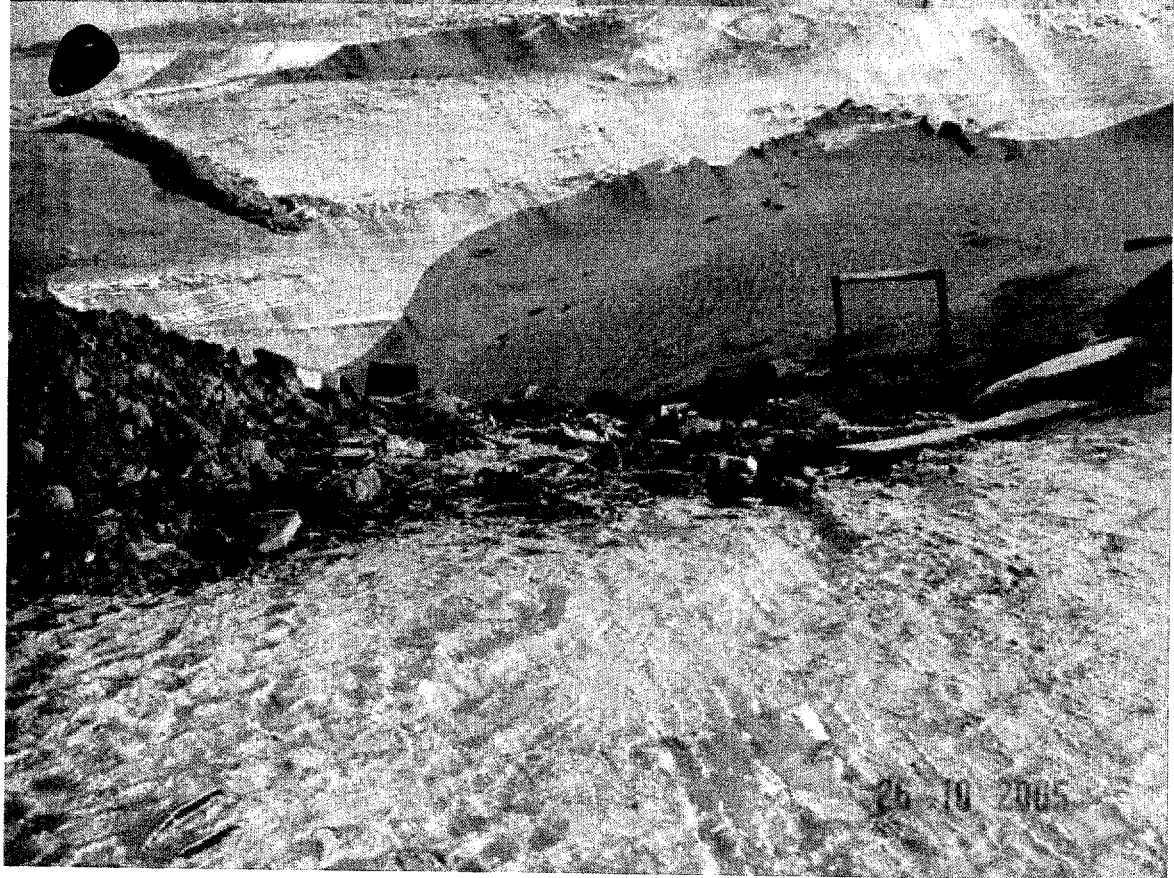
Open pit east side

Open pit westside



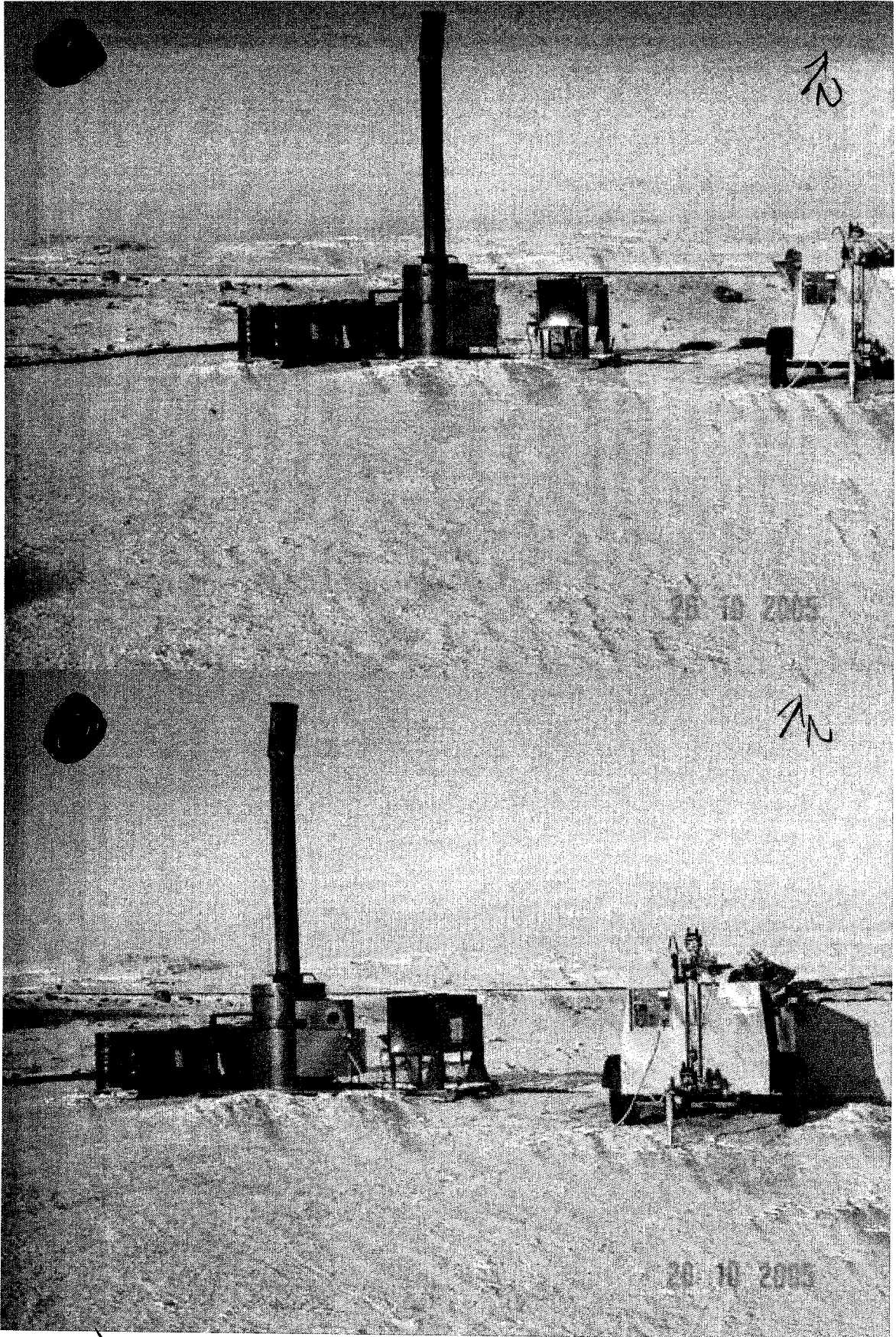
Waste Dump- site 1

Waste Dump site



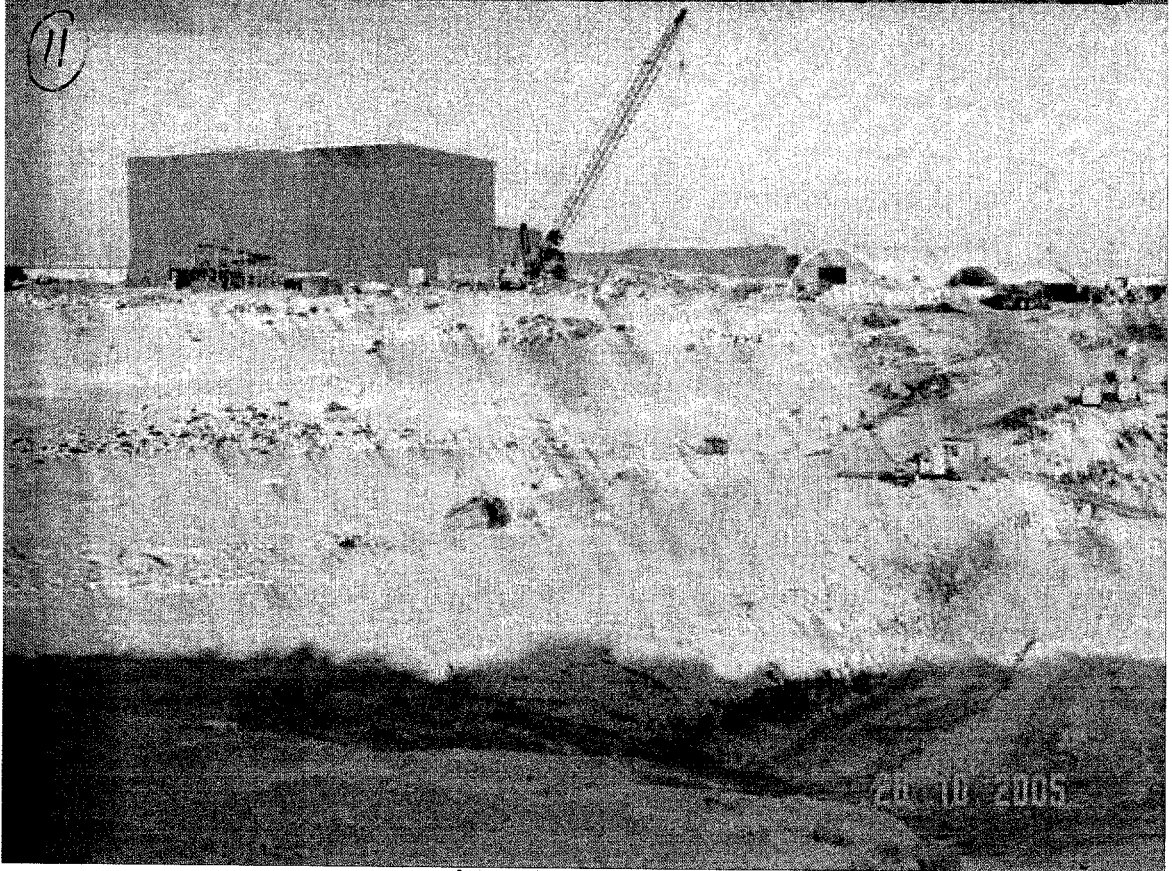
Waste Dump site

Lane Farm



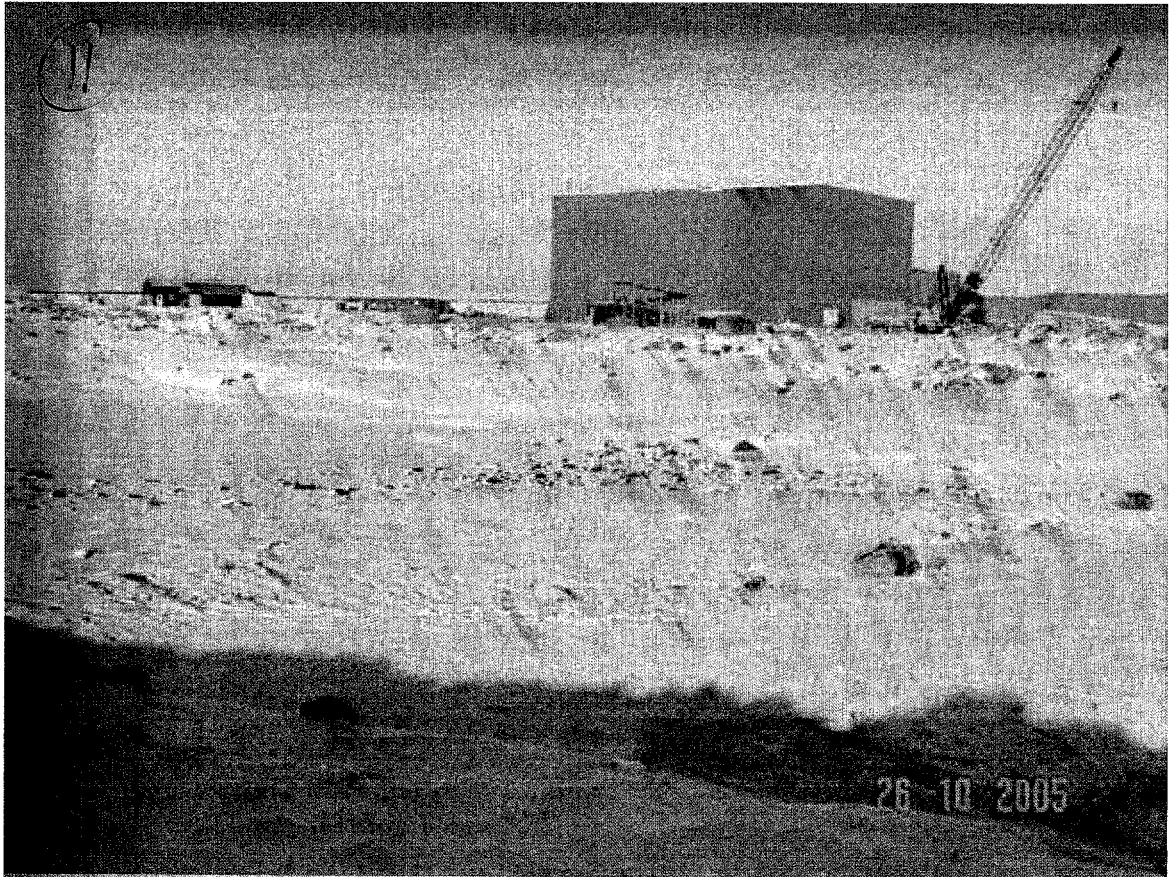
Lane Farm

View of Campsite from the Southside



View of Campsite from Southeast side

South east side of campsite



view of accommodation from east side

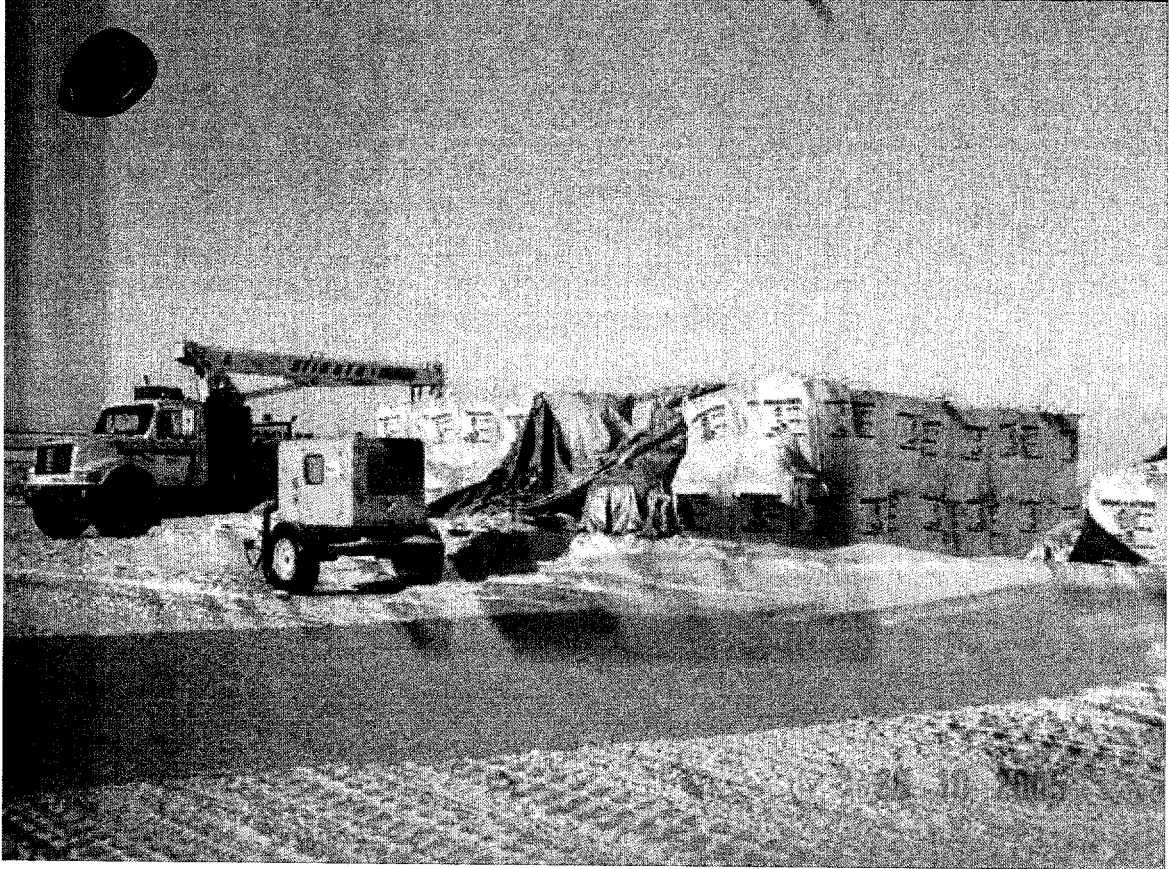
Spill way crossing

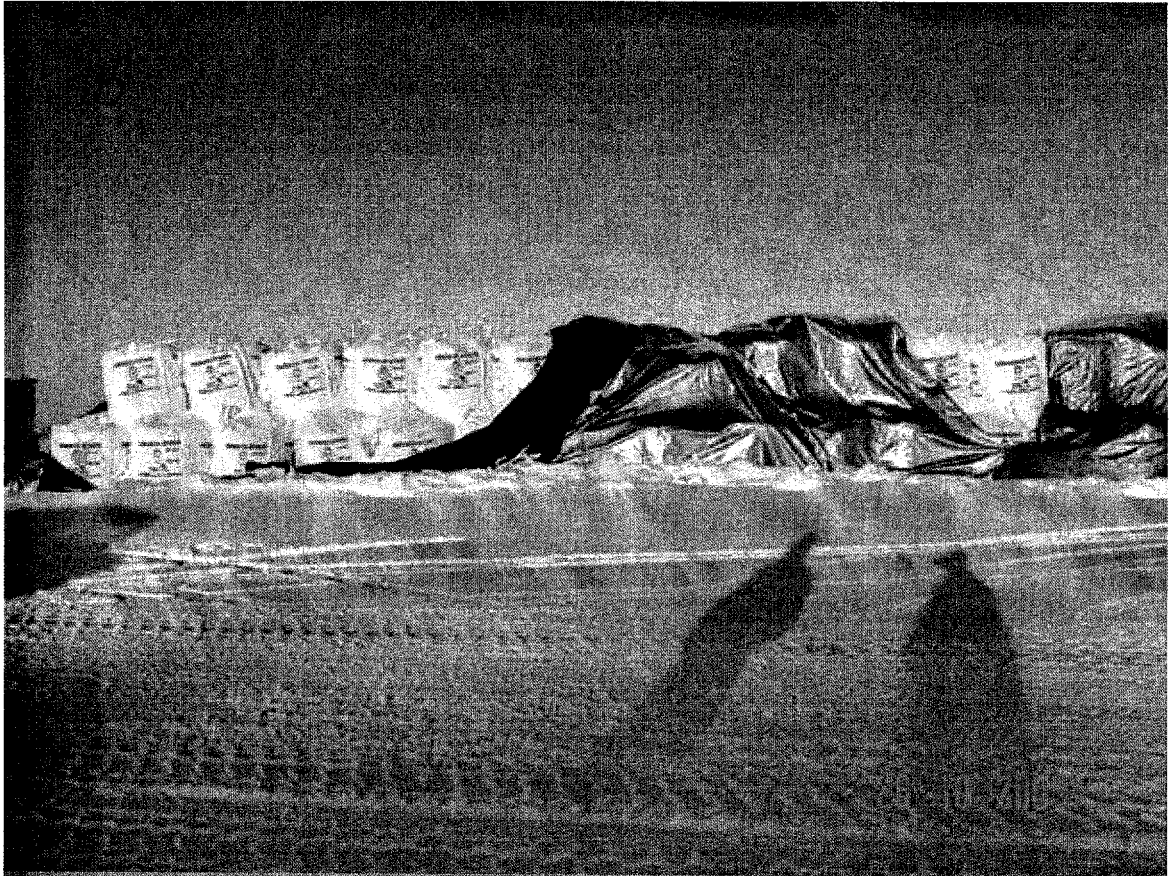


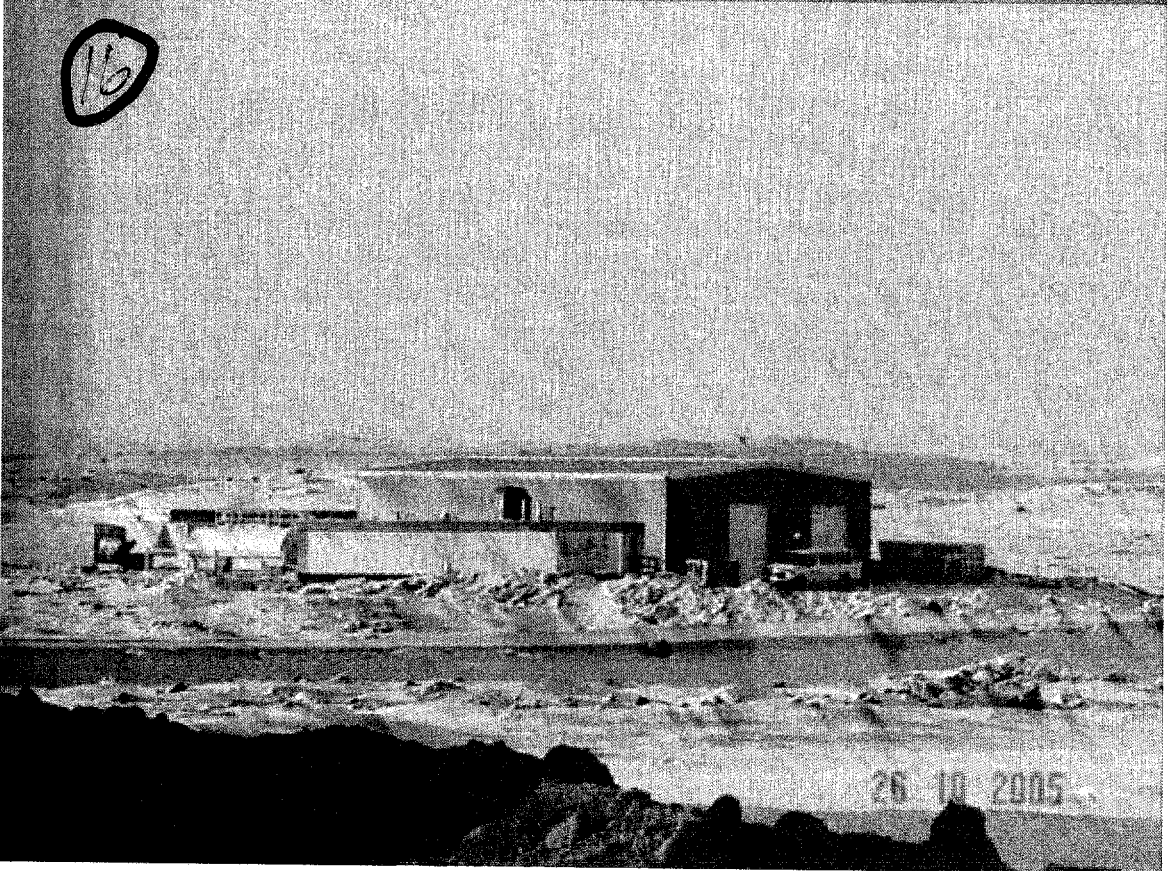
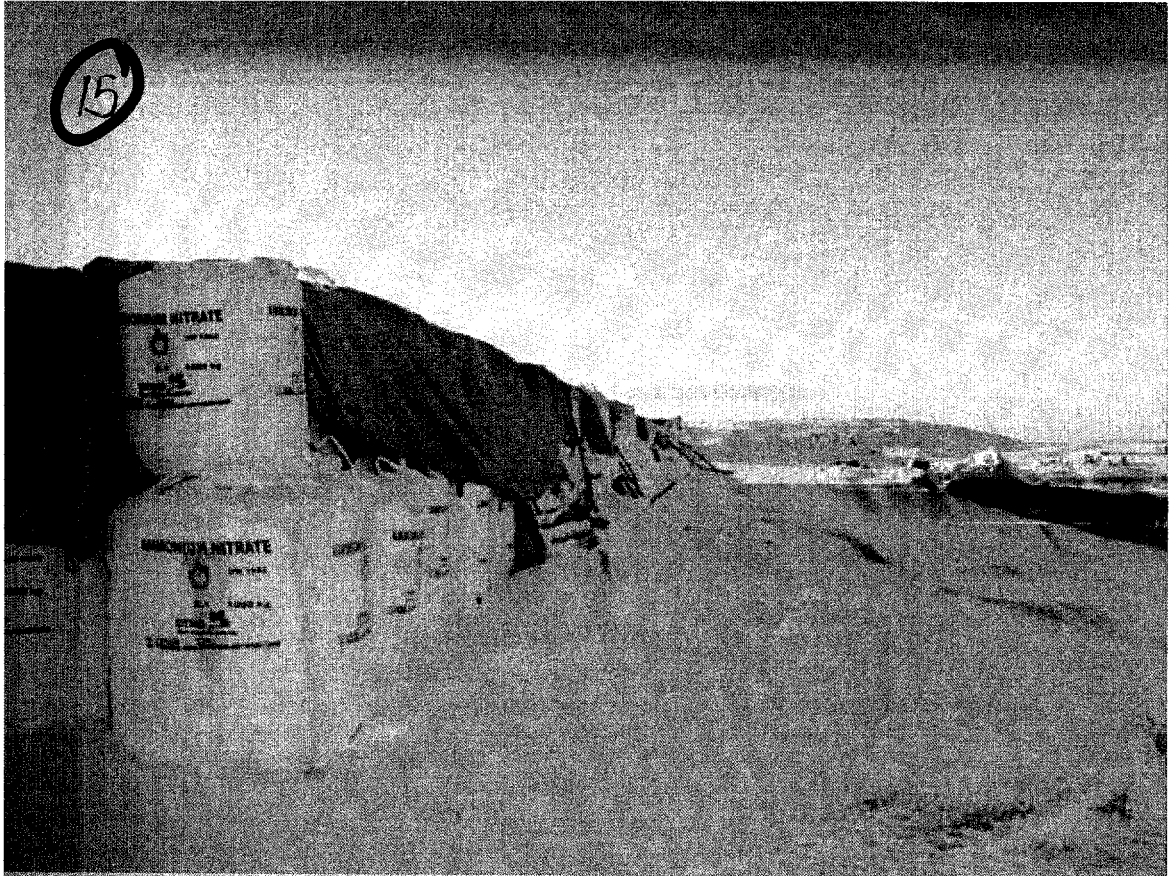
Old tank farm area



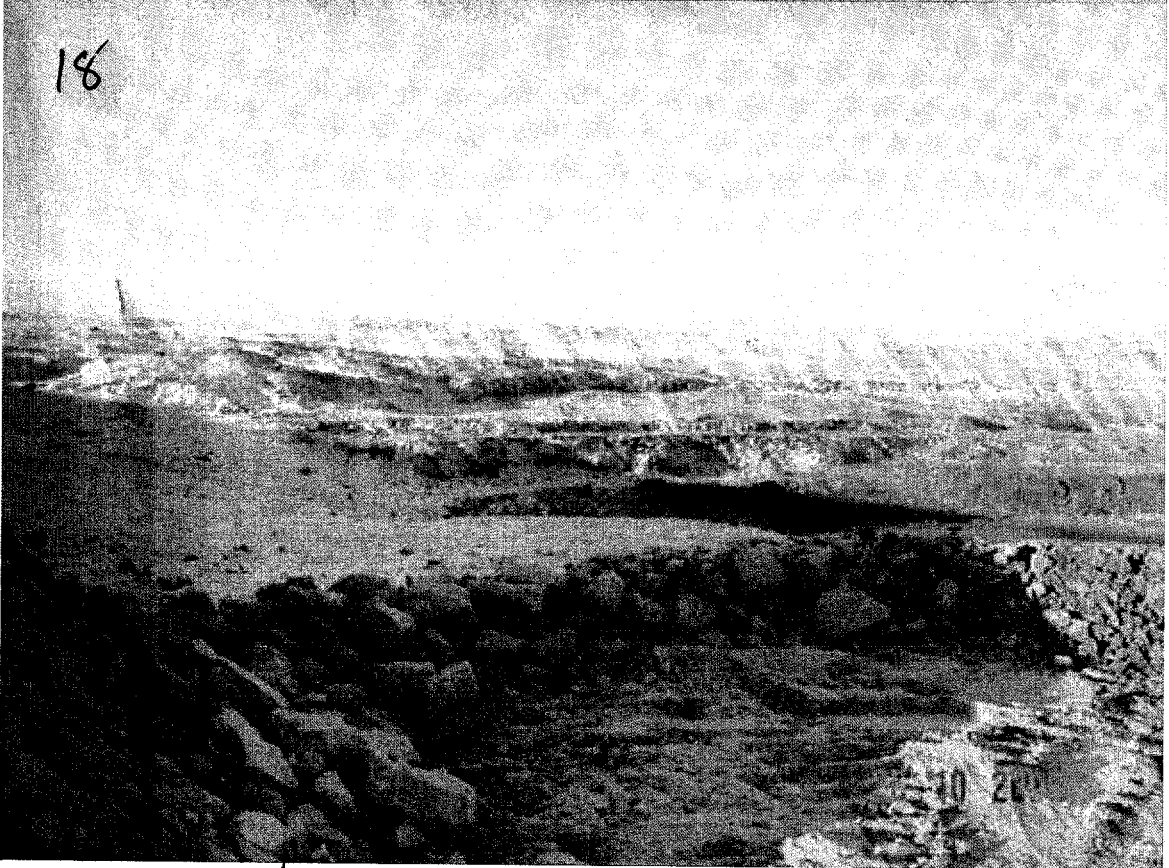
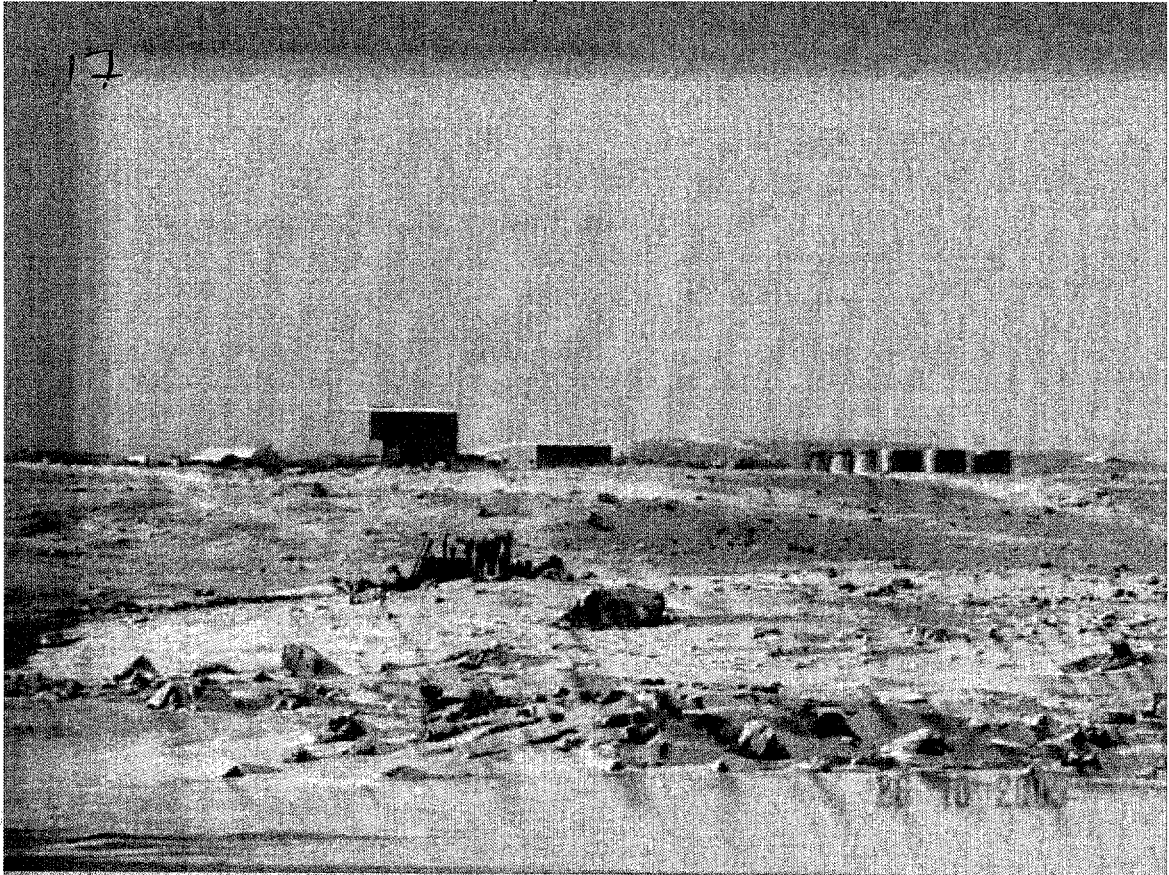






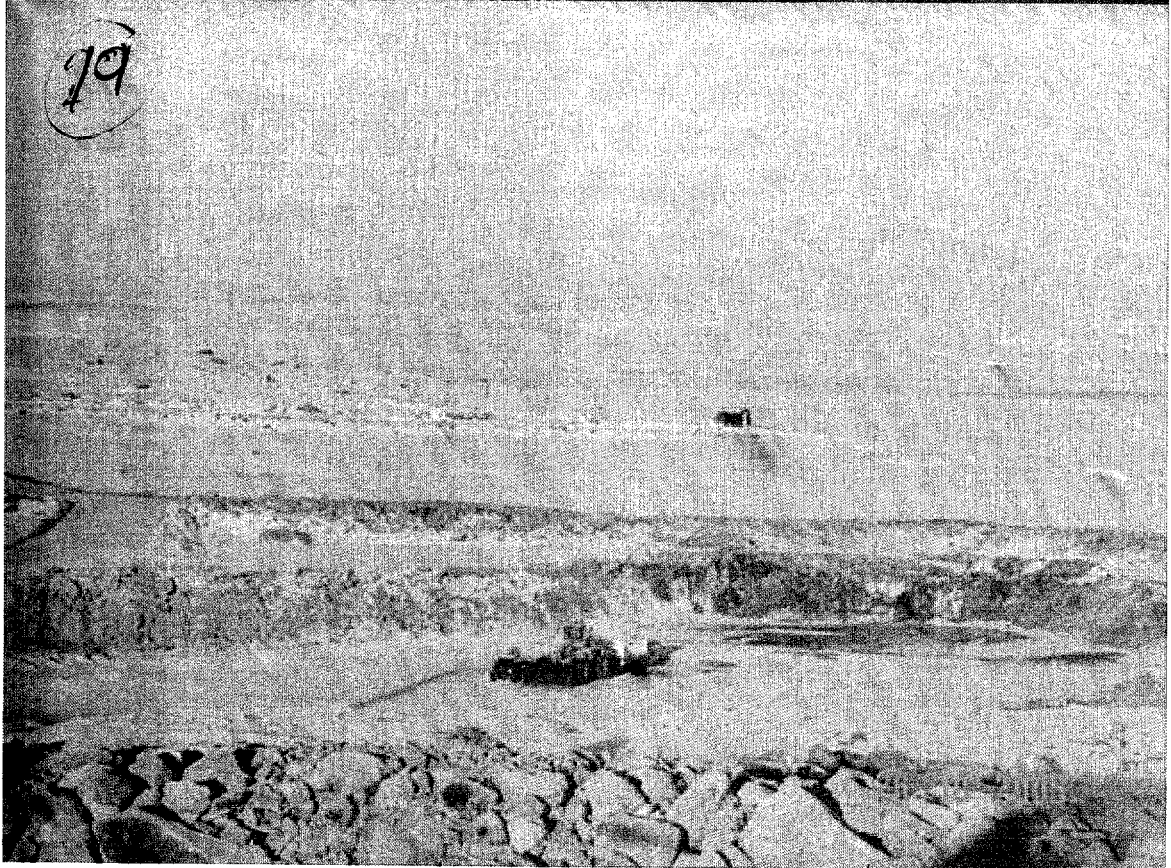
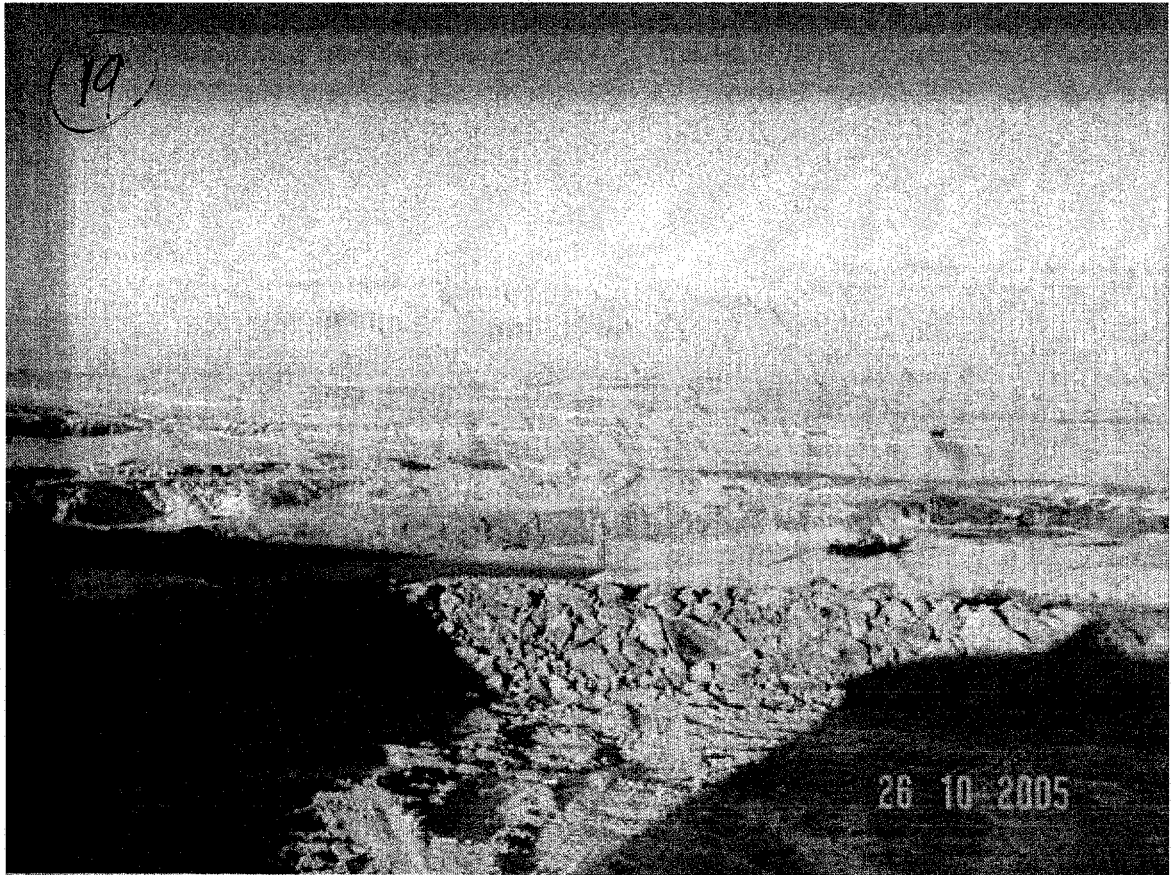


View of campsite/mill from East side



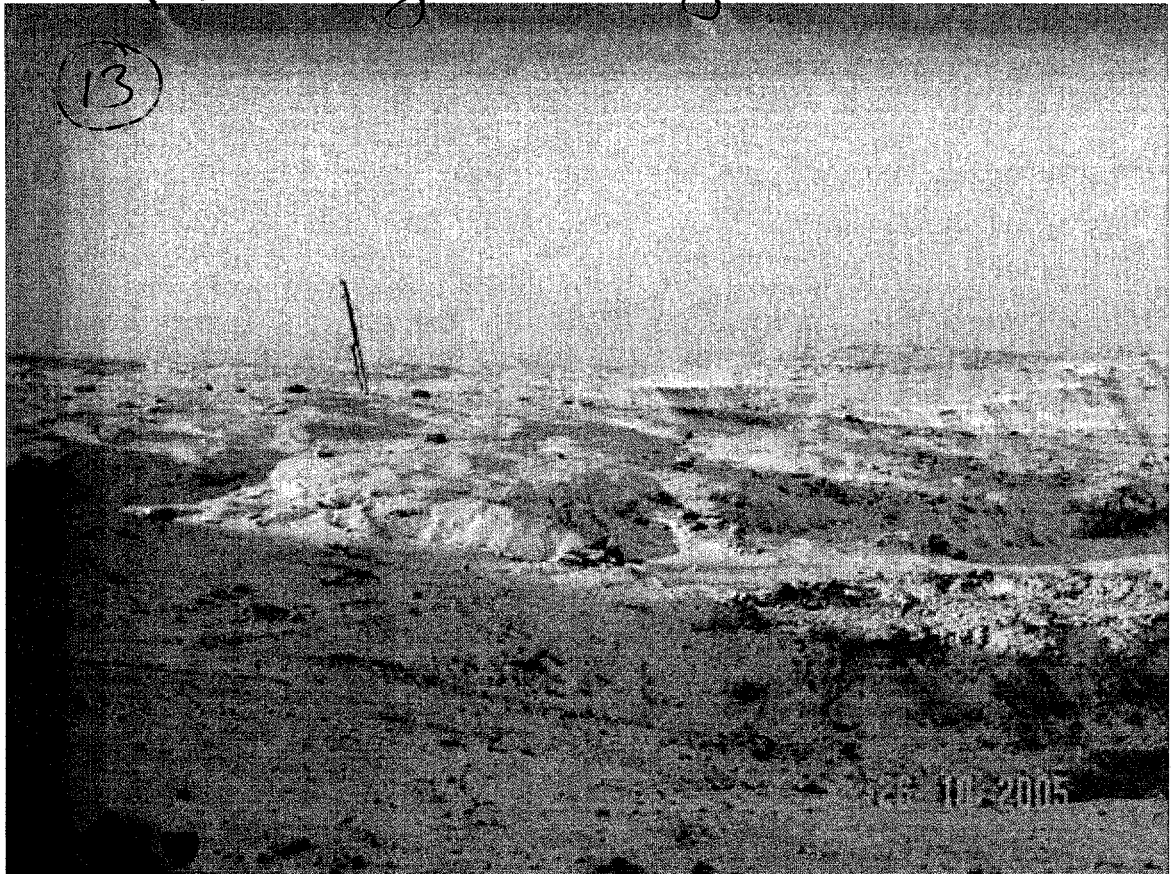
open pit from East side

View of open pit Eastside



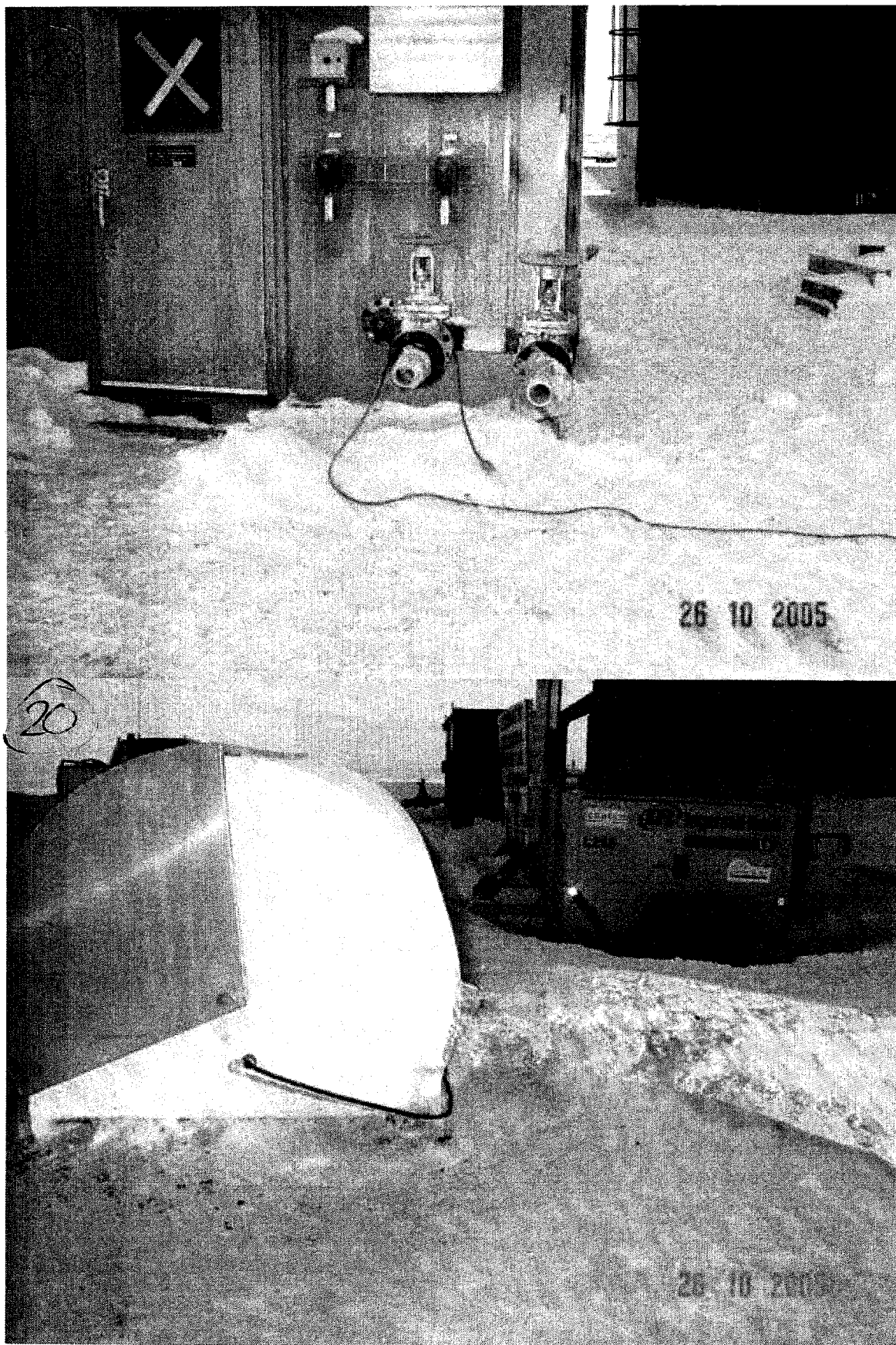
View of open pit Eastside

spill way crossing area



Campsite

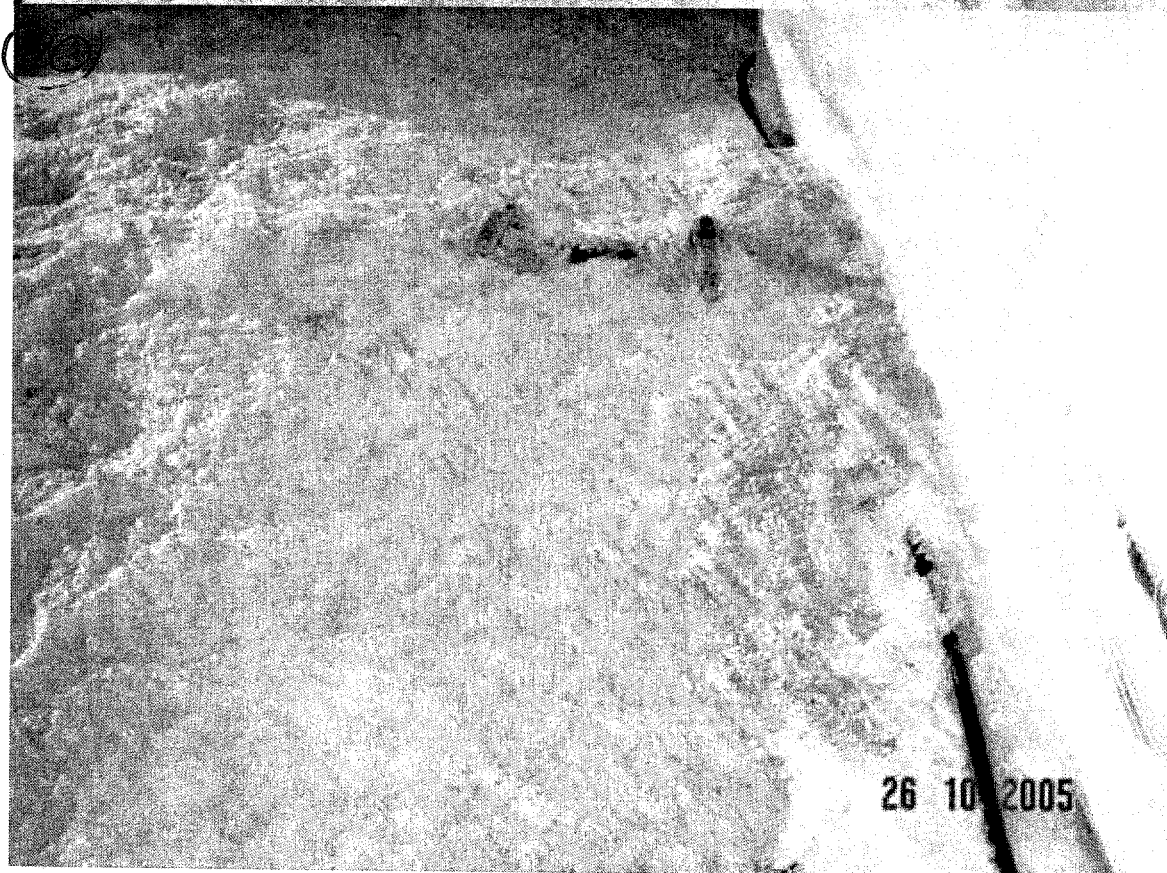
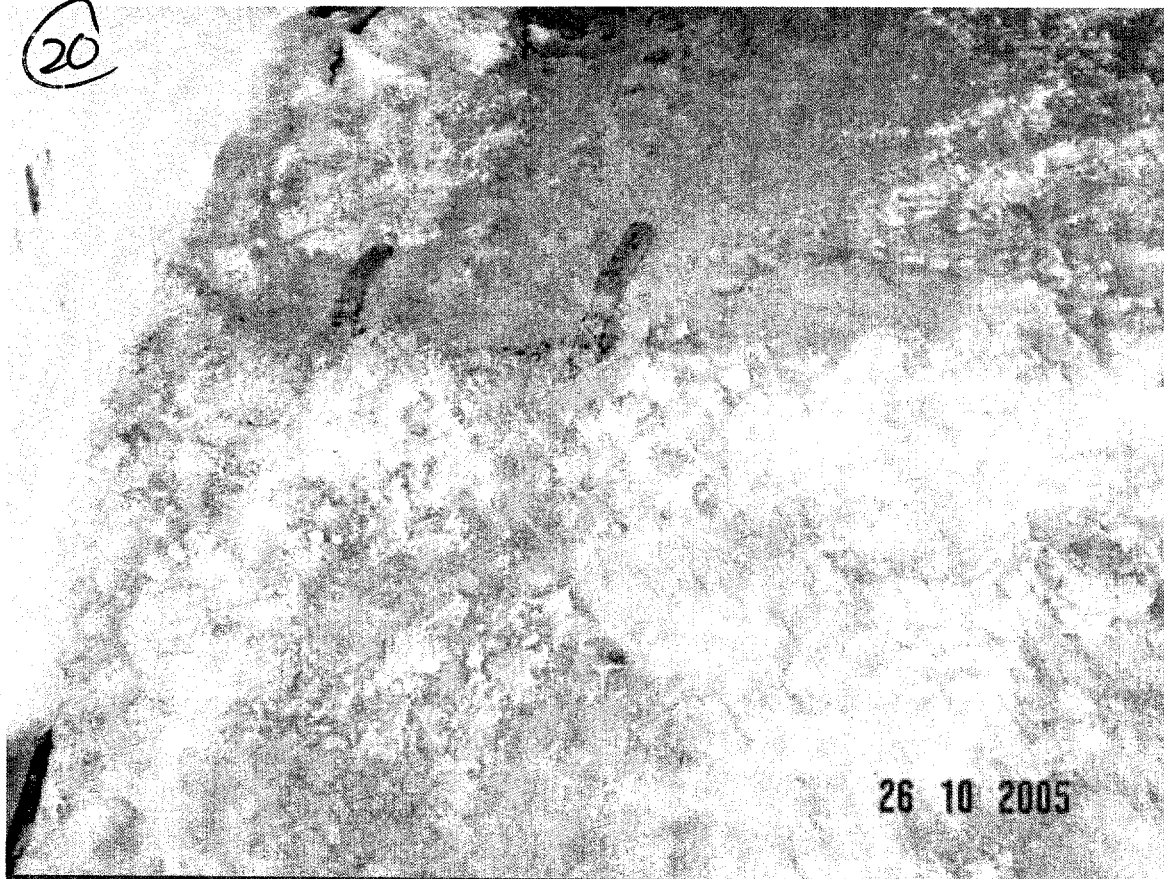
Tank Room



Tank Room

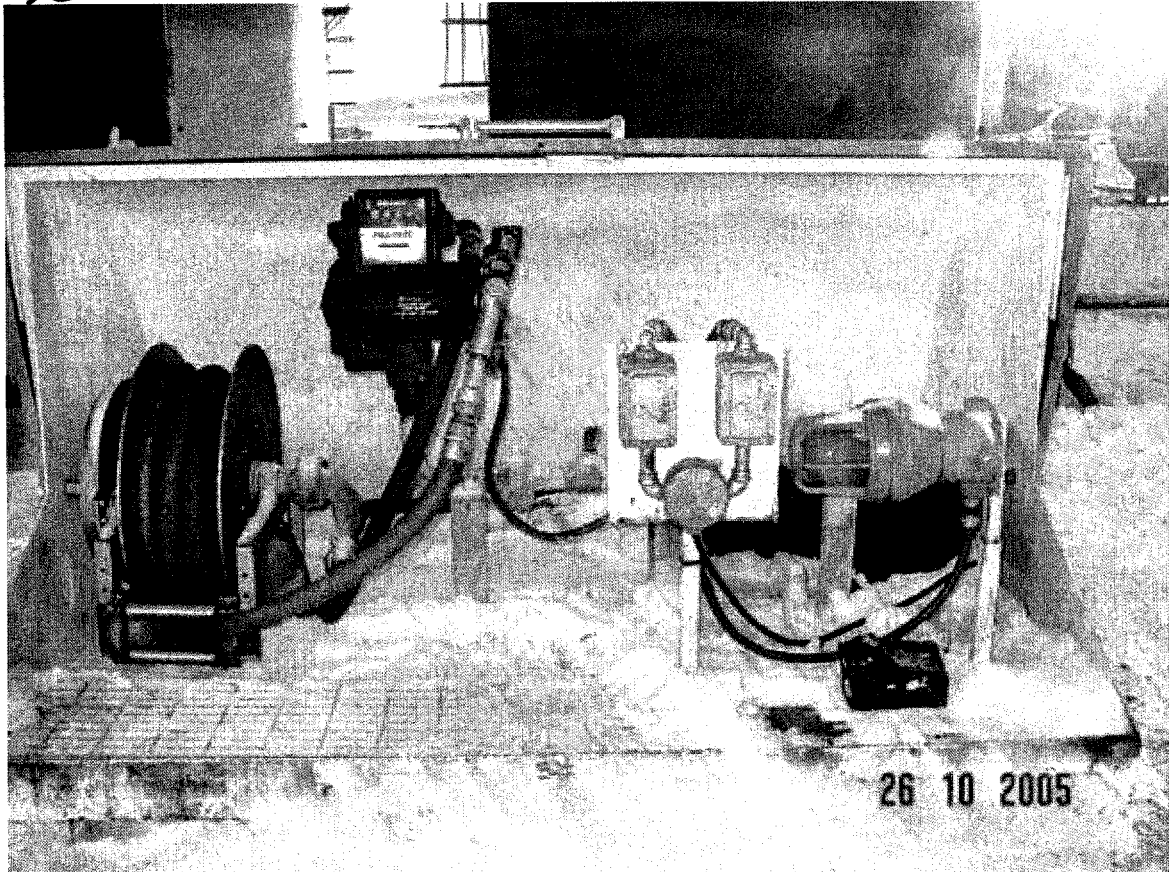
Tank Cannon

(20)

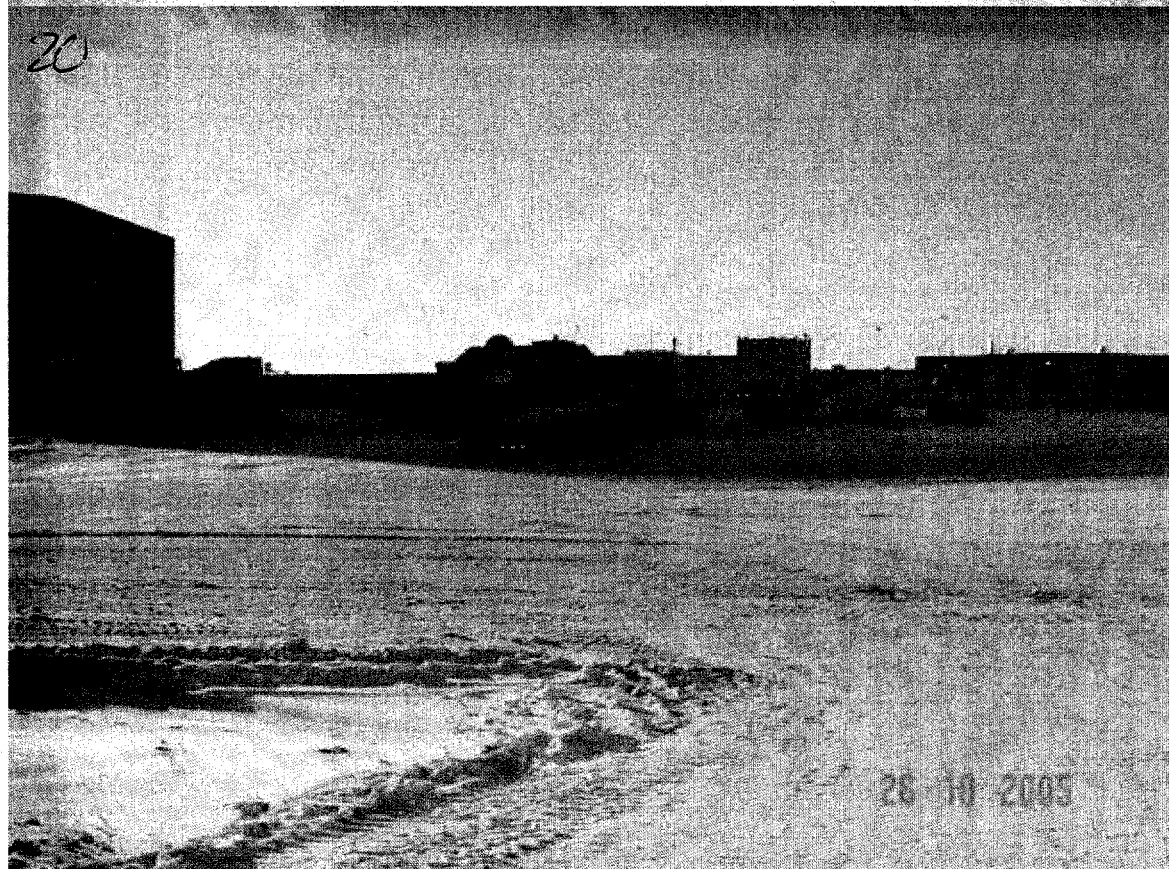


Tank Cannon

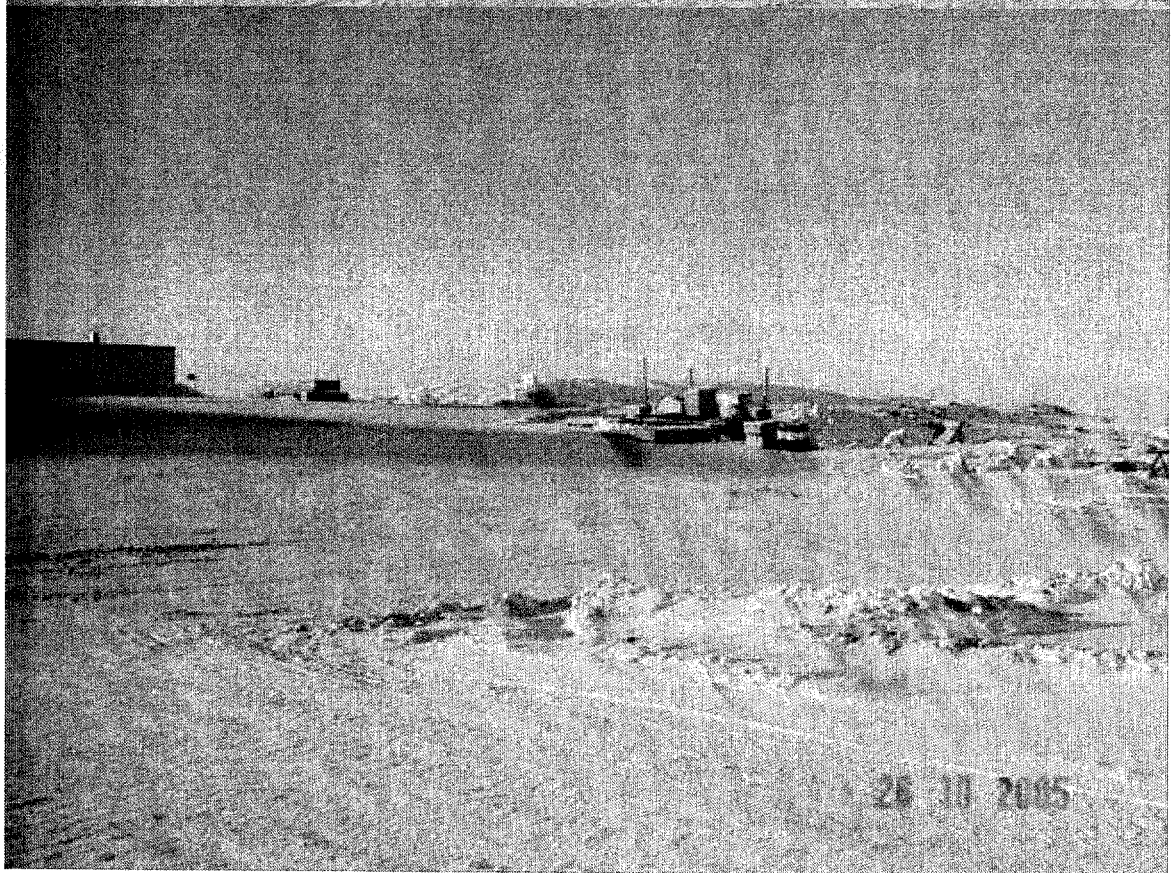
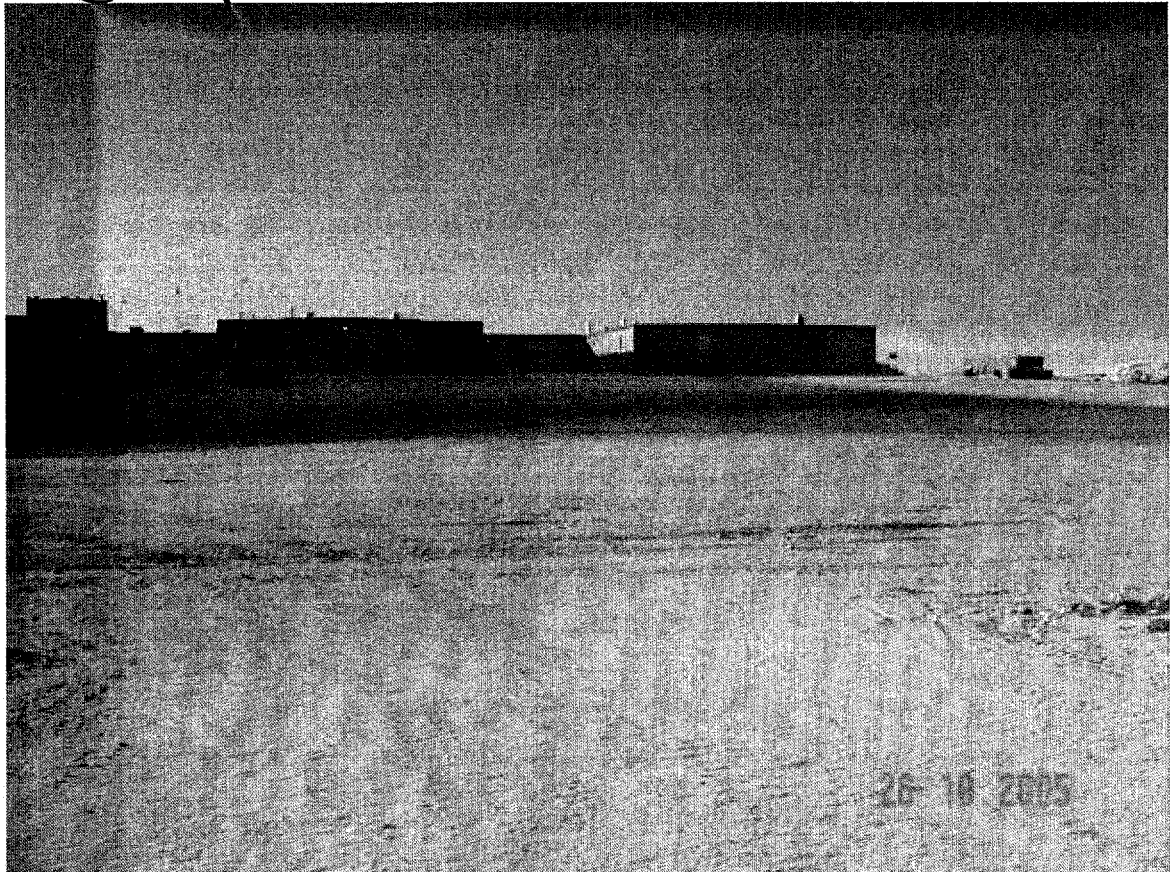
20



20

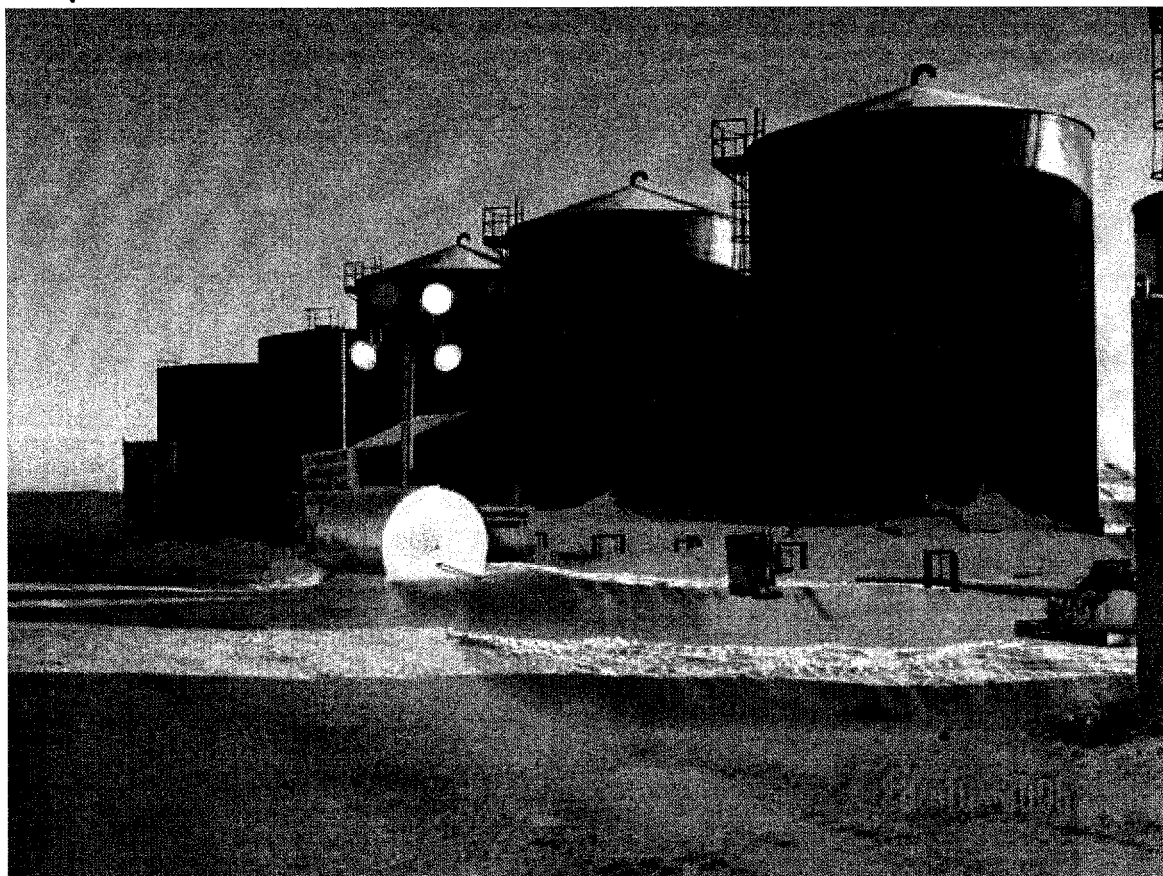


Campsite

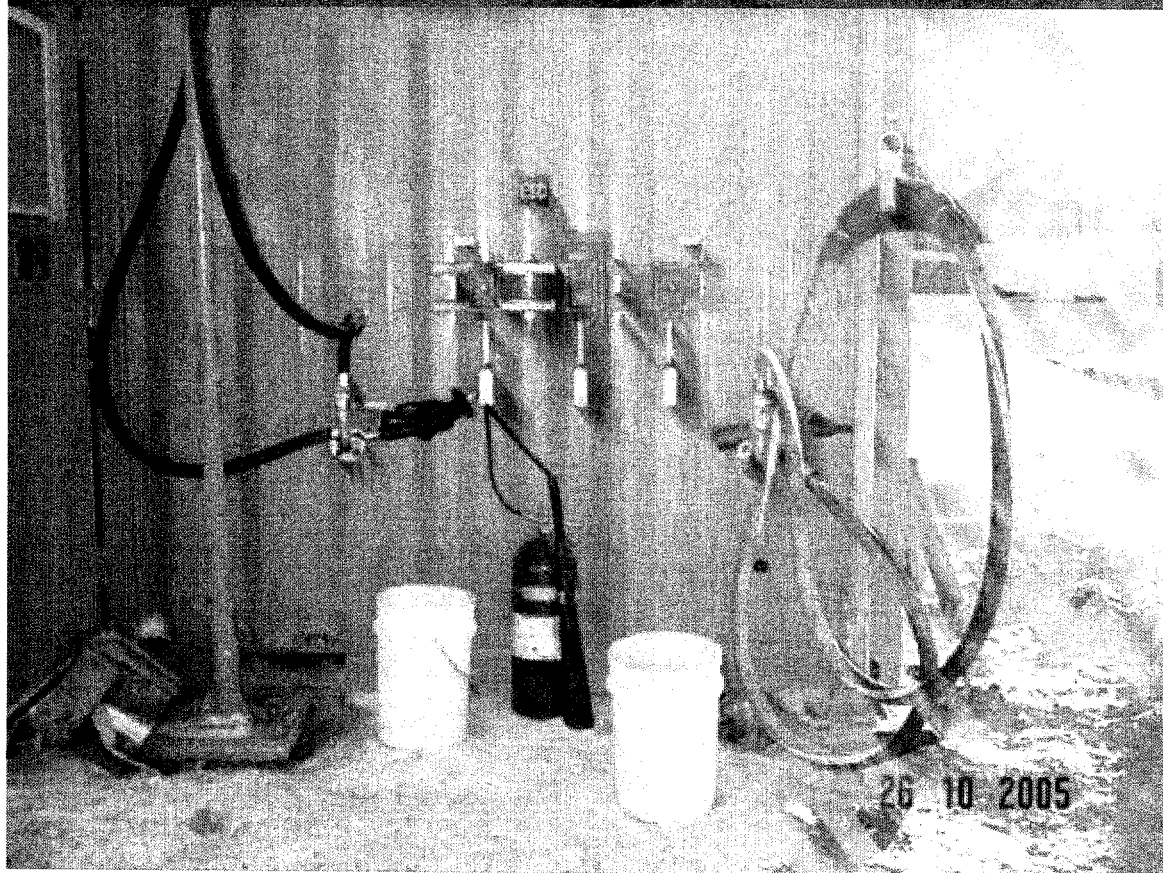


Campsite

70 Tank Room

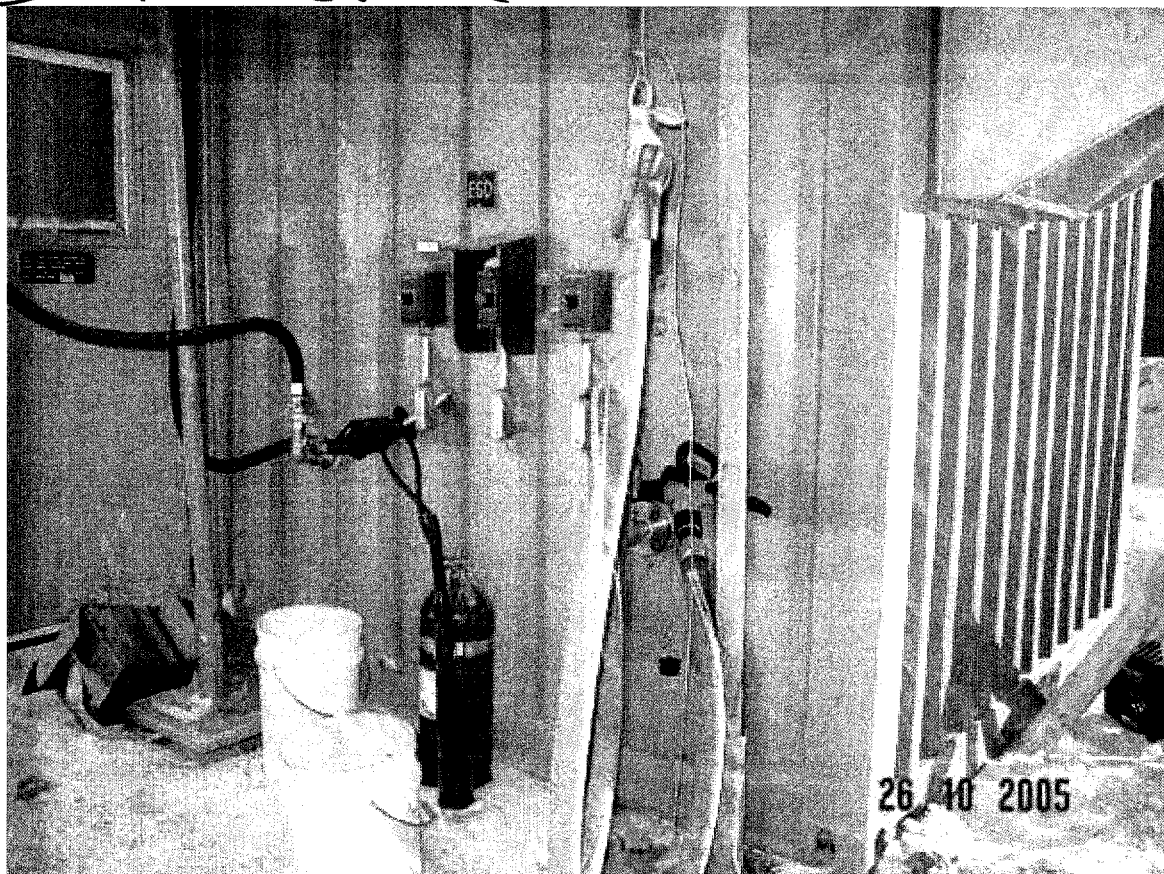


70



Tank Room

② Tank Cam

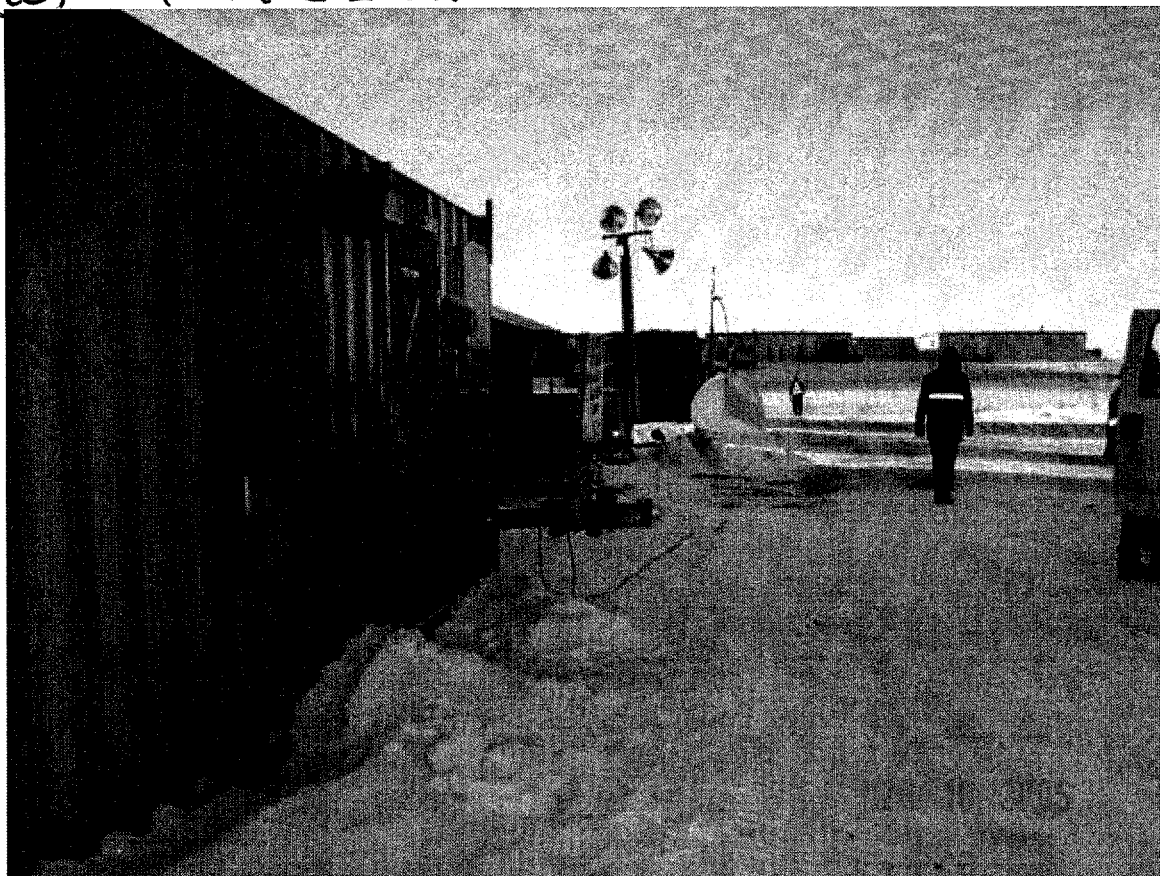


②



Tank Cam

(20) Tanker Comm

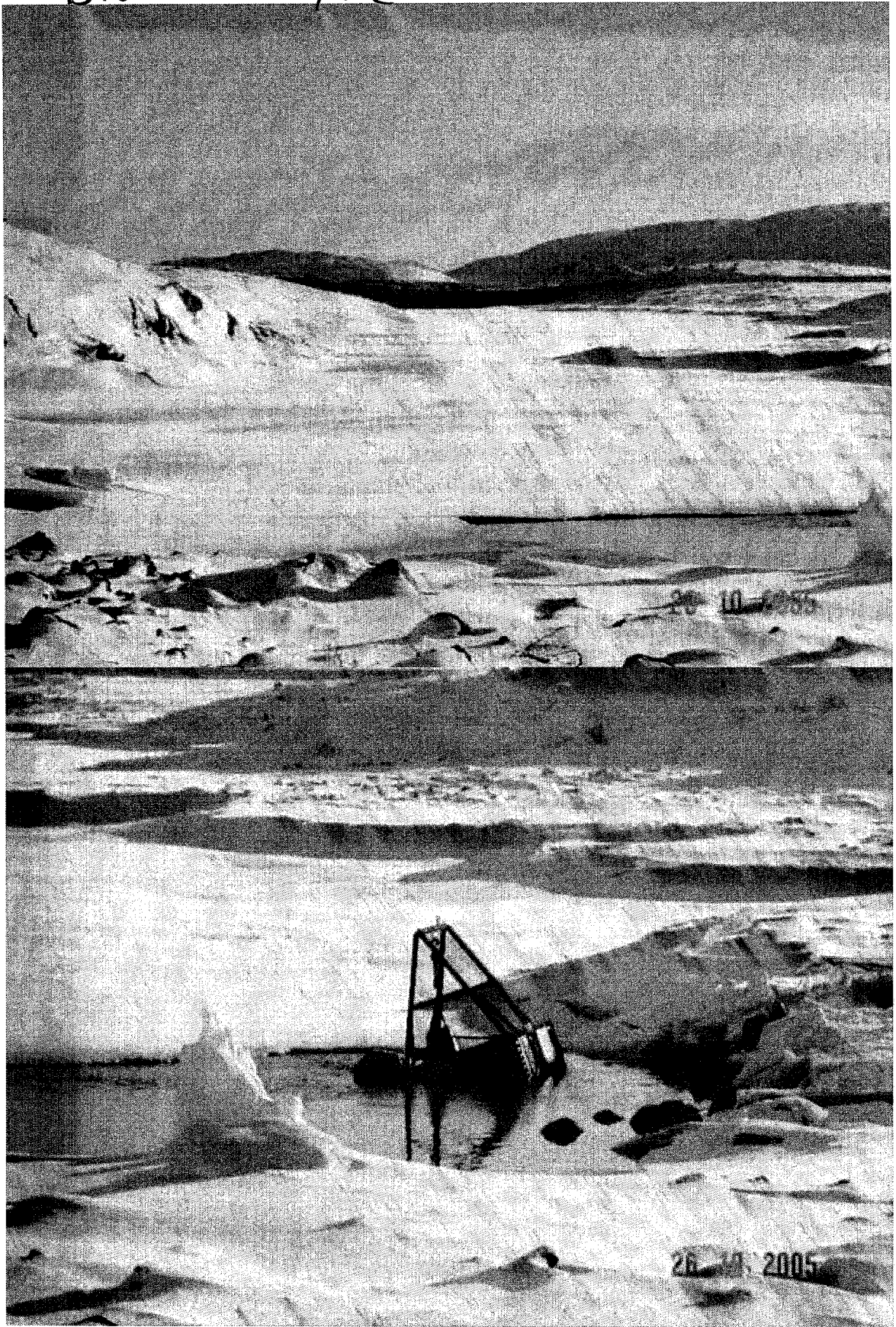


(21)



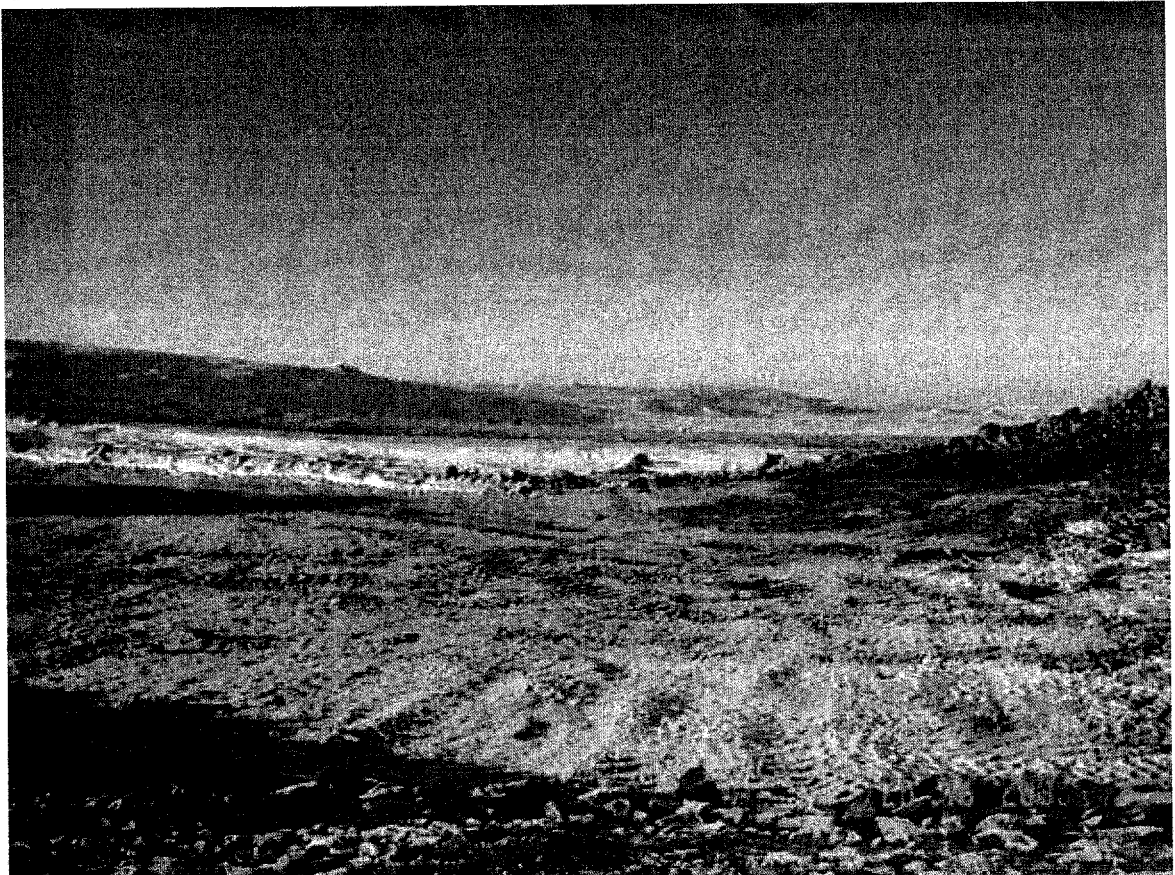
Divide dyke Area

②① Divider Dyke

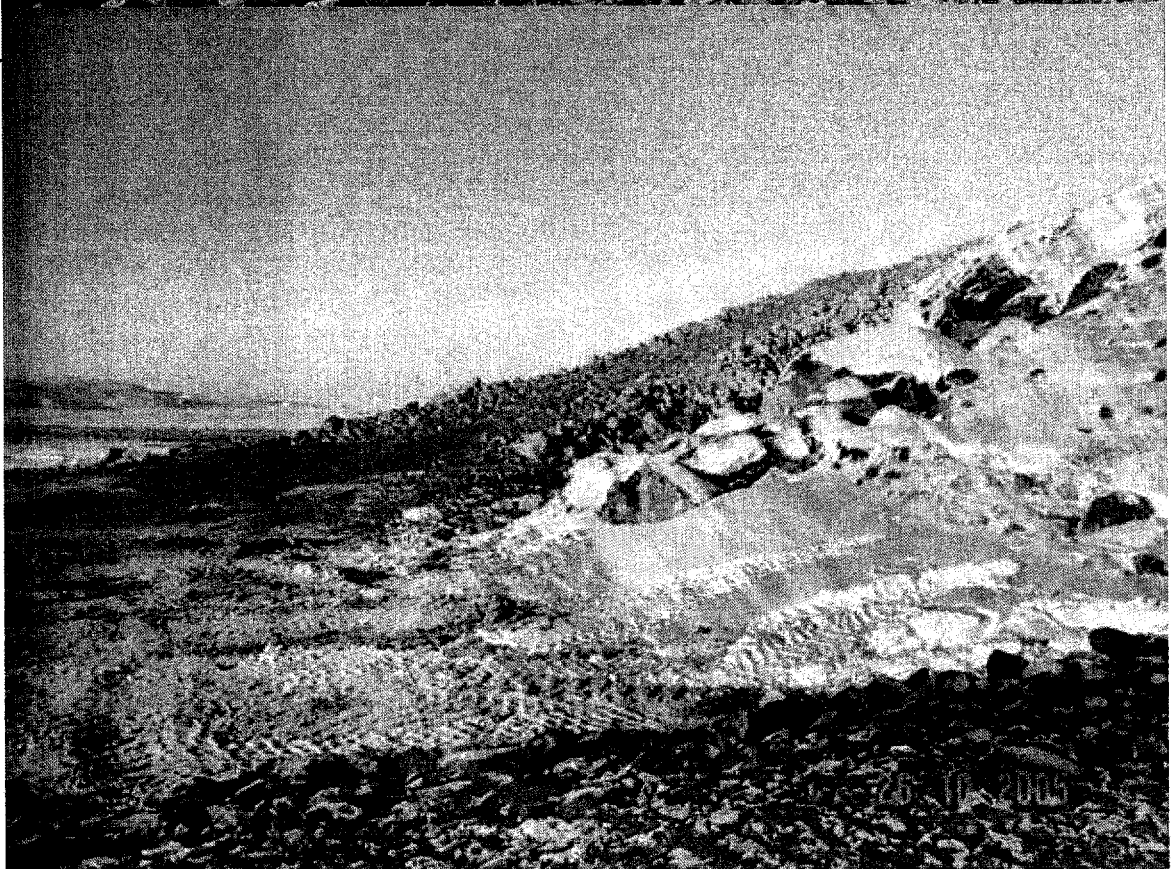


②②

22



22





Indian and Northern Affairs Canada
Affaires Indiennes et du Nord Canada

INDUSTRIAL MUNICIPAL WATER USE INSPECTION FORM

DATE: October 26 2005 COMPANY REP: Mike Tanguay
LICENSEE: Benachee Resources Inc. LICENCE #: NWB1JER0306/NWB1JER0410

WATER SUPPLY

Source (s): Carat Lake Quantity Used (to date): N/A
(estimate or actual)
Owner/Operator: Benachee Resources Inc.
Indicate: A - Acceptable U - Unacceptable N/A - Not Applicable
Intake Facilities: A Storage Structure N/A Treatment Systems N/A Chem. Storage N/A
Flow Meas. Device N/A Convey. Lines A Pumping Stations N/A
Comments: _____

WASTE DISPOSAL

Sewage Sewage Treatment System (primary, secondary or tertiary) Tertiary
Natural Water body ✓ Continuous Discharge (land or water) _____
Seasonal Discharge ✓ Wetlands Treatment Yes Trench _____
Solid Waste: Owner/Operator: Benachee Resources Inc.
Landfill _____ Burn & Landfill ✓ Other _____
Indicate: A - Acceptable U - Unacceptable N/A - Not Applicable
Disch. Quality A Decant Structure N/A Erosion _____
Disch. Meas. Dev. N/A Dyke Inspection N/A Seepages _____
Dams, Dykes A Freeboard A Spills N/A
Construction N/A O & M Plan _____ A & R Plan N/A
Periods of Discharge: Year-round Effluent Discharge Rate: Unknown
Comments: _____

FUEL STORAGE

Owner: _____ Operator _____ Condition of Tanks A
Berms & Liners A Water within berm: NIL Evidence of Leaks: NIL
Drainage Pipes A Pump Station and Catchment Berm _____
Pipeline Condition A Not Applicable: _____

SURVEILLANCE NETWORK PROGRAM

Samples Collected: (Hamlet) _____
(DIAND) Potable water + Sewer Discharge
Signs Posted: SNP No signs posted as of yet. Warning N/A
Record & Reporting N/A

Geotechnical Inspection: N/A

Non-Compliance of Act or Licence: Fuel spill @ Temporary refuelling approx. 30-50 liters
Leaks on pipes @ dispensing module, in process of being repaired. No spill kits
@ refuelling station. Also drip pan @ airstrip on generator needs replacing.

Page 2 attached Yes _____ No _____

Licensee Representatives Title

George Taptuna
Inspectors Name

N/A
Licensee Representatives Signature

George Taptuna
Inspectors Signature



ENVIRONMENTAL INSPECTION REPORT

Permittee: (complete name and address) Benachee Resources Inc			
803-121 Richmond Street West, Toronto Ont. M5H 2K1			
Mike Tanguay		Permit Expiry Date	Last Previous Inspection
Land Use Permit No.			
Quarrying Permit No.			
Lease	76L/3-1-2	Jan 31 st 2015	
Contractor:		Subcontractor:	

Location(s) Inspected:	Mine Site - Vicinity of Carad Lake
	N 65° 59' 50" W 117° 28' 30" QUAD 76L/3.4

Current Stage of Operation:	Operational (Active)
	Roughly 190 crew on site

Program Modifications Approved:	

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

	Operating Condition	Aspect Inspected			
A	Location as Permitted	A			
B	Timing as Permitted	A			
	Equipment as Approved	A			
D	Methods & Techniques	See below for details (fuel tank area)			
E	Facilities	A			
F	Erosion	A			
G	Chemicals, Waste	A			
H	Wildlife & Fisheries Habitat	N/A			
I	Ecological Resource	N/A			
K	Fuel Storage	See below for notes.			
L	Brush Disposal	N/A			
M	Matters Not Inconsistent	N			
N	Water Engineering	A			
O	Water Supply	A			
P	Restoration	N/A			
Q	Quarrying Methods	A			
R	Sections 12 to 19 T.L.U.R.	N/A			
S					
T					

Surveillance Network Program	To be provided to MAC - who will be noted to file.
------------------------------	--

Explanatory Remarks (attach page 2, if required)	Site Inspection completed Oct 26/05
Overall everything appears in good order. Only a couple of things to note: Must report fuel spill @ dispensing location, 24hr spill line	
Airship's Generator House tank must be cleaned & maintained to prevent future spills on location	
Page 2 attached	<input type="checkbox"/> Yes <input type="checkbox"/> No

Representative's Signature	Inspector's Signature
MSE MANAGER	
Representative's Title	District Mgr. Initials