



## Inspection Report

**License #:** 2BE-CHU0813 ( Renewed)

**Inspector:** A. Keim

**CIDMS #** 326741

Client	Shear Minerals Ltd.		
Mailing Address	Pamela Strand, President & CEO Shear Minerals Ltd. Suite 100, 9797 45 <sup>th</sup> Ave. Edmonton, AB, T6E 5V8 Email: <a href="mailto:pstrand@shearminerals.com">pstrand@shearminerals.com</a>		
Inspection site location	Churchill Diamond Project		
Contact name	Melodie Sammurtok	Title	Environmental Supervisor
Last inspection date	June 24, 2007		
Inspection start date	August 2, 2008		
Region	Kivalliq		



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

Submitted Via E-Mail

Our File: 2BE-CHU0813 (renewed)

Your File: \_\_\_\_\_

CIDM #326741

April 24, 2009

Pamela Strand, President & CEO  
Shear Minerals Ltd.  
Suite 100, 9797 45<sup>th</sup> Ave.  
Edmonton, AB, T6E 5V8  
Email: [pstrand@shearminerals.com](mailto:pstrand@shearminerals.com)

### **RE: Water Licence Inspection August 2, 2008**

On the 2<sup>nd</sup> of August 2008 a compliance inspection was carried out on the Churchill Diamond Project and facilities located at Josephine lake, Latitude: 63° 12'N Longitude: 91° 15'W in the Kivalliq Region of the Nunavut Territory.

The Inspector thanks Ms. Melodie Sammurtok and Ms. Katlyn McIntosh for their assistance, input and professionalism during the inspection.

At the time of inspection, the Camp and associated activities were approved under water license 2BE- CHU0508 issued on June 23<sup>rd</sup>, 2005 and scheduled to expire on November 30<sup>th</sup>, 2008. No amendments were noted in the file. Annual reports for 2005, 2006 and 2007 were found in addition to an up-dated Spill Contingency Plan dated April 2008. An application for renewal dated June 29<sup>th</sup>, 2008 was also noted on file.

The exploration camp collects potable water from Josephine Lake. No potable water samples were collected during the Inspection period. The potable water is run through a system of filters and a UV system prior to use within the Camp. All equipment was found in good order and in operation during the period of Inspection.

The grey water from the camp is directed into a sump behind camp. The sump is of insufficient size and depth. The sump was clearly marked off. A grease trap should be installed to address oil and grease build up in the sump.

It is noted that flow meters have not yet been installed as required.

Human waste is burned in the camp incinerator.

As relates to solid waste management for the project and on site, the Inspector noted the following;

- Records detailing the back-haul of hazardous and other wastes were incomplete. Backhauling of hazardous wastes to an unlicensed treatment centre or land fill is prohibited.
- Combustible wastes were collected in camp and then transferred to the Incinerator.
- The licensee was directed to submit an application to allow for the use and operation for the unlicensed land farm activities being carried out on the Airstrip or to remove the contaminated soils.

As relates to fuel storage and spill containment for the project and on site the Inspector noted the following;

- An excess of fuel was noted on site. A plan for monitoring and overwintering was required under the authority of an Inspector's Direction issued August 4<sup>th</sup>, 2008.
- Secondary containment is insufficient at the camp (fuel storage area).
- Secondary Containment is required at fuel caches.
- Carbon filters must be installed on all secondary containment drainage of fuel storage to prevent the release of contaminated contact water built-up inside the secondary containment.
- Secondary containment at the drill and fuel transfer area is required under the license.
- Barrier devices or signage is required around fuel storage, especially in areas where snow will drift and hide stored barrels of fuel.



- One fuel spill site was inspected. Clean up had been undertaken. The site was cleaned up and the file recommended for closure.

As it related to drilling activities the Inspector noted the following;

- Fuel should be stored within 30 meters of water.

The Inspector noted the following deficiencies or instances of non-compliance with either the current water license or the Nunavut Waters and Nunavut Surface Rights Tribunal Act.

**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;**

- Secondary Containment is required for fuel storage.
- Installation of activated carbon filters on secondary containment is required.

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

- Records of backhauling of waste, both hazardous and non hazardous must be available for review during the period of inspection.
- Installation of an unlicensed Landfarm.
- Failure to install water meters as required.

**Camp is clean and well maintained. The inspector noted the number of improvements made over the course of the past year at the camp.**

**A. Keim**

Inspector's Name

Inspector's Signature

Cc:

Bernie Mac Isaac –A/ Manager Field Operations Section- Indian and Northern Affairs Canada

Phyllis Beaulieu – Manager licensing – Nunavut Water Board