

Recommendation #1: The Board requests that the Proponent provide the outstanding 2010 annual report covering the topics specified in Appendix D to the NIRB as soon as possible.

Quarterly Report

In accordance with Appendix D of the Jericho Project Certificate, the Proponent is required to submit quarterly reports to the NIRB for the periods ending in October, January, April, and July each year. In correspondence dated June 3, 2011 Shear committed to submit a quarterly report for the periods ending December 31, 2010 and March 31, 2011 to the NIRB by June 10, 2011. Neither of these reports has been received by the NIRB.

Recommendation #2: The Board requests that Shear provide the NIRB with a quarterly report covering the period since Shear's purchase of the site, as specified in Appendix D, on or before January 31, 2012.

Wildlife Monitoring

With respect to conditions 3, 10-16, and 18 of the Jericho Project Certificate, Shear informed the NIRB earlier this year that during 2011 it would be developing a caribou monitoring program and draft WMMP for distribution. Neither of these documents has been received by the NIRB, and there have been no further updates regarding anticipated distribution dates for these materials.

Recommendation #3: It is recommended that Shear provide the NIRB with an anticipated time when the caribou monitoring program and draft WMMP would be available for review along with a summary of the collaborative efforts made by Shear in the construction of these documents to date, identifying any agencies or experts consulted as well as any unresolved issues raised by parties during the collaboration.

Recommendation #4: Since the previously mentioned reports are not yet available, the Board requests that Shear submit a summary of how it intends to regain compliance with condition 10 of the Project Certificate, as well as a discussion regarding Shear's anticipated timeframe to resume active site monitoring and the subsequent delivery of a wildlife monitoring report to include an Annual Wildlife Data Report.

Updated DFO Monitoring Requirements

After Shear acquired the site, discussions were initiated with DFO regarding sampling requirements. DFO indicated to the NIRB that the fish sampling requirements may need to be expanded to include sampling from lakes in addition to what had been presented in the previous Aquatic Effects Monitoring Plan. The Monitoring Officer informed DFO that only the Carat Lake system had been included in the original scope of the NIRB's review of the Jericho project, and that it remained the responsibility of DFO to refer any authorization application to the NIRB.

Recommendation #5: It is recommended that DFO and the Proponent be reminded to keep the NIRB informed of any changes/amendments to monitoring plans or to the *Fisheries Act*

authorization, and to forward any updated/amended documents, approvals, or permits to the NIRB as these become available.

2011 Site Visit

In relation to conditions 31, 34, and 35 of the Jericho Project Certificate, non-compliance issues were noted as a result of the August 17-19, 2011 Jericho site visit. The Proponent has not met the requirements of Condition 34, as the waste transfer containment area near the airstrip was not completely contained (berm was not enclosed) and the liner was ripped in several locations. With respect to conditions 31 and 35, the Proponent has not proven to be compliant as the NIRB has not been provided with required information regarding the options for additional divider/barriers or dykes in the PKCA or a revised Waste Management Plan. In addition to addressing the non-compliance issues outlined above, the NIRB requires updated information regarding Shear's efforts to maintain compliance with the Jericho Project Certificate.

Recommendation #6: The Board requests that Shear provide a plan of action which addresses the issues of non-compliance relating to conditions 31, 34, and 35 of the Jericho Project Certificate; including an outline of Shear's proposed approach to achieving compliance with each condition and a timeline for implementation of this plan of action.

Fuel Spills and Planning

During 2006 and 2007, Aboriginal Affairs and Northern Development Canada (AANDC; formerly INAC) inspected three fuel spills at the Jericho site. The NIRB Monitoring Officer also noted during the 2009 and 2011 Jericho Site Visits, evidence of petroleum contamination at several locations around the site.

Recommendation #7: The Board requests that AANDC provide the NIRB with a summary of any outstanding issues it may have regarding previous inspections, spill reports or fuel management plans.

Atmospheric Monitoring

Condition 5 of the Jericho Project Certificate requires the installation of an atmospheric monitoring station to obtain site-specific meteorological data, meet requirements of Environment Canada (EC) air quality experts, monitor dust from roads and blasting, and windblown dust from stockpiles. Tahera had installed an atmospheric monitoring station previously, but it failed in 2006. The unit was sent for repairs and was scheduled to be installed while the NIRB Monitoring Officer was at the site. However due to inclement weather, the installation was not possible at that time.

Recommendation #8: The Board requests that Shear complete installation of the repaired meteorological station as required by condition 5 of the Jericho Project Certificate and provide notice to the NIRB upon completion of this work.

Since acquiring the Jericho Mine site, Shear has been working to bring the site into compliance with pre-existing permits as well as to renew permits required for the ongoing functions at site. As part of the renewal process, the NIRB must respond to inquiries from various authorizing agencies seeking a NIRB determination regarding project-specific environmental monitoring compliance. To provide timely responses to these inquiries, the NIRB requires updated information regarding Shear's efforts to maintain compliance with the Jericho Project Certificate.

The Board respectfully requests that the Proponent and other agencies as identified submit a response to the recommendations as specified above within 30 days of receiving this correspondence. If a response is not possible within this timeframe, the NIRB asks that you notify our office of the estimated date for submission of this information at your earliest convenience.

Should you have any questions, please do not hesitate to contact the undersigned at 867-983-4611 or tarko@nirb.ca.

Sincerely,



Tara Arko
Technical Advisor
Nunavut Impact Review Board

Cc: Lou-Ann Cornacchio, AANDC
Peter Kusugak, AANDC
Derrick Moggy, DFO
Chris Lewis, DFO
Jericho Distribution List

Enclosures (2): Jericho Diamond Mine Project Certificate [No. 002] Appendix D – *Jericho Monitoring Program* (October 30, 2007)
The Nunavut Impact Review Board 2010-2011 Monitoring Report for the Jericho Diamond Project (September 30, 2011)