



Inspection Report

License #: 2BE-KAZ0609

Inspector: A. Keim

CIDMS # 387658

Client	Aurora Energy Resources Inc.		
Mailing Address	600, 140 Water Street TD Place St. John's NL A1C 6H6		
Inspection site location	Lat 63 47 14; Long 95 27 40; UTM 7075500N, 379000 E		
Contact name	Stephen Ash,	Title	Lands Manager
Last inspection date			
Inspection start date	August 10, 2009		
Region	Kivalliq		



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

Submitted Via E-Mail

Our File: 2BE-KAZ0609

Your File: _____

CIDM # 387658

January 28, 2010

Stephen Ash, Lands Manager
Aurora Energy Resources Inc.
600, 140 Water Street TD Place
St. John's NL A1C 6H6
E-mail: sash@aurora-energy.ca

RE: Water Licence Inspection August 10, 2009

The following inspection report is generated on the information collected during a compliance inspection carried out on the Baker Basin Project Bissett Lake: site Lat 63 47 14; Long 95 27 40. The inspection was conducted to determine compliance with the terms and conditions of the Water License (2BE-KAZ0609) issued to Aurora Energy Resources Inc. by the Nunavut Water Board (NWB).

The report references the applicable parts of the Water License (2BE-KAZ0609) and the findings observed under each of those parts. During the writing of this report a compliance review was undertaken of the documents, plans and manuals filed by the Licensee and located on the Nunavut Water Board's FTP site.

It is to be noted that a representative Aurora Energy Resources was not present during the inspection as the camp was not in use at that time and was in-effect closed for the season.

Issues noted in previous Inspections;

- None. No previous inspection reports could be located by the Inspector.

During the period of the 2009 inspection the following issues were identified by the Inspector;

- 3 drums of fuel (heating) had been left on site with no secondary containment.
- 3 Tent frames and associated camp materials were found on the site.
- 1 latrine building and one core shack (frame) were also noted on site
- 1 barrel (no top) was found containing a mixture of fuel and water. Absorbent pads were noted inside.
- 1 Burn barrel noted on site. (2008 annual report notes use of barrel to burn garbage in camp)
- 4 older sleeping / tent platforms from Pacific Ridge were noted on site
- 1 Historic/legacy site containing burned wood and radioactive materials was noted 50 meters East of Camp. Regional Geologist noted that the materials were present prior to 2006.
- The water License is scheduled to expire September 15, 2009. As of August 10th no application for renewal had been noted on the Nunavut Water Board FTP site.

Non-Compliance: Issues identified during the August 10th, 2009 inspection and/or review of relevant material

Issues where there is a known or anticipated threat to human health.

- None noted

Issues where there is a known or anticipated environmental impairment;

- Open burning of Garbage as noted in Annual report
- Fuel barrels on site without Secondary Containment



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

- The water license has now expired. The site has not been returned to its original condition.
- A legacy site containing radioactive materials remains on site
- The Licensee has failed to file an A&R plan as required by the License
- The Licensee has failed to submit an Uranium Exploration plan as required by the license
- The Licensee has failed to submit a Spill Contingency Plan as required.

On October 13th, 2009 the Nunavut Water Board acknowledged receipt of a notification of shutdown of the site (2BE-KAZ0609) Baker Basin Project from Aurora Energy submitted on October 2nd 2009.

It is noted that this notification was submitted 17 days after the license expired.

Incorporated within the acknowledgement was a request for confirmation from the Water Resources Officer (Inspector) that the abandonment & restoration terms and conditions of the water licence 2BE-KAZ0609 have all been met.

As noted in the report it is clear that this is not the case. Aurora Energy is in contravention of the now expired license and as such is required to file a Compliance plan by June 30th, 2010. This Plan will outline the Licensee's reclamation strategy which will be reviewed by the inspector and the Nunavut Water Board.

A. Keim

Inspector's Name

Inspector's Signature

Cc:

Peter Kusugak- Manager Field Operations Section- Indian and Northern Affairs Canada
Phyllis Beaulieu – Manager licensing – Nunavut Water Board

















