



WATER USE INSPECTION REPORT

Date: August 8 + 9 2012	Licensee Rep. (Name/Title): Simeon Robinson, Project Manager
Licensee: North Country Gold Corp.	Licence No.: 2BE-CRA1015 LUP: N2009C0018

HAYES CAMP

WATER SUPPLY

Source(s): Sandspit Lake	Quantity used: within daily allowance
Owner:/Operator: North Country Gold Corp.	

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Intake Facilities: A	Storage Structure: A	Treatment Systems: A	
Flow Meas. Device: A	Conveyance Lines: A	Pumping Stations: A	Screen : A

Comments: Water pump within berm on the beach were found on a slope; there were shored up onto a flat and stable surface. Water is pumped into holding tanks in the dry's and shocked with bleach. Water is metered leaving the tanks, and metered separately for the kitchen, dry, and drillers' dry. Water to the kitchen is filtered and UV treated. Meter readings are taken daily. No maintenance logs on treatment system are kept. Water source not tested in 2012.

WASTE DISPOSAL

Sewage: Sewage Treatment System (Prim./Sec./Ter.): PACTO toilets (2)

Natural Water Body: -	Continuous Discharge (land or water): -
Seasonal Discharge: -	Wetlands Treatment: - Trench: -

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Discharge Quality: NA	Decant Structure: NA	Erosion: A
Discharge Meas. Device: NA	Dyke Inspection: NA	Seepages: NA
Dams, Dykes: NA	Freeboard: NA	
Construction: NA	O&M Plan: NI	A&R Plan: NI
Discharge: NA	Effluent Discharge Rate: NA	

Comments: WWTS is not in service. Pactos are being used for the small number of staff on-site. As the WWTS is not in service, greywater has been reverted to the sump. Grease trap present. Sump is a large open pit. If WWTS is not active next year, sump will need to be modified (a smaller, covered arrangement).

Erosion mitigation measures are in place at all points where water runs off camp footprint. Significant subsidence is seen on airstrip where vegetation has been stripped off. Slumping is occurring up to 10m off the airstrip, where vegetation has been impacted. Wetlands have been backfilled in order to extend the airstrip. Slumping is prevalent in that area. Sandbags along the airstrip are pooling water. I am not sure of the reason/effectiveness as it inhibits drainage rather than promoting it. Sandy substrate under the whole footprint will cause continuing erosion challenges. Removal of vegetation results in reduced thermal cover and increased water movement. Slumping, subsidence, and erosion are the result. All efforts should be made to protect what vegetation is left, and to set activities and structures back from erosion-susceptible slopes.



Solid Waste:

Owner/Operator: Licensee

Landfill: NA	Incinerator: A	Other: Backhaul
---------------------	-----------------------	------------------------

Comments: Incinerator has not been working properly. Sorting of waste prior to incineration is a work in progress. Some metals are still being burned. No log is kept of waste being incinerated, and no scale present to weigh the waste. A log will be required.

Open burning is occurring around site to burn off pallets and clean wood. No authorization for this activity.

Hazardous waste is well organized and labelled. Due to reduced program, little waste has been backhauled. NCG has apparently managed to backhaul hazardous waste to Churchill up to this point without a Hazardous Waste Generator #.

FUEL STORAGE AND HAZARDOUS MATERIALS:

Waste Oil Storage: In berm for use

Owner/Operator: Licensee

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Berms & Liners: A	Water within Berms: A	Evidence of Leaks: A
Drainage Pipes: NA	Pump Station & Catchments Berm: NA	
Pipeline Condition: NA	Condition of Tanks: NA	
Chemical Storage: U	Spills: A	

Comments: Two bulk fuel tanks are present (35,000L) but not yet in service. Barrelled fuel is generally very well maintained. Waste oil cache is in covered secondary containment. Rain drains are employed to manage water that accumulates in open berms. Each tent has its own covered barrel stand which keeps water out.

Oils and lubricants are not currently stored in containment. Flammable/explosive products are not stored in a designated cabinet. These are to be kept in appropriate containment. Batteries should be kept in a tray with an appropriate neutralizer available.

Required Action

- Monitoring stations to be marked and sampling to be conducted at CRA-1, whether or not the WWTS is in operation. Sampling to occur at least annually; at the beginning of the season.
- Discharge point of the WWTS will require further erosion control measures prior to release. The steep sandy slope does not have the required stability for this activity. Confirmation of the methods employed is to be included in the notification to the inspector prior to discharge.
- An incinerator log is to be implemented. This log will include the weight and nature of wasted being incinerated, the date and time, and the initials or name of the person responsible. The log will include an inspection of the ash being removed, to check for inappropriate materials. As it is the end of the season for 2012, this log is to be implemented at the beginning of the next operational season.
- Open burning: need to find out what instrument (if any) authorizes this activity. If it is permitted under the Lease, then you will need to apply to the NWB for approval to carry out the activity. No open burning is to occur until this is resolved.
- NCG will provide proof of registration as a hazardous waste generator, as well as confirmation of proper disposal of hazardous waste (completed manifests/disposal certificate) as an appendix to the 2012 Annual Report.
- Oils/lubricants are to be stored in secondary containment by August 31, 2012.



- Flammable/explosive products are to be stored in an appropriate cabinet. Cabinet to be sourced for next operational season.
- Spill plan as written promotes inaction, with the provision to "Contact regulatory agencies for approval before commencing with the removal of any soil, gravel, or vegetation". Contaminated material must generally be removed; the delay just allows for migration of the contamination. Plan to be amended accordingly and included as an appendix to the 2012 Annual Report.

THREE BLUFFS (drill area, fuel cache, and drillers' lay-down)

WATER SUPPLY

Source(s): Hayes River	Quantity used: n/a
Owner:/Operator: North Country Gold Corp.	Bodnar Drilling

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Intake Facilities: A	Storage Structure: A	Treatment Systems: NA	
Flow Meas. Device: A	Conveyance Lines: A	Pumping Stations: A	Screen : A

Comments: No drilling currently occurring; water line is disassembled. Water pumphouse has been built, with a heat-traced insulated line to the water source. Water meter is located at source in a heated shack (winter program).

WASTE DISPOSAL

Sewage: Sewage Treatment System (Prim./Sec/Ter.): NA

Natural Water Body: -	Continuous Discharge (land or water): -
Seasonal Discharge: -	Wetlands Treatment: - Trench: -

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Discharge Quality: NA	Decant Structure: NA	Erosion: NA
Discharge Meas. Device: NA	Dyke Inspection: NA	Seepages: NA
Dams, Dykes: NA	Freeboard: NA	
Construction: NA	O&M Plan: NA	A&R Plan: NA
Discharge: NA	Effluent Discharge Rate: NA	

Comments: No human waste system is currently in place. Managing this waste should be considered for the next drill program.

Solid Waste:

Owner/Operator: Licensee

Landfill: NA	Incinerator: NA	Other: Backhaul to camp
--------------	-----------------	-------------------------

Comments: Drill shacks, drill shop all located at Three Bluffs.

Most waste is backhauled to Hayes Camp for proper disposal. Open burning is occurring around site to burn off pallets and debris. Some evidence of plastics also being burned (melted on rocks). No authorization for this activity.

Drill cuttings – attended one drill hole. Cuttings were not directed away from the drill site at the time of drilling, evidenced by the large pool of cuttings around the drill casing. Drill cuttings must be managed.



FUEL STORAGE AND HAZARDOUS MATERIALS:

Waste Oil Storage: In berm for use

Owner/Operator: Licensee

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Berms & Liners: A	Water within Berms: A	Evidence of Leaks: A
Drainage Pipes: NA	Pump Station & Catchments Berm: NA	
Pipeline Condition: NA	Condition of Tanks: NA	
Chemical Storage: U	Spills: U	

Comments: Covered secondary containment is employed for the fuel caches at Three Bluffs. A small tear was noted in one of the berms, which will be repaired. Fuel cache for the water pump generator requires that the berm be shored up and the cover replaced to keep water from accumulating. There is a spill by the boiler that was not addressed appropriately. Attempt was made to burn off the spilled material. Contaminated soil is to be removed. Spills are to be managed according to the approved spill contingency plan.

Required Action

- Spills are to be managed according to the spill contingency plan. Contaminated soil is to be removed immediately. Contaminated water should be pumped from puddles into a berm and treated. This may require monitoring and repeating. A report to be submitted to the inspector by August 31, 2012.
- Oils/lubricants are to be stored in secondary containment, and flammable/explosive products should be stored in an appropriate cabinet. (dates as above)
- As winter drilling does not permit the identification of proper sumps due to snow cover, a constructed sump is to be used to direct cuttings away from the drill hole. This will reduce the risk of subsidence.

BULLION CAMP

Bullion Camp is smaller and generally used for shorter periods. Water is pumped into tanks and logged by tank-full. Water is shock-treated with bleach but is otherwise not treated. Water source is not monitored. Barrel stands are covered to prevent water accumulation. Latrine pits and a large tarp-lined hole were filled in at the inspector's request. Spill trays were placed under the generator and under oils and fuel cans. Currently, all other waste is being backhauled to Hayes Camp (Pacto bags, garbage, and empty barrels).

Required Action

- A grease trap should be installed in the grey-water system for next season, as the sump has a greasy sheen and food particles in it.
- The red/blue barrel with unknown liquid should be filtered through a Rain-drain or equivalent prior to release.
- Water in fuel berm is to be treated/filtered prior to release.

WEST PLAINS (Fuel Cache and Drill Site)

Fuel is in covered containment. The spill kit has been stored in the emergency shack due to missing cover. One drill hole was inspected; the casing/anchor is still present, cut to about 1 foot.



DORE CAMP (temporary winter camp)

Barrels from 2004 temporary camp remain on-site with no containment. 7 full, 2 empty. No sign of leaks.

Required Action

- Barrels are to be removed, and a brief report including photographs to be provided to the inspector by August 31, 2012.

INGOT CAMP

Around 6 drums are present, full or partially full, with no secondary containment. All but one have at least been stood up; one remains on a barrel stand. Propane cylinders are present; several are no longer fixed to a building. 4 barrels of waste (solid and unknown liquid) are also present. Latrine pit remains open.

Required Action

- All hazardous waste should be backhauled.
- Backfill latrine pit.
- A brief report with photographs documenting work to be submitted to the inspector by August 31, 2012.

Non-Compliance of Act or Licence:

Part D (3) Metals and some plastics are still being burned in the incinerator. Care is to be taken to sort waste prior to incineration.

Part D (4) Open burning is occurring haphazardly, with some evidence of items other than clean wood being burned. If Licensee wishes to continue burning, they will be required to demonstrate to the Inspector under which authority they have a permit to burn, and apply for authorization from the NWB accordingly. Burning will occur under the conditions laid by the NWB.

Part D (5) The Licensee shall provide to the Board documented authorization from all communities receiving wastes from the project.

Part D (7) The Licensee shall obtain records of confirmation of proper disposal of hazardous waste.

Part E (8) and (9) These plans are not found on the NWB FTP site. They are to be submitted to the Inspector and the NWB by August 31, 2012.

Part F (2) Drill waste shall be disposed in a properly constructed sump or appropriate natural depression. Drilling on-snow will require that cuttings be managed as depressions cannot be seen under the snow.

Part H (1) Failure to implement the approved spill plan. (Sec 5.0 of plan states that every spill must be reported. 6.3 requires that a regulatory agency be contacted.)

Part H (2) Failure to amend the Plan as required to include Quarry activities.

Part H (6) Failure to report the spill that occurred at Three Bluffs.

Part I (9) Progressive reclamation of drill holes is to be implemented according to the licence.

Part J (8) Monitoring stations have not been established. CRA-1 will be sampled whether or not the WWTS is in operation.

Failure to comply with this report may result in enforcement action being taken.



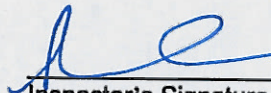
General Comments:

Many things at the project are being done very well: fuel containment is excellent, and few spills were noted. The covered barrel stands are innovative and I hope to see them promoted at other sites. Signage throughout Hayes camp and Three Bluffs is very good.

More familiarity with the intricacies of the Water Licence and other permits will be required in order to ensure that reporting and plan submission are in compliance, and to identify any conflicts or contradictions.

Eva Paul

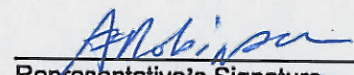
Inspector's Name


Inspector's Signature

10 Aug 2012

Simeon Robinson
Representative's Name

Project Manager
Title


Representative's Signature