



Fisheries and Oceans Pêches et Océans
Canada Canada

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Your file Votre référence
2AM-JER0410

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NU-00-0068

February 10, 2011

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

Dear Ms. Beaulieu:

Subject: DFO Comments, Amendment to Extend Nunavut Water Board Licence, Jericho Diamond Mine

Fisheries and Oceans Canada (DFO) received the application to extend the water licence for the Jericho Diamond Mine on February 4, 2011 from the Nunavut Water Board. The proponent, Shear Diamonds (Nunavut) Corp. is requesting an extension of the expiry date of the water licence from March 1, 2011 to March 1, 2012. After reviewing current and historical documents pertaining to the operations at the mine, DFO has the following comments and questions to contribute to the review of this licence amendment.

DFO would like confirmation on the status of the fish habitat compensation measures that are described in the original *Fisheries Act* Authorization (DFO File # NU-00-0068), the amended *Fisheries Act* Authorization and the Nunavut Impact Review Board (NIRB) Project Certificate (Conditions 20, 21 and 24). To date DFO can confirm that 8 of the 22 proposed rock shoals have been constructed as proposed. The outstanding compensation items that can not be confirmed as being completed are the diversion of the lower reach of stream C1, the connecting channel (Stream 021) between Lakes 02 and 03 and the construction of fourteen rock shoals at various lakes.

If the above mentioned fish habitat compensation structures have not been completed, the authorization that has been issued for the loss of fish habitat relating to the construction and operation of the Jericho Mine is currently in non-compliance. DFO would like confirmation and a commitment from Shear Diamond (Nunavut) Corp to construct these fish habitat compensation structures as proposed. DFO would like Shear Diamonds to provide a detailed summary of the status of all fish habitat compensation activities that have occurred at the mine site to date. The summary should include proposed completion dates for any outstanding fish habitat structures that have not been finished as well as a commitment to monitor the structures according to the monitoring plan set forth in DFO's authorization.

It is concerning to DFO that the fish habitat structures may not have been completed at the Jericho Diamond Mine. DFO would like a commitment by Shear Diamonds (Nunavut) Corp. that they will fulfill their obligations under the *Fisheries Act* and commit to the completion of fish habitat structures and monitoring at Jericho Diamond Mine.

If you have any questions concerning the above or would like to discuss in greater detail please contact me directly by telephone at (403) 292-8675 by email at Robert.Bedingfield@dfo-mpo.gc.ca

Sincerely,



Bobby Bedingfield
Fish Habitat Biologist
Eastern Arctic Area, Iqaluit Office

cc. Derrick Moggy, DFO Eastern Arctic
 Pamela Strand, Shear Diamonds Ltd.
 Sophia Granchinho, Nunavut Impact Review Board