



INSPECTOR'S DIRECTION
**Pursuant to Section 87(1) of the Nunavut Waters
And Nunavut Surface Rights Tribunal Act**

To:
André Douchane
President
Starfield Resources Inc.
130 Adelaide Street West,
Suite 2210, Toronto, ON
MSH 3PS

September 14, 2009

- Inspector's Direction -

I, Andrew Keim, a duly designated Inspector pursuant to subsection 85(1) *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, conducted a scheduled water license inspection on August 11th, 2009 on the Starfield Resources Inc Camp on Ferguson Lake, Nunavut.

Upon arrival at the Ferguson Lake Camp on August 11th 2009 the Inspector found a large earthen bermed fuel storage area (constructed in 2008 by Starfield Resources Inc) containing an estimated 1 million litres of water and a mixture of both oil and fuel. Additionally, the Inspector also noted the following;

- A large burn pile inside the perimeter of the quarry.
- A pile of drums some of which were leaking (outside the large bermed area).
- A stack of drums in the large bermed area marked "waste oil" leaking into the water and then overtopping the containment and into the environment.

On September 4th, 2009 the Inspector with the Nunavut Regional Office of the Department of Indian and Northern Affairs Canada (INAC) issued a Record of Inspection Form to Mr. André Douchane, President of Starfield Resources. This report noted the Inspector's observations referred to above.

As stipulated in subsection 12(1)(b) of the Act : Except in accordance with the conditions of a License, no person shall deposit or permit the deposit of waste in any other place in Nunavut under conditions in which the waste, or any waste that results from the deposit of that waste, may enter waters in Nunavut.

Having a reasonable belief that the above occurrences, in whole or in part, have resulted, or may result, in:

- (i) waste being deposited in contravention of the Act or the Water Licence;***

Pursuant to Section 87(1) of the Act, I hereby direct Starfield Resources Inc. to take the following reasonable measures;



1. To by September 30th 2009 to have designed and implemented a treatment system for the collection and post treatment disposal of contaminated contact water collected within the large bermed area such that the results of testing prior to discharge into the environment meet the following criteria;

| Parameter Maximum Average | Concentration | Maximum Allowable Grab |
|---------------------------|------------------------------|------------------------------|
| pH | 6.0 to 9.5 | 6.0 to 9.5 |
| TSS | 25 mg/L | 50 mg/L |
| Oil and Grease | 15 mg/L and no visible sheen | 15 mg/L and no visible sheen |
| Benzene | 370 µg/L | 370 µg/L |
| Toluene | 2 µg/L | 2 µg/L |
| Ethylbenzene | 90 µg/L | 90 µg/L |
| Lead | 1 µg/L | 1 µg/L |
| Al | 1.5 mg/L | 1.5 mg/L |

2. Such treatment work is to be completed no later than October 30th, 2009. In the event that such treatment work is not successful in achieving the required sampling results prior to discharge, such contaminated contact water will be stored over winter and on site until such time as treatment can be redone or modified to achieve the required results prior to discharge to the environment.
3. To by October 15th, 2009 contain and collect all contaminated soils on site outside of the large bermed area for disposal at a site approved for the collection and treatment of contaminated waste outside the Nunavut Territory.
4. To by October 15th, 2009 collect and dispose of all garbage and debris on site, and take such measures as are required to prevent the further deposit and distribution of debris.

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*.

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.

If you have any questions or concerns, please do not hesitate to contact me at (867) 975-4289 or Andrew.Keim@inac.gc.ca

Andrew Keim

Inspector

(Original signed and mailed this date)

Inspector's Signature