



## WATER USE INSPECTION REPORT FORM

<b>Date:</b> July 15 <sup>th</sup> , 2013	<b>Licensee Rep.</b> Andre Defresne, Director, Property, Xstrata Nickle
<b>Licensee:</b> Falconbridge	<b>Licence No:</b> 2BE-RAI0611

**Comments:** An inspection was conducted on July 9<sup>th</sup>, 2013 at Falconbridge Limited's exploration Project referred to as the Rainbow Claim. Falconbridge Limited (Falconbridge) is a business unit of Xstrata Nickle (Xstrata).

Due to the lack of annual reporting the Inspector contacted a company which was identified as the purchaser of the Rainbow Claims in 2007- a year after the 2BE-RAI0611 was issued. Pure Nickle Inc. has mortgaged only three of the Rainbow Claims through to May 2014 with the other claims left to lapse.

On June 20<sup>th</sup>, 2013 a letter was sent to the Inspector from Lisa Buchan, Pure Nickel Inc., "The only time a geologist was on the property was in 2010 when a small soil sampling program was conducted. At that time there was no camp or drilling and no need for water withdrawal."

The Inspector requested more information and informed the Falconbridge that the transfer of Rainbow Claims does not absolve their responsibilities with 2BE-RAI0611.

On July 4<sup>th</sup>, 2013 the Inspector contacted Pure Nickel to discuss work that was done on this property and to inquire about land authorizations.

Ms. Buchan responded via email July 4<sup>th</sup>, 2013, "We performed a small soil sampling exercise on September 4, 5& 6, 2010. The work was performed under Land Use License KVL110B10 by our consulting geologist Dallas Davis."(.....) "The 92 soil samples we collected on claim RNB14, # F67508, centered around Falconbridge's 2004 drill hole RB04-04 which has UTM NAD 83 coordinates Easting 505308 and Northing 6800855, i.e. Latitude : 61.341723 deg, or 61 deg 20 min 30.2028 sec Longitude: -98.900792 deg, or -98 deg 54 min 2.851 sec."

An inspection was conducted at N 61° 20' 30.2028", W 98° 54' 2.851" with a spiral transect flown for approximately 3 KM radius.

### **WATER SUPPLY**

<b>Source(s):</b> N/A	<b>Quantity used:</b> N/A Allowed 60 cubic meters a day
<b>Owner:/Operator:</b> Newmont Mining Corporation	

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

<b>Intake Facilities:</b> N/A	<b>Storage Structure:</b> N/A	<b>Treatment Systems:</b> N/A	<b>Chemical Storage:</b> N/A
<b>Flow Meas. Device:</b> N/A	<b>Conveyance Lines:</b> N/A	<b>Pumping Stations:</b> N/A	<b>Screen :</b> N/A

**Comments:** This licence was issued for the purpose of drilling.

### **WASTE DISPOSAL**

**Comment:** No signs of waste or disturbance within claim extent.

### **Sewage: Sewage Treatment System: BIODISK**

<b>Natural Water Body:</b> N/A	<b>Continuous Discharge</b> (land or water): N/A	
<b>Seasonal Discharge:</b> N/A	<b>Wetlands Treatment:</b> N/A	<b>Trench:</b> N/A

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

<b>Discharge Quality:</b> N/A	<b>Decant Structure:</b> N/A	<b>Erosion:</b> N/A
<b>Discharge Meas. Device:</b> N/A	<b>Dyke Inspection:</b> N/A	<b>Seepages:</b> N/A
<b>Dams, Dykes:</b> N/A	<b>Freeboard:</b> N/A	<b>Spills:</b> N/A
<b>Construction:</b> N/A	<b>O&amp;M Plan:</b> N/A	<b>A&amp;R Plan:</b> N/A
<b>Periods of Discharge:</b> N/A	<b>Effluent Discharge Rate:</b> N/A	

**Comments:** Nueltin Fly-in Lodge was used as the base camp and staging area for this exploration project.

### **FUEL STORAGE:**

#### **Owner/Operator:**

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

<b>Berms &amp; Liners:</b> N/a	<b>Water within Berms:</b> N/A	<b>Evidence of Leaks:</b> N/A
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<b>Berms &amp; Liners:</b> N/a	<b>Water within Berms:</b> N/A	<b>Evidence of Leaks:</b> N/A
<b>Drainage Pipes:</b> N/A	<b>Pump Station &amp; Catchments Berm:</b> N/A	
<b>Pipeline Condition:</b> N/A	<b>Condition of Tanks:</b> N/A	

**SURVEILLANCE NETWORK PROGRAM (SNP)**

<b>Samples Collected</b>	<b>Owner /Operator:</b> Newmont Canada	
0	<b>AANDC:</b>	
<b>Signs Posted</b>	<b>SNP:</b>	<b>Warning: None</b>
<b>Records &amp; Reporting:</b> Annual Report submitted		
<b>Geotechnical Inspection:</b>		

**General Comments:**

- Over all very little was noted during the inspection with the exception of a few pieces of wood presumable steaks used during the exploration process.

**Non-Compliance of Act or Licence:**

- Part B item (1): Failure to pay water use fees
- Part B item (2): Failure to submit annual reports
- Part H item (1)(i-vii): Failure to submit addendum to Spill plan
- Part I item (1) and (2): Failure to revise and submit A&R plan

**Comments:** The Licensee shall contact the inspector upon receipt of the report by telephone at the coordinates listed below before Aug 30<sup>th</sup>, 2013.

All issues identified during this inspection have or will be address as discussed in this report.

Failure to undertake the actions required as described in this inspection report, and to the satisfaction of the Inspector, may result in enforcement action(s) being undertaken pursuant to the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*.

Christine Wilson  
Inspector's Name

Original signed on file  
Inspector's Signature

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Representative Name, Title

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Representative Signature

Cc: Erik Allain- Manager Field Operations  
Cc: Phyllis Beaulieu – Manager Licensing- Nunavut Water Board

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