



Pamela Strand
4579 Nunavut Ltd.
#220- 9797 45th Ave,
Edmonton AB T6E 5V8

August 4th , 2008

- Inspector's Direction -

I, Andrew Keim; a duly designated Inspector pursuant to subsection 85 (1) of the **Nunavut Waters and Nunavut Surface Rights Tribunal Act (2002, c. 10)**, conducted, on August 2nd 2008 an Inspection of the site known commonly as Josephine Lake, Churchill property in the Kivalliq Region Nunavut, Canada.

This inspection was conducted to determine compliance with the Nunavut Water and Nunavut Surface Rights Tribunals Act and specifically the facilities infrastructure and activities as outlined in Water License **2BE-CHU0508**

At the time of the Inspection it was noted that in Camp there were approximately 200 refilled drums of various fuels and another 300 drums in 5 separate and discrete caches on the property. This volume of fuel held on site without any secondary containment poses an unacceptable level of risk especially given that two uncontrolled releases of waste have already occurred on this site.

At the time of the drafting of this direction the Shear Minerals, 4579 Nunavut Ltd, is in contravention of subsection 12 1 (b) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*.

By copy of this Order and under the authority vested in me pursuant to subsection 87 (1) (ii) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, Shear Minerals, 4579 Nunavut Ltd is directed as follows;

To submit to the Inspector within 30 days a revised and updated Spill Contingency Plan that addresses the volume of fuel on site. The Plan will include a description of how this volume of petroleum products will be handled, stored and disposed of, as well as how it will be contained and cleaned-up in the event of a spill. Additionally the Plan will include the following two specific items to be submitted and approved by the inspector.

- A method to monitor and conduct regular checks on this amount of fuel over the winter months, if left on site, without secondary containment
- A plan to install and maintain to the satisfaction of the inspector an adequate method of secondary containment sufficient to prevent the discharge of Waste into the environment if left over the winter months



Failure to comply fully or in part with an **Inspector's Direction** constitutes a offence under subsection 90 (1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and entails, upon summary conviction, a fine of \$100,000 or to imprisonment for a term of one year, or both.

Further pursuant to subsection 90 (4) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, each day on which the **Inspector's Direction** is not complied with shall be considered a separate offence.

Andrew Keim

Inspector

(original signed)

Inspector's Signature

cc.

Nunavut Water Board, Gjoa Haven

Bernie Mac Isaac, Manager – Field Operations INAC