

Jericho Water Licence Final Hearings - December 6 - 8, 2004
Closing Statements for INAC

INAC would like to thank the Board and the community for allowing us to intervene on such an important project. INAC is proud to play a role in this historic milestone project for Nunavut. We take very seriously, our responsibility to provide the Board with the best possible advice. This is why we have fully participated in the Water Board process and prepared a thorough intervention for the Board to consider. We have been engaged with all parties involved in this process, particularly since the technical meetings and Pre-hearings in October where the Board encouraged all parties to work together to resolve any outstanding issues. Since that time, we have actively worked with Tahera and their consultants to address technical issues with the application and have also shared information with KIA to improve both parties' understanding of how total security estimates were determined. This is an on-going process that has been productive, and we look forward to continued discussions.

We would like to take a moment to highlight some components we view as key to our intervention, areas that we feel the Board should consider when preparing a licence for this project. We would like to emphasize that these are not issues that cannot be resolved, and the process undertaken in the past few days has already initiated some steps towards addressing some of these concerns.

Summary Point # 1 - Discharge criteria

INAC recommends that the Board not allow excessive leeway in the discharge limits simply to ensure that the Applicant remains in compliance; especially considering that the Applicant has expressed that discharges are unlikely to approach such limits. In the interest of environmental stewardship, INAC suggests that lower, more conservative discharge limits be selected.

Summary Point # 2 - Security Issues

In determining security, INAC has provided recommendations based on the *Mine Site Reclamation Policy for Nunavut*. This Policy stipulates that total estimated costs must incorporate both land and water related activities. Since this project lies on Inuit Owned Land (IOL) and Crown lands, it is recommended that land and water security be divided.

In response to questions raised by the Board staff regarding the possible duplication of security amounts, it should be clearly understood that INAC's total estimated cost does not take into account, any activities associated with No Net Less Plans nor the current exploration licence. To reiterate: There is no duplication of security costs.

Water security is held for purposes outlined in the *Nunavut Waters & Nunavut Surface Rights Tribunal Act* and may only be accessed through the provisions of that Act. The Act stipulates that only the Crown can initiate a site cleanup in the event that the Applicant abandons the site. Land security is negotiated through the land lease. It appears, based on other interventions presented at

this hearing, several parties are also recommending that the Board separate land and water related liabilities.

Regarding Tahera's current exploration licence, INAC currently does not have a mechanism to transfer security from one licence to another, as Tahera is proposing. Tahera must meet their abandonment and reclamation obligations for the current exploration water licence. The application under review is for a new and separate licence that would require security to be set by the Board; independent of the current exploration licence. Furthermore, INAC encourages Tahera to address any outstanding issues related to their existing exploration licence.

Summery Point # 3 - Name Concerns

There is a great deal of confusion with respect to the company name which is to appear on the licence. Although Tahera has recently indicated that the licence should be issued to Benachee Resources Inc., a wholly owned subsidiary of Tahera, INAC's position is that a water licence cannot be issued under this name. Tahera Corporation holds the NIRB Project Certificate for the project we are discussing here today. Issuing a water licence in the name of another separate entity, may have significant and adverse legal consequences. Therefore, INAC respectfully requests that the Board and the Applicant resolve this before the issuance of the water licence.

Summary Point #4 – Water Volume Use

At these hearings, Tahera has requested a water use allowance of five hundred thousand (500,000) cubic meters per year. INAC's intervention for this project used the amounts provided by Tahera in both the Final Environmental Impact Statement and the water licence application. The water use volume requirements in these documents was stated as being 30 – 31 cubic meters/hour which amounts to approximately two hundred and seventy two thousand (272,000) cubic meters per year. INAC suggests that the Board only consider the originally-requested volume.

Summary Point #5 – Term of Licence

INAC recommends that the water licence be valid for a period of not more than six (6) years.

Summary Point # 6 – Adjustments to Intervention

INAC's intervention submitted to the Board offered a number of recommendations. In the course of the past few days, we have made several adjustments to our original intervention based on discussions at these hearings. For the record, these adjustments include:

- Fish tissue sampling for cadmium: INAC suggested a frequency of every two (2) years; Tahera has suggested four (4) years. INAC accepts this; particularly owing to Tahera's intention to analyze metals in livers for lake trout, burbot and whitefish.
(Reference – page 18 of INAC intervention)

- Locations for benthos sampling: INAC accepts Tahera's contention that it will be difficult to sample at SNP 2 (stream C-3) due to the ephemeral nature of this stream, therefore INAC has agreed to remove it from our requirements. We are pleased with Tahera's agreement to add benthos in the vicinity of SNP 5.
(Reference – page 25 of INAC intervention)
- Blast analysis: In our intervention INAC had incorrectly stated "daily." This should be changed to "weekly."
(Reference - page 24 of INAC intervention)
- Surface Water Management: INAC referred to continuous monitoring of pond and sump levels. Tahera suggested spot measurements. INAC agrees, provided that this is done at appropriate time intervals.
(Reference – page 9 of INAC intervention, section 3.1.1)
- Aquatic Threshold Discharge Limits: With the exception of Aluminium, INAC agrees with Tahera that aquatic thresholds for all parameters are expected to be safe for aquatic life. This is based on the application of CCME guidelines for many of the parameters and the commitment by Tahera to conduct monitoring of zooplankton or fish, for cadmium, copper and uranium.
(Reference – starting on page 15 of INAC intervention)

Closing Remarks

INAC would like to commend Tahera for their cooperation throughout this process. INAC is encouraged by the progress made to date by all parties involved to move this project through the regulatory phase. We have a positive working relationship with both the Board and the Applicant and are looking forward to moving ahead on this milestone project with them.

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