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Land Administration
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Your file - Votre référence

Our file - Notre référence

October 8, 2010

Starfield Resources Ltd.
Suite 2210 – 130 Adelaide Street West
Toronto, Ontario
M5H 3P5

Dear Mr. Mason:

Re: Land Use Permit #N2007X0011
Type of Operation: Winter Road
Location: Churchill to Arviat, Arviat to Ferguson Lake, Ferguson Lake to Rankin Inlet, Kivalliq, Nunavut

Final plans for the captioned operation were received in this office on October 8, 2010.

Proper assessment of land use fees is contingent upon verification of your final plan submission, completed in conjunction with the final inspection.

At that time you will be notified by our Land Use Inspector should additional clean-up and/or restorative measures be required.

Sincerely,

John Craig
Assistant Land Administrator

cc: Manager, Field Operations
RMO – Kivalliq
NIRB
NPC

CIDMS #430273

Canada



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Dear Mr. Craig:

Re: Right of Way Permit #N2007X0011 - Ferguson Lake Project - Starfield Resources Inc.

Please be advised that Starfield Resources would like to close off this Right of Way Permit. No overland hauls were conducted in 2010. Attached please find a summary of the overland haul activities for 2008 and 2009 as well as a copy of the original application.

Starfield is reviewing the economics of overland hauls given the ongoing issues that have been encountered with receiving goods from service providers and back hauling wastes. Unreliable equipment, untrained operators and a lack of ongoing maintenance seem to plague the overland hauling businesses. Each year Starfield has been unable to remove sufficient and scheduled wastes, including crushed drums, empty drums and scrap metal, due to equipment failures.

Timing and weather are also factors which work against the overland hauling industry.

For these reasons, Starfield will not be renewing Right of Way permits for overland haul. If you have any questions, or require further information, please do not hesitate to contact me.

Sincerely

Fred Mason
VP Operations
Starfield Resources Inc

Nickel-Copper-Cobalt-Platinum-Palladium-Rhodium
Metals for the future. Metals for a cleaner environment.

**N2007X0011 - Starfield Resources, Ferguson Lake Camp
Right of Way - Overland Transport**

2007

There were no overland hauls to the Starfield Ferguson Lake camp in 2007. All supplies were flown in.

2008

In 2008 there were only three (3) overland hauls to the Starfield Ferguson Lake camp; two originating in Rankin Inlet, one (1) in Arviat.

March 30, 2008 - Rankin Inlet to Ferguson Lake

- 2 Rock trucks
- 1 Motor grader
- 1 Kubota truck
- 1 Incinerator
- 2 Light plants
- 1 Water tank
- 6 Rolls of geotextile fabric

April 1, 2008 - Back haul from Ferguson Lake to Rankin Inlet
2 broken sleighs that were on site at Ferguson Lake

April 12, 2008 - Arviat to Ferguson Lake
215 drums of P-50

April 13, 2008 - Back haul from Ferguson Lake to Arviat
Empty drums for reuse

April 24, 2008 - Rankin Inlet to Ferguson Lake
Rock Drill
D6 Dozer
No backhaul

There was one overland haul that departed from Rankin Inlet with a rock crusher. This load was abandoned approximately 40 km from Rankin Inlet because the sled broke down. M&T have not been able to retrieve the rock crusher to date because of equipment issues. New challengers and sleds have been purchased and they will try to retrieve the rock crusher in winter/spring 2011 once snow cover allows.

2009

In 2009 there were only three (3) overland hauls to the Starfield Ferguson Lake camp; two originating in Arviat, one (1) in Rankin Inlet.

March 11, 2009 - Ferguson Lake to Arviat

The Challengers and sleighs were left at site for loading over the winter. The sleighs were loaded with the drained, cleaned crushed drums ready for back hauling to Arviat. As the challengers departed from camp the sleds broke down and the loads were dumped. They had not left the camp site before this happened. These crushed drums have been stacked and are sitting on geotextile liner ready to be back hauled.

March 20, 2009 - Arviat to Ferguson Lake

52 drums of Jet B

6 drums of P-50

17, 707 L of bulk P-50 in double walled enviro-tank

March 21, 2009 - Backhaul from Ferguson Lake to Arviat

87 empty drums for reuse

March 27, 2009 - Arviat to Ferguson Lake

17,708 L of bulk P-50

73 drums of P-50

April 1, 2009 - Backhaul from Ferguson Lake to Rankin Inlet

D6

Compacter

Pick up truck

2 Herman Nelsons

Kubota

(all Nuna equipment)

April 12, 2009 - Rankin to Ferguson lake (one sleigh)

25 drums of P-50

April 14, 2009 - Backhaul from Ferguson to Rankin Inlet

Rock Drill

Magazine

Supplies and parts

(all Nuna equipment)

This sled had to stop along the way to pick up the D6 from the previous load as the sleds broke down on the way back to Rankin from the April 1 load.