



WATER USE INSPECTION REPORT

Date: June 10, 2011	Licensee Rep. (Name/Title): Michelle Tanquay
Licensee:	Licence No.: 2BE-TAK0204 (N2003C0004)

The Takajuak Lake Project (TAK) has not been active for an extended period of time and the water licence and land use permits expired in 2004. The water licence for the TAK Project was transferred from Kennecott Canada Exploration Inc to Tahera Diamond Corporation (Tahera) on September 23, 2004. The water licence or land use permits were never renewed by Tahera and the assets for the TAK Project belong to Shear Diamonds Ltd.

WATER SUPPLY

Source(s): Takajuak Lake	Quantity used: Nil
Owner:/Operator:	

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

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

Comments: The project is inactive and no water is being used onsite. The intake water lines have been removed from the lake, but some lines still remain approximately two thirds of the way down to the lake.

- All water lines associated with the raw water and grey water discharge will have to be removed during the reclamation phase.

WASTE DISPOSAL

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

Natural Water Body: NA	Continuous Discharge (land or water): None	
Seasonal Discharge: NA	Wetlands Treatment: NA	Trench: NA

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

Discharge Quality: NA	Decant Structure: A	Erosion: None
Discharge Meas. Device: NA	Dyke Inspection: NI	Seepages: None
Dams, Dykes: NA	Freeboard: A	Spills: None
Construction: A	O&M Plan:	A&R Plan:
Discharge: NA	Effluent Discharge Rate: None	

Comments: This site is inactive therefore no sewage is being generated and no grey water is being discharged. The sump is still intact, but there is no greywater in the sump.

- The sump will have to be treated with lime and/or backfilled when the camp is reclaimed.

Solid Waste:

Owner/Operator:

Landfill: NA	Burn & Landfill: U	Other:
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Comments:

- Garbage was burned onsite in burn pits and barrels. Metals and other sorts of non-combustible materials were found on the ground. These materials will have to be cleaned up and shipped out for proper disposal. Garbage can only be burned in an incinerator approved by the Nunavut Water board (NWB) and Environment Canada (EC) and the open burning of garbage is not permitted.
- All tent structures and wooden frames must be removed from site.

FUEL STORAGE:

Waste Oil Storage:

Owner/Operator:

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

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

Comments:

- Fuel drums (full/partially full) are stored in an insta-berm located in the A-frame structure.

The walls of the berm have collapsed in different locations and should be fixed.

- A drum of heating fuel was punctured with a pipe and was leaking on the ground, as well there was a drum located down in a depression outside of the camp footprint. The punctured drum and contaminated soil must be cleaned up and the drum located outside of the camp area should be relocated to the drum cache back at site.
- All fuels and chemicals should be removed from site to eliminate the possibility of fuel spills.
- There are numerous partial and empty drums of heating fuel as well as empty and full propane containers located onsite which should be backhauled.

SURVEILLANCE NETWORK PROGRAM (SNP)

Samples Collected		Owner /Operator:	
		INAC:..No Samples taken	
Signs Posted	SNP: None		Warning:
Records & Reporting: No Records			
Geotechnical Inspection:			

Non-Compliance of Act or Licence:

- The TAK project has an expired licence (registered to Tahera), however, all of the assets belong to Shear Diamonds Ltd. Therefore if Shear does not intend apply for a water licence and/or to conduct any activities on at the TAK Project, the entire camp will have to be cleaned up and all materials including (but not limited to) tent & wooden structures, fuel, partial and empty drums etc must be removed from site.
- All contaminated soils in and around the project area should be cleaned up and disposed of properly.

Ian Rumbolt

Inspector’s Name

Sent by E-mail

Inspector’s Signature