

NIRB File No.: 00MN059

November 12, 2014

Stephen Traynor A/Regional Director General, Nunavut Region Aboriginal Affairs and Northern Development Canada Iqaluit, NU

Sent via email: stephen.traynor@aandc-aadnc.gc.ca

Re: <u>The Nunavut Impact Review Board's 2013-2014 Annual Monitoring Report for the Jericho Project and Board's Recommendations</u>

Dear Stephen Traynor:

The Nunavut Impact Review Board (NIRB or Board) issued its 2013-2014 Annual Monitoring Report for the Jericho Project (Monitoring Report) to Shear Diamonds (Nunavut) Corp. (Shear) under separate cover earlier today. The enclosed Monitoring Report is based on the NIRB's monitoring activities pursuant to the Jericho Project Certificate [002] as issued to Shear Diamonds (Nunavut) Corporation and pursuant to Sections 12.7.1 and 12.7.2 of the Nunavut Land Claims Agreement. This report provides the findings of the NIRB's monitoring of the Jericho Project from October 2013 to September 2014.

Please note that the Monitoring Report, Project Certificate and other materials pertaining to the NIRB's ongoing Monitoring program for the Jericho Project are also available from the NIRB's online public registry at:

http://ftp.nirb.ca/03-MONITORING/00MN059-JERICHO%20DIAMOND%20MINE/.

Based upon the Board's review of the monitoring report and other materials related to the Jericho Project, the Board has issued the following recommendation in order to ensure the NIRB has all information necessary to adequately discharge its mandate with respect to provisions within section 12.7 of the NLCA as such pertain to the Jericho Project.

During the 2012-2013 reporting period, Aboriginal Affairs and Northern Development Canada noted several risks at site that require management as detailed within correspondence to the NWB dated June 7, 2013, including:

- The management of site water during freshet,
- Tailings management, and

• Fuel and hazardous waste management and site closure¹.

During 2013 and 2014, AANDC made note of its continued efforts at site to manage the previously identified site risks. The NIRB's 2013 recommendations included a request that Shear, or other designated site manager, provide an update on water monitoring and sampling practices as well as releases of water at site (NIRB Board Memo 2013, Recommendation 3); the requested information has not yet been received by the NIRB.

As carried by way of a motion at its recent October 2014 meeting, the Board requests that Shear, or, given the current site management regime, Aboriginal Affairs and Northern Development Canada provide an update to the NIRB on water monitoring and sampling practices as well as releases of treated site contact water, and an update of activities undertaken to manage the risks identified at the Jericho site..

The Board respectfully requests that Aboriginal Affairs and Northern Development Canada provide this information to our office within 60 days' receipt of this correspondence.

Should you have any questions or require further clarification regarding the Board's request or related to the NIRB's monitoring program for the Jericho project, please contact me directly at (867) 983-4611 or tarko@nirb.ca.

Sincerely,

Tara Arko

Jericho Project Monitoring Officer Nunavut Impact Review Board

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cc: Manual Rappaport, Shear Diamonds (Nunavut) Corp.

Karen Costello, Aboriginal Affairs and Northern Development Canada

Jericho Distribution List

Enclosure: The Nunavut Impact Review Board's 2013-2014 Annual Monitoring Report for the Jericho

Diamond Mine Project

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¹ E. Paul, Inspector for Aboriginal Affairs and Northern Development Canada letter to P. Beaulieu, Manager of Licensing for Nunavut Water Board. RE: Jericho Mine (2AM-JER1119) dated June 7, 2013. <u>Available online</u> via the NWB online public registry.