

# STARFIELD RESOURCES INC.

130 Adelaide Street West  
Suite 2210  
P.O. Box 8  
Toronto, ON M5H 3P5  
T: 416.860.0400  
F: 416.860.0822  
Toll Free: 1.877.233.2244

May 30, 2010

Mr. Andrew Keim  
Inspector  
Department of Indian and Northern Affairs Canada  
Nunavut Regional Office  
Building 553  
PO Box 100  
Iqaluit, Nunavut X0A 0H0

Telephone: 867 975 4289  
Fax: 867 975 4560

Dear Mr. Keim:

## **SITE ACTIVITY REPORT - FALL 2009**

This letter is to provide you with an account of the site activities at Ferguson Lake camp during the fall visit to conduct clean up activities including the treatment and discharge of water from the lined earthen berm, secondary containment structure.

### **Accumulated Water in the Fuel Storage Area**

True Grit was contracted to design and develop a water treatment system for the Starfield Ferguson Lake project. An engineer from True Grit accompanied Starfield personnel during the site visit in September 2009 to collect water samples, install the water treatment system, operate the water treatment system, collect samples of treated water, monitor and oversee the water treatment system. A copy of the report prepared by True Grit is enclosed with this letter.

### **Drummed Fuel**

Drums of fuel were scattered in the water within the berm. These drums were stacked in neat rows with bungs in the 3:00 and 9:00 position within the berm toward the entrance ramp. Drummed fuel on site was taken to the berm, including the fuel left on the airstrip by INAC, and stacked in the rows.

#### Contaminated Soil

The secondary containment structures, holding partially filled drums and crushed drums, had filled with water. This water was pumped out and transferred to the berm for treatment. Water within one of these secondary containment structures had overflowed along one side and caused staining to the gravel. This stained gravel will be cleaned up in 2010 once the ground thaws.

#### Garbage

Garbage and debris was collected from the tundra and a general site clean up was undertaken.

#### Drums

The empty drums were re-stacked in to neat rows and held in place with metal posts. In April 2009, two sleds were loaded with crushed drums for backhaul to Arviat to be shipped south on the barge. The sleds broke however, and the crushed drums were dumped by the contractor. There were over 1400 crushed drums. Approximately half of these drums have been stacked within secondary containment for storage until they can be back-hauled from site. The remaining crushed drums will be stacked within secondary containment in the spring when Starfield returns to continue clean up efforts.

#### Lay Down Area

Items in the lay down area have not been segregated and there are a number of items that do not belong in this area. During the site visit personnel began segregating the materials and sorting waste. This will need to be continued in the spring.

#### Quarry

Starfield applied to the Kivalliq Inuit Association for an open burn of the wood and cardboard at site. This took place in November 2008. During the site visit the metal left behind after the burn was collected, put in containers and taken to the scrap metal lay down area. Magnets will be brought to site in 2010 to pick up the remaining nails, screws and assorted pieces of metal.

Regards,



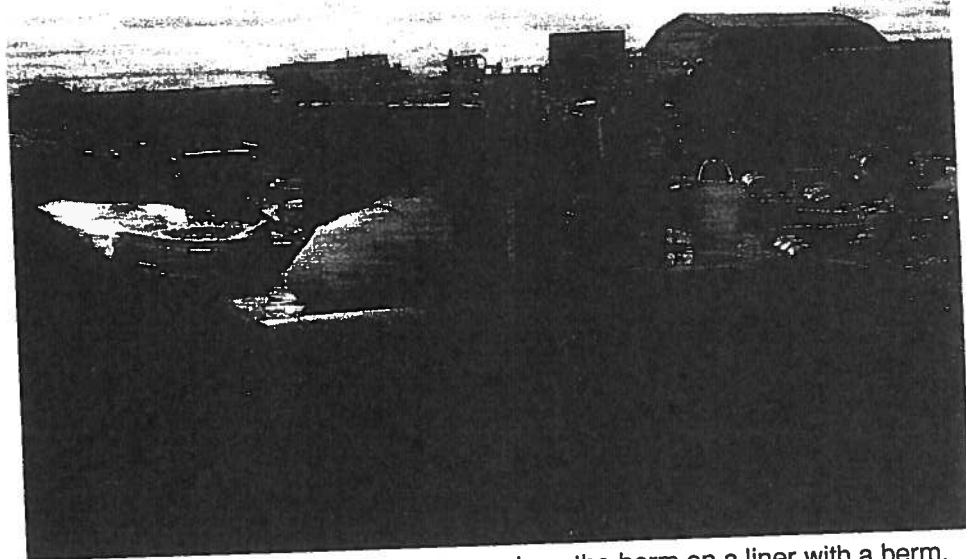
Fred Mason  
VP Operations  
Starfield Resources Inc.

c.c. Bernie MacIsaac, A/Regional Director General, INAC  
Lou-Ann Cornacchio, Manager of Water Resources, INAC  
Peter Kusugak, Manager of Field Operations, INAC  
Phyllis Beaulieu, Manager Licensing, NWB  
Luis Manzo, Executive Director, Lands, KIA  
Sylvia Sawers, Office Manager, Starfield Resources

## Water Treatment System



Water samples were collected within the lined earthen berm.

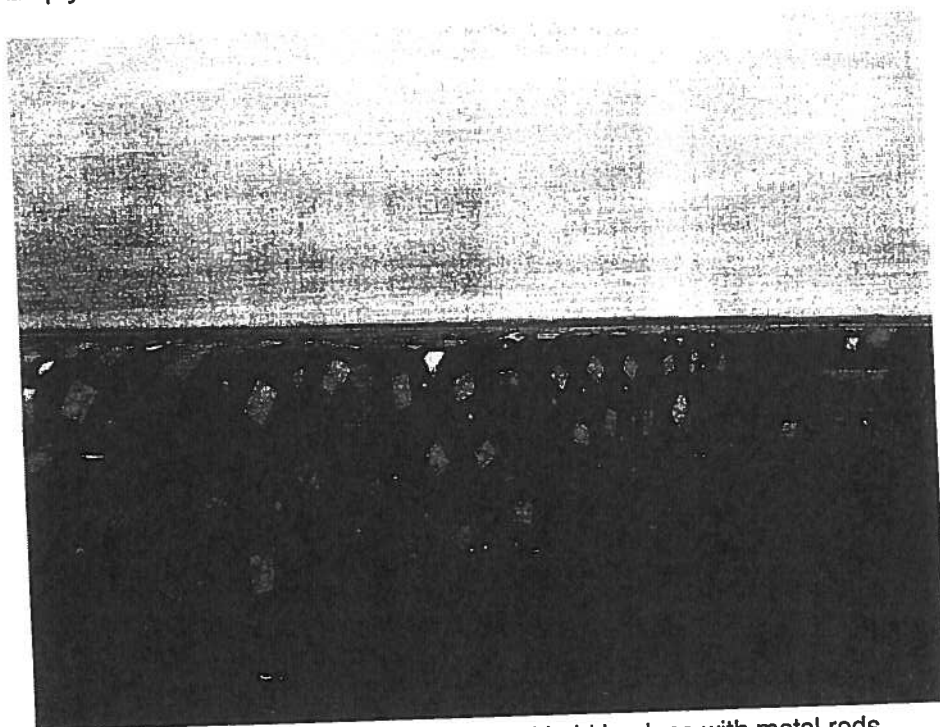


The water treatment system was set up along the berm on a liner with a berm.

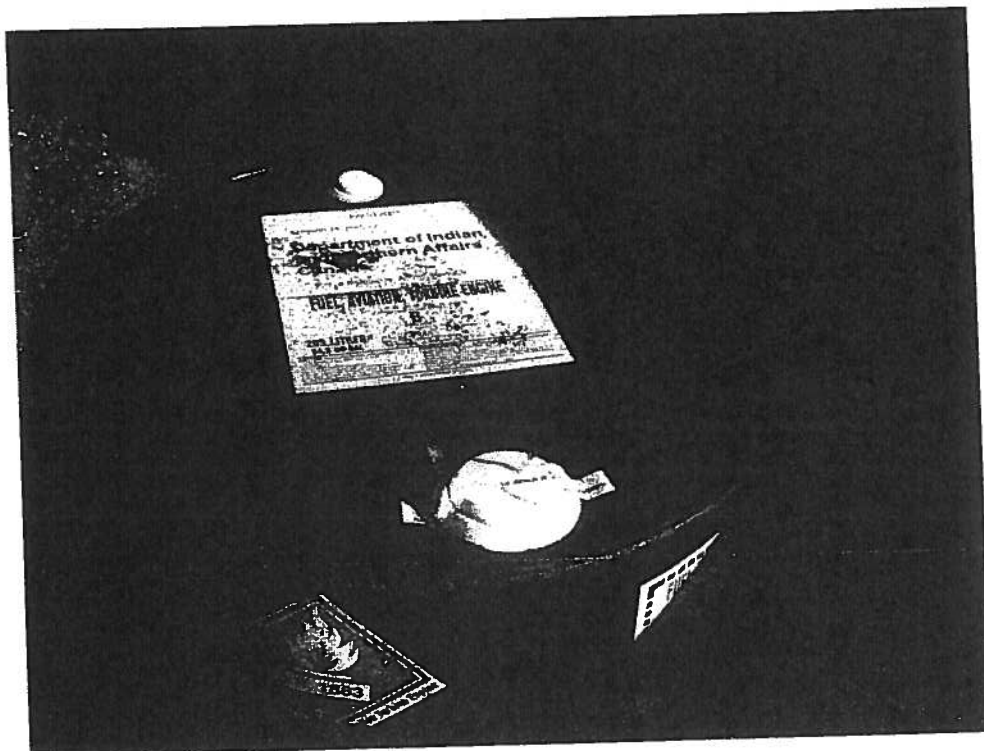
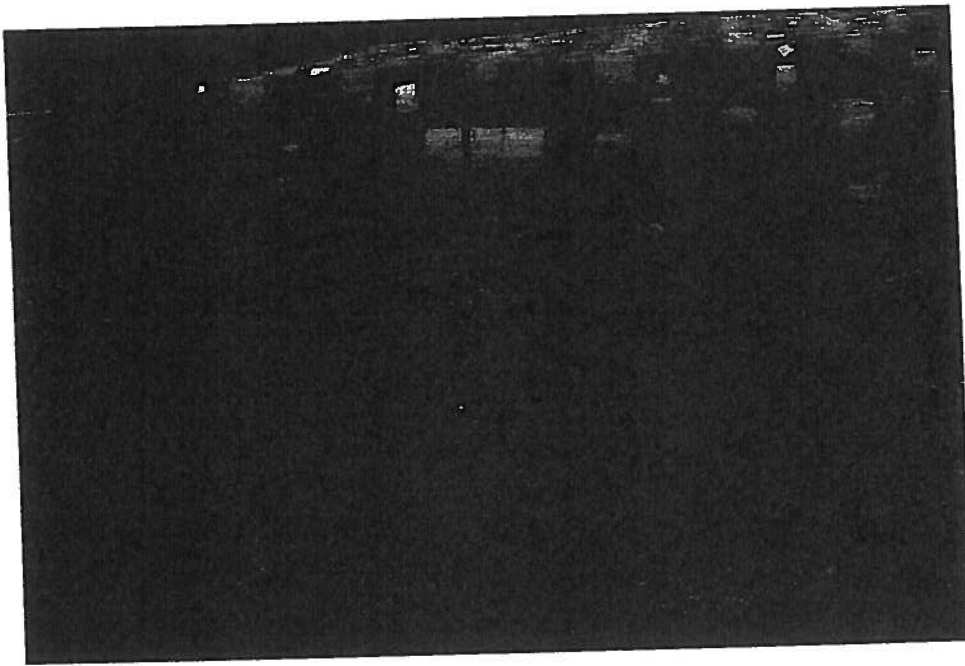
## Drums



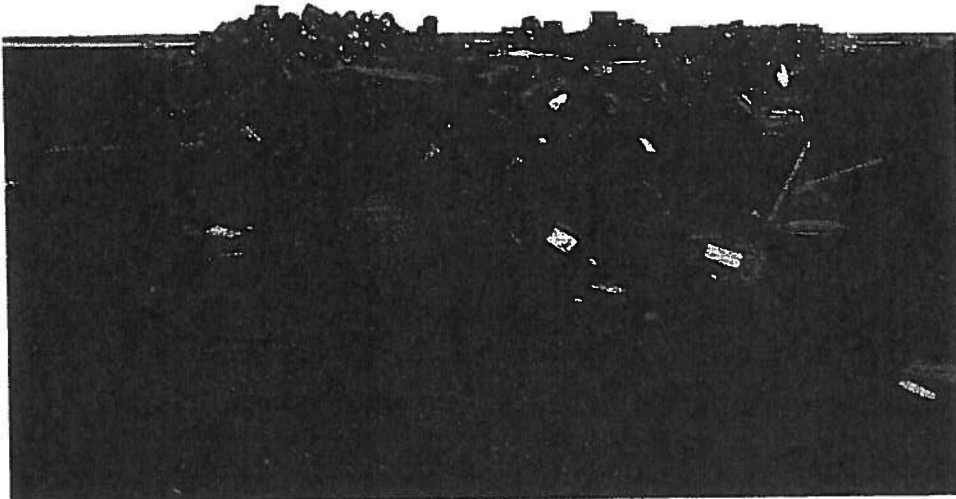
Empty fuel drums before.



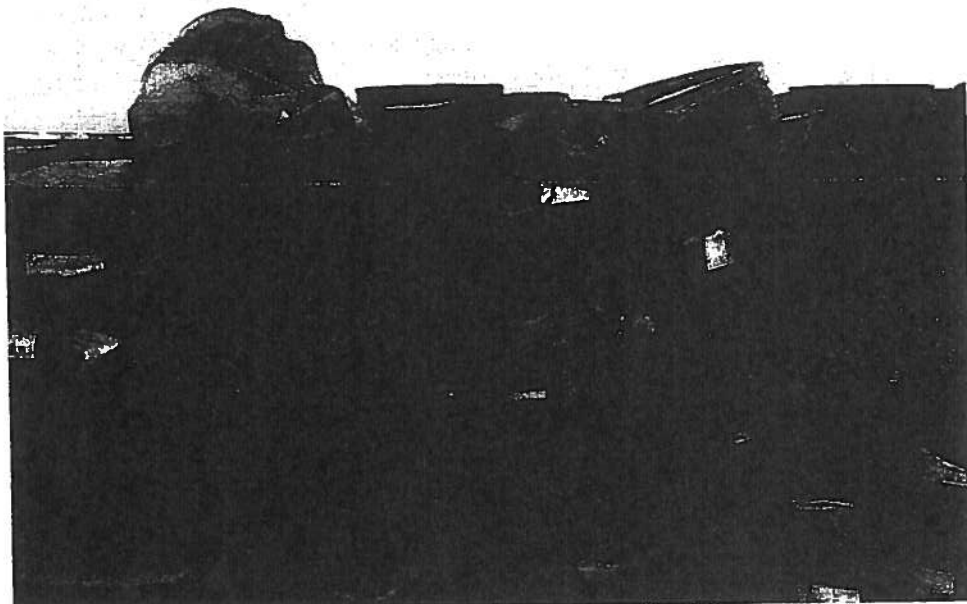
Empty fuel drums were stacked neatly and held in place with metal rods.



Fuel left on airstrip.



Crushed drums had been thrown off the sleds when they broke.



Approximately half the crushed drums were stacked.