

Jericho Diamond Project Public Hearings Fisheries & Oceans Canada - Closing Statements, January 9, 2004

For the benefit of the Board, Fisheries & Oceans (DFO) would like to summarize a number of issues discussed in our presentation that we feel can be addressed in the regulatory phase. Following this summary we have additional issues that we raise as recommendations to the Board.

Road Construction – Issues related to the construction of on-site roads can be addressed through construction practices that respect surface drainage patterns and through the application of appropriate monitoring and mitigation.

Carat Lake Causeway – These impacts can be mitigated through alternative structure design, e.g. burying the water intake pipe.

Use of Explosives – Impacts due to blasting are not likely to be significant, although our confidence could be increased through a more detailed delineation of the extent of the blast zone relative to the spawning areas in Carat Lake, as well as a characterization of changes in the blast zone with pit depth. Beyond that, a *Fisheries Act* section 32 authorization can be issued for any residual impacts.

Stream C1 Diversion – Issues related to the stream diversion can be addressed through developing and implementing a diversion plan that is acceptable to DFO. This plan would ensure that any losses associated with the diversion are mitigated, the lower portion of the natural stream functions normally, and post-closure flow regimes are considered.

Processed Kimberlite Containment Area (PKCA) – Physical habitat losses in Long Lake are to be offset through the development and implementation of an acceptable fish habitat No Net Loss Plan.

Aquatic Effects Monitoring – These issues can be addressed through a rigorous monitoring program and the collection of adequate baseline data. DFO recommends that, at a minimum, baseline data collection occur during 2005 as well.

Fish Habitat No Net Loss Plan – It is expected that Tahera will continue to work with DFO to develop an acceptable fish habitat No Net Loss Plan. It is also expected that Tahera will implement this plan and ensure that impacts to fish habitat are successfully offset.

DFO's role as a reviewer and regulator is to undertake a critical, rigorous and fair review of a project proposal. The goal is to ensure that in reaping the economic benefits that the ecological integrity of the environment is protected and perpetuated.

Is likely that all or at or at least a large portion of the information required for the assessment of the Jericho Diamond Project has been provided by Tahera. However, the format in which most of these data have been compiled and presented, in conjunction with errors and omissions in some of the information, makes it extremely difficult for reviewers to conclude with confidence that the potential aquatic impacts of the Jericho project have been mitigated and minimized to an acceptable level. As such, DFO recommends that prior to the commencement of the regulatory phase Tahera be required to clearly demonstrate that components of the project, including the operation of the PKCA and site water management together with the application of various treatment options, have been optimized to achieve the goal of minimal and acceptable impacts to the aquatic environment.

The assessment and presentation of this information may be best facilitated through the development of a matrix of scenarios. Each of these scenarios should consider water management options, PKCA operation options, additional treatment options, resulting water quality parameters and the extent of potential impacts to various aquatic components.

DFO recommends that prior to commencement of the regulatory phase Tahera provide an assessment of the environmental costs, benefits and limitations associated with each treatment and management option considered for the Jericho site in order to clearly demonstrate that the optimal mitigation is to be applied.

DFO recommends that prior to commencement of the regulatory phase Tahera demonstrate that the various discharges to the aquatic environment have been incorporated into their predictive water quality modeling. In addition, Tahera should revise their lake dilution modeling for selective parameters of concern (total dissolved solutes (TDS), chloride, ammonia, metals).

With respect to the issue of minimizing physical impacts, specifically for Stream C3, Tahera should provide DFO with an estimate of flow regimes in Stream C3 under various water management scenarios, during operations and post-closure to maintain the natural flow regime to the extent practical. Any residual losses can be addressed through the implementation of an acceptable fish habitat No Net Loss Plan. These actions can be undertaken in the regulatory phase.

DFO recommends that Tahera continue to seek ways to minimize physical impacts to fish habitat as they further refine the details of their mine plan.

DFO recommends that Tahera provide an estimate of the expected concentrations of ammonia and metals in the refilled mine pit, provide an estimate of degradation rates for these and any other constituents of concern, and indicate how long water quality in the pit water is likely to be a concern. These actions can be undertaken in the regulatory phase.