

WATER USE INSPECTION REPORT

|                                  |                                                                                              |
|----------------------------------|----------------------------------------------------------------------------------------------|
| Date: July20,2009                | Licensee Rep. (Name/Title): Ray Serre, Facility Mgr. & Barb Thomson, Nasittuq Environmental. |
| License: National Defence Canada | Licence No.: 3BC-FOD0409 Dewar Lakes                                                         |

WATER SUPPLY

|                                                                                                              |                      |                                                  |                      |
|--------------------------------------------------------------------------------------------------------------|----------------------|--------------------------------------------------|----------------------|
| Source(s): Water Supply Lake                                                                                 |                      | Quantity used: estimates only 6000 gal.          |                      |
| Owner:/Operator: National Defence                                                                            |                      | Water meter not working properly. To be replaced |                      |
| Indicate: <b>A</b> - Acceptable <b>U</b> - Unacceptable <b>NA</b> - Not Applicable <b>NI</b> - Not Inspected |                      |                                                  |                      |
| Intake Facilities: A                                                                                         | Storage Structure: A | Treatment Systems: A                             | Chemical Storage: NA |
| Flow Meas. Device: A                                                                                         | Conveyance Lines: A  | Pumping Stations: A                              | Screen : NI          |

Comments: Water is collected from the supply Lake and transported by tank on a truck to the facility. Water on site is treated using filter and a UV system on each tank.

WASTE DISPOSAL

Sewage: Sewage Treatment System (Prim./Sec/Ter.): NONE

|                        |                                            |              |
|------------------------|--------------------------------------------|--------------|
| Natural Water Body: No | Continuous Discharge (land or water): Land |              |
| Seasonal Discharge:    | Wetlands Treatment: None                   | Trench: None |

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

|                           |                                  |              |
|---------------------------|----------------------------------|--------------|
| Discharge Quality: A      | Decant Structure: NA             | Erosion: NA  |
| Discharge Meas. Device: A | Dyke Inspection: NA              | Seepages: NA |
| Dams, Dykes: NA           | Freeboard: NA                    | Spills: A    |
| Construction: NA          | O&M Plan: N/A                    | A&R Plan: A  |
| Discharge: Continuous     | Effluent Discharge Rate: Unknown |              |

Comments: Human wastes are not treated; rather they are discharged directly to the environment via an outfall pipe contrary to the existing license. Previously the Inspector required that the Licensee comply with the terms of the existing license. This issue is to be addressed prior to the period of the next inspection or enforcement actions will be undertaken under the Act.

Solid Waste:

Owner/Operator: National Defence Canada

|                                        |                         |             |
|----------------------------------------|-------------------------|-------------|
| Landfill: closed, requires remediation | Burn & Landfill: closed | Other: None |
|----------------------------------------|-------------------------|-------------|

Comments: An incinerator has not yet been installed on site. Kitchen and other wastes are currently being stored in a warehouse and in drums on site. According to on site personnel these wastes are to be back-hauled to Iqaluit for disposal. Records of waste and destination are required to be provided in the annual report.

FUEL STORAGE: 4 above ground 500,000 l tanks

Waste Oil Storage: Haz mat storage area. Owner/Operator: National Defence

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

|                       |                                      |                      |
|-----------------------|--------------------------------------|----------------------|
| Berms & Liners: A     | Water within Berms: A                | Evidence of Leaks: A |
| Drainage Pipes: NA    | Pump Station & Catchments Berm: A    |                      |
| Pipeline Condition: A | Condition of Tanks: Metal tanks: A.- |                      |

SURVEILLANCE NETWORK PROGRAM (SNP)

|                                                                                           |                     |                          |
|-------------------------------------------------------------------------------------------|---------------------|--------------------------|
| Samples Collected                                                                         | Owner /Operator:    |                          |
| 1                                                                                         | INAC: Potable water |                          |
| Signs Posted                                                                              | SNP: none           | Warning: Signage present |
| Records & Reporting: Haz mat transportation records were on site and available for review |                     |                          |
| Geotechnical Inspection: N/A                                                              |                     |                          |

Non-Compliance of Act or Licence: A number of deficiencies and instances of Non-compliance were identified during the inspection. On site personnel have been advised to address these issues by the period of the next inspection.

A.Keim

Inspector’s Name

Sent by E-mail

Inspector’s Signature