

Nunavut Water Board
Public Hearing

Shear Diamonds (Nunavut) Corp.
Jericho Project Water Licence Renewal

Presentation by the
Kitikmeot Inuit Association

November 30 - December 1, 2011
Kugluktuk, Nunavut

Presentation Outline

- KIA Staff Introductions
- Broad overview of KIA's role and position with respect to the Jericho Project
- Description of KIA's specific concerns and recommendations regarding the Jericho Water Licence Renewal
- Conclusions and Questions



Mr. Geoffrey Clark, M.Sc., MBA
Director of Lands and Environment

Mr. Stanley Anablak
Senior Lands Officer

Mr. Luigi Torretti, M.Sc., B.Comm.
Senior Environment Officer

KIA's Role in the Jericho Project

- KIA is the Regional Inuit Association (RIA) for the Kitikmeot and represents the Inuit beneficiaries of the NLCA
- Mandate:
 - *To represent the interests of Kitikmeot Inuit by protecting and promoting our social, cultural, political, environmental and economic well-being.*
- KIA promotes appropriate mining development in the interest of all Inuit
 - Projects must balance economic development with social development
 - Must also protect the land, wildlife and Inuit lifestyles



KIA's Role in the Jericho Project

- KIA owns the surface Inuit Owned Lands (IOL) in the Kitikmeot, including parcel CO-05 where ~40% of Jericho's infrastructure is built
 - KIA issues leases and licences for surface land management on IOL
 - KIA is responsible for reclamation on IOL and KIA will continue to hold reclamation security under the surface lease with Shear
- KIA is the Designated Inuit Organization (DIO) for:
 - Inuit Impact and Benefits Agreement (IIBA; Article 26)
 - Inuit Water Rights (Article 20)
 - Water Compensation Agreement is in place as part of the IIBA signed September 8 2004
 - Wildlife Compensation (Article 6)
 - KIA has developed compensation procedures for destruction of terrestrial mammals
- KIA is a consistent participant in regulatory processes
 - Nunavut Impact Review Board & Nunavut Water Board



KIA's Review of the Water Licence

- KIA has set out its detailed position on the Water Licence Renewal in our written submission to the Nunavut Water Board on November 15, 2011
- KIA has carefully reviewed the evidence submitted by Shear and other parties to this hearing
- The KIA would like to highlight and provide recommendations related to the following 4 topics:
 - Term of the water licence
 - Water compensation
 - Closure and Reclamation Plan
 - Closure and Reclamation Security



Term of Water Licence

- Shear applied for an 10-year water licence (revised to 14 yrs)

KIA recommended that:

- **The Jericho water licence be renewed with a maximum term of five years.**

Considering the evidence provided at this hearing, the KIA now recommends that:

- **The Jericho water licence be renewed with a maximum term of 7 years.**

This timeframe will provide the KIA, the Board and other participants in the regulatory process with an opportunity to review outstanding issues, and reduce cost and uncertainty for Shear.



Water Compensation

- KIA negotiated and signed an IIBA in September 2004 (assigned to Shear in 2010)
- Water Compensation Agreement (WCA) is part of the IIBA
- Shear payments under the WCA are current until end of 2011 and therefore KIA has no issues related to water compensation

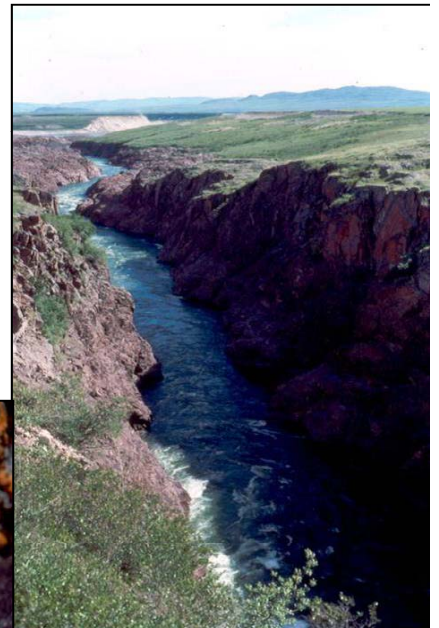
KIA recommends that:

- **The Board should require that Shear disclose in its annual report whether or not Water Compensation Agreement payments to KIA are up-to-date.**



KIA's Guiding Principles of Closure and Reclamation

- Protect the environment
- Be sure the site is safe for future use by people and animals
- Restore the site for future use by people and animals
- No perpetual care



Closure and Reclamation Plan

- KIA is always interested in closure and reclamation plans on IOL
- KIA will continue to provide input on the Closure and Reclamation Plan as part of NWB's processes
- Shear committed to submit the Final Closure and Reclamation Plan within three years of the issuance of the licence.

The KIA recommends that:

- **Shear provide a final Closure and Reclamation Plan within two years from the date of issuance of the water licence.**



Closure and Reclamation Security

- KIA has a strong interest in assuring that IOL is reclaimed to Inuit standards and that KIA does not incur residual reclamation liability on IOL as a result of the project
- Reclamation Security is held by both KIA (for IOL) and the Crown (for Crown land)
- The KIA Lease addresses security

The IOL used by the Jericho Project needs to be fully secured, and the KIA currently has an agreement with Shear to ensure that.

KIA has its own process for estimating reclamation security.

The KIA does not recognize nor accept the reclamation estimate presented by Aboriginal Affairs & Northern Development Canada for Inuit Owned Land.



Conclusions (General)

- The KIA supports appropriate mining development in the Kitikmeot and the KIA continues to support the development of the Jericho Project
- The KIA has important responsibilities to Kitikmeot Inuit to balance economic development with environmental protection, to protect the land, wildlife and Inuit lifestyles
- KIA and Shear have signed agreements addressing IIBA, Water Compensation and Reclamation Security
- **KIA is satisfied that concerns related to Inuit rights have been addressed.**



Conclusions (Licence Renewal – recap)

The IOL used by the Jericho Project needs to be fully secured and the KIA currently has an agreement with Shear to ensure that.

KIA recommends that:

- **The Board should require that Shear disclose in its annual report whether or not WCA payments to KIA are up-to-date**
- **Shear provide a final Closure and Reclamation Plan within 2 years from the date of issuance of the water licence**
- **The water licence be issued with a maximum term of 7 years**



Concluding Remarks



- The KIA hopes that our input has been helpful to the NWB, the public and to other interveners
- This concludes our presentation; we are now available for questions

The End

