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April 9, 2009

Phyllis Beaulieu Manager of Licensing Nunavut Water Board P.O. Box 119, Gjoa Haven, NU X0B 1J0

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NWB file: NWB2BE-PER0610

Via Email at: licensing@nwb.nunavut.ca

Re: NWB 2BE-PER010 – Diamondex Resources Ltd – Peregrine Project - Cancellation-Type "B" Water Licence

On behalf of Environment Canada (EC), I have reviewed the information submitted with the above-mentioned application. The following specialist advice has been provided pursuant to the Canadian Environmental Protection Act, Section 36(3) of the Fisheries Act, the Migratory Birds Convention Act, and the Species at Risk Act.

Diamondex Resources Ltd. has submitted an application to the Nunavut Water Board (NWB) for the cancellation of their Type "B" water licence for the Peregrine Project, as work will no longer be conducted on this property. Environment Canada has no objections to the cancellation of the Type "B" Water Licence, provided that it is demonstrated that the proponent has met all closure obligations.

It should be noted that the Peregrine Abandonment and Restoration Plan is not in compliance with the water licence with regards to the use of burn barrels. The water licence condition Part D-3 states, "No open burning or on-site land filling of domestic waste is permitted". The *Abandonment & Restoration Plan for the Peregrine Property Camp* (March 2006), states that all combustible waste will be "incinerated" in a burn barrel. A burn barrel does not qualify as an incinerator and will not achieve the Canada-wide Standards. A U.S. Environmental Protection Agency study, Evaluation of Emission from the Open Burning of Household Waste in Barrels, 1997, found that emissions from burn barrels were much higher than the Canada-wide Standards. No open barrel burning should occur during restoration activities. All non-combustible waste should be removed from site and disposed of in an approved disposal area.

EC recommends that the following items be completed prior to the cancellation of the Type "B" Water Licence:

- An updated Final Restoration Plan should be provided to the NWB which should include, but not be limited to: updated waste management plan, completed work to date, proposed restoration activities, timelines for outstanding work, and record of any hazardous materials remaining on site, including fuels and chemicals.
- If any hydrocarbon impacted soil is present as a result of fuel spills, EC recommends that the soil receive proper treatment and/or disposal at an approved facility.
- The contact information for Environment Canada 24hr pager should be removed from the Abandonment and Restoration Plan page 7, Emergency Contact Information and in the Spill Contingency Plan Sections 3.1, 3.2 and 4.0 as this number is no longer in service. Please note that any spill of fuel or hazardous materials, adjacent to or into



a water body, regardless of quantity, shall be reported immediately to the NWT 24-hour Spill Line, (867) 920-8130.

If there are any changes made to this project, EC should be notified, as further review may be necessary. Please do not hesitate to contact me with any questions or comments with regards to the foregoing at (867) 975-4631 or by email at carrie.spavor@ec.gc.ca.

Yours truly,

## Original signed by

Carrie Spavor Environmental Assessment Coordinator

cc: Carey Ogilvie (Head, Environmental Assessment – North, Environment Canada, Yellowknife, NT)
Anne Wilson (Water Pollution Specialist, Environment Canada, Yellowknife, NT)
Dave Fox (Air Pollution Management Analyst, Environment Canada, Yellowknife, NT)
Ron Bujold (Environmental Assessment Technician, Environment Canada, Yellowknife, NT)

