



Field Operations
Nunavut Regional Office
PO Box 100
Iqaluit, NU X0A 0H0

September 20, 2012

Ms. Karen Weir
Teck Resources Ltd.
Suite 3300-550 Burrard St.
Vancouver, BC V6C 0B3
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Andrea Maynes
Bluestone Resources Inc.
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Vancouver, BC V6C 2V6
E-mail: amaynes@bluestonerresources.ca

RE: NWB Licence No. 2BE-DBY1014, LUP N2005C0028

Dear Ms. Weir,

I conducted an inspection of your site on August 10, 2012. Please find attached the report of my inspection. There remains debris and garbage on-site, incomplete removal of hydrocarbon contamination, excavations that were not filled in, and drill sites were not reclaimed. Additionally, there are administrative matters pertaining to the water licence that have been neglected. These will need to be addressed before the LUP or water licence can be closed.

Please feel free to contact me to discuss this if you have any questions.

Thank you,

Eva Paul
Water Resources Officer

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Cc: Andrew Keim, A/Manager, Field Operations, Nunavut Regional Office
Jeff Mercer, Manager, Land Administration, Nunavut Regional Office
Baba Pedersen, RMO, Kitikmeot Region
Phyllis Beaulieu, Manager of Licensing, Nunavut Water Board



WATER LICENCE/LUP INSPECTION FORM

Date: August 10 2012	Licensee Rep. (Name/Title): N/A		
Licensee: Bluestone Resources / Teck Resources Ltd.		Licence No.: 2BE-DBY1014	LUP: N2005C0028

STELLAR CAMP

WATER SUPPLY

Source(s): -	Quantity used: NA
Owner:/Operator: North Country Gold Corp.	

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

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

Comments: Camp and water system structures have been removed.

WASTE DISPOSAL

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

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: NA	A&R Plan: U
Discharge: NA	Effluent Discharge Rate: NA	

Comments:

Camp has been removed. Dead vegetation remains where tent pads were placed. Latrine pit was not sufficiently backfilled. Sump is also still visible.

Solid Waste:

Owner/Operator: Licensee

Landfill: NA	Incinerator: NA	Other: Backhaul
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Comments:

While large waste has been removed from the site, a thorough clean-up was not done. Small pieces of garbage litter the site: bits of plastic, shredded tarp material, burned remains of structures etc. There also remain 3 barrels in the creek which runs off the end of the runway. I was not able to check whether they are full or empty. A more thorough cleaning will be required before the licence or permit can be closed. Structures in camp were burned in place, leaving ashes, nails, hinges and other debris.

FUEL STORAGE AND HAZARDOUS MATERIALS:

Waste Oil Storage: -

Owner/Operator: Licensee

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

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

Comments: Where the barrels were stored at the airstrip, there is evidence of a spill that was partially cleaned up. Some soil was removed, but staining remains. The hole was not backfilled. Another similar but larger hole was excavated at one point, and again not filled in.



Required Action

- Barrels are to be collected from the creek.
- A thorough cleaning of the site is to be conducted to remove all the small bits of garbage and debris that remain. Nails and metal waste from burned buildings are to also be collected.
- Sump and latrine pit to be properly backfilled and re-contoured to prevent permafrost degradation.
- Hydrocarbon contaminated soil to be removed and backhauled as hazardous waste.
- Excavations at the airstrip to be backfilled and re-contoured to prevent permafrost degradation.
- Site cleanup is to be done during the snow-free period in 2013. A report is to be submitted to the Inspector by July 31 2013 with photos to show that the work is done.

DRILL SITES

Drill sites: DR-07-30 and DR-07-31 were inspected. Progressive reclamation was not done; debris remains at the sites, and the drill casings also remain.

Required Action

- Drill holes are to be reclaimed as per Section I item 10 of the licence.

Non-Compliance of Act or Licence:

Part B

Item 2. Failure to file annual report for 2011.

Item 7. Failure to fulfil A&R plan.

Part I

Item 1. Failure to submit revised Abandonment and Restoration plan.

Item 4. Failure to backfill and restore sumps to the pre-existing contours of the land.

Item 5. Failure to remove barrels and waste. Burning of structures rather than removal is also contrary to this section.

Item 8. Failure to prepare impacted surfaces in order to promote revegetation.

Item 9. Failure to reclaim hydrocarbon-contaminated areas.

Item 10. Failure to reclaim drill holes and disturbed areas.

Administrative Action Required:

- 2011 Annual Report to be submitted by October 31, 2012 and copied to the Inspector.
- Revised Abandonment and Restoration plan to be submitted with the 2012 Annual Report, due March 31, 2013.

Eva Paul

Inspector's Name

Inspector's Signature



Photos from August 10th Inspection

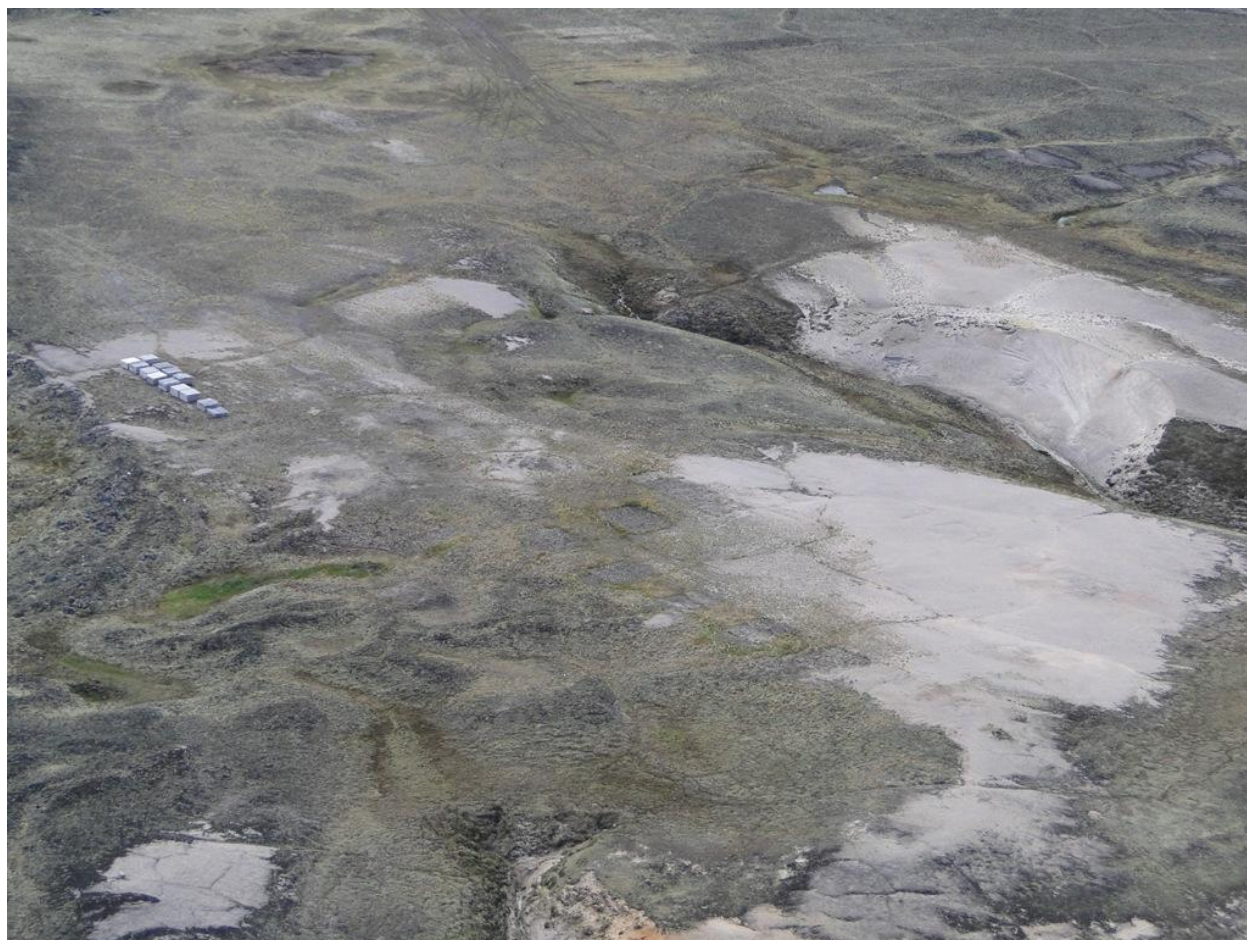


Figure 1. Stellar Camp Site. Tent outlines are visible in the vegetation. Excavations by the airstrip are visible at the top centre of photo.



Figure 2. Sump or latrine pit - one of several holes to be backfilled and re-contoured.



Figure 3. Small bits of garbage litter the campsite.



Figure 4. Ashes, nails, hinges etc. where structures were burned without authorization.



Figure 5. Two of three barrels visible in the creek at the end of the airstrip. The third barrel is outside the scope of this photo.



Figure 6. Excavation between the two fuel berms; approx 1m x 3m.



Figure 7. Hydrocarbon staining still visible, and excavation was not backfilled.



Figure 8. Older excavation, also not backfilled. Approximately 4m x 6m.



Figure 9. Drill hole with incomplete cleanup. N67°14'38.5" W92°59'04.8". Debris left on site and casings/collars not removed as per the licence. Also apparent that cuttings were not directed to a sump; rather they were left to accumulate beneath the drill.