whether or not they actually are part of Benachee's infrastructure, or is this new infrastructure that we were not aware that was owned by somebody else?

A COURT SMITH: Court Smith with Nuna. The intent is that the original infrastructure that goes in to Tahera is owned and operated, I'm talking about the camp and the mine shop essentially are the two key pieces. It would be owned and operated by Nuna right from the very beginning during the construction phase, and the assumption is that if the site is left abandoned, if you will, that those facilities would be left abandoned there, and that in our reclamation estimate we assumed that as a contractor, we would be going in and using the facilities and then moving them out.

Q DIONNE FILIATRAULT: Mr. Chairman, so I guess at this point I guess part of the concern is in relation to the security. So at this point is Tahera guaranteeing the remediation of those facilities from a security estimate point of view?

A GREG MISSAL: Greg Missal with Tahera. Yes, absolutely, Dionne, we have included those facilities all along in any of our reclamation estimates, they are all included there. And I think the other thing that is important to

point out with this is part of normal course of business, Tahera will be setting up various contracts and leases, just like at any other mining project, where those proponents are also responsible for -- solely responsible for 100 percent of security-related bonding. It is the same scenario that you would see at any other mine site. It is quite common, a very common practice.

Q DIONNE FILIATRAULT: Mr. Chairman, so just sort of by an analogy of our recent discussion, if the license is issued to Benachee, is Tahera Diamond Corporation prepared to guarantee the security under the license?

A GREG MISSAL: Well, I think we are probably getting in -- Greg Missal with Tahera. We are probably getting into some legal issues which I am not being sure this is the exact right forum, but that being said, as I mentioned yesterday earlier, Dionne, Benachee is a wholly owned subsidiary of Tahera Diamond Corp., so ultimately Tahera is responsible for its subsidiaries. And part of this reclamation bonding wound include all these items that we are discussing.

BILL TILLEMAN: Thank you, Mr. Chairman. This is Bill Tilleman. We will let Ms. Filiatrault carry on, Mr. Chairman.

Q DIONNE FILIATRAULT: Those were the questions based primarily on the presentation that you gave.

Going back to the actual application that was filed by Tahera, I would also like to get some clarification on individual appendices that were provided for those reports.

On the issue of the landfill, there is a temporary landfill that is proposed in waste rock dump number 1, is this an acceptable practise? I note that it is on IOL lands. The final location of the landfill, I believe, is then onto Crown lands. Has Tahera received, I guess, approval that that -- it becomes more of a land issue, I suppose -- that this is acceptable? Why do we need two landfills, is my question?

A BRUCE OTT: Bruce Ott, AMEC. The idea of having the initial landfill closer in to the pit is really a matter of environmental control. We are not expecting any runoff, but as a contingency, if there is any, without having to construct a control -- drainage control structure ahead of time for the final site, which is fairly -- initially fairly quite a bit north of the north end of the waste rock dump -- waste rock pile number 1, what we would end up having is a

structure that was closer in. And if there was any drainage, contingency would be for the water to flow directly into the pit, and drainage control would be somewhat simpler.

Having said that, I can't comment about other mines, but certainly landfills due tend to move around, and I'm not sure how much of an issue that is. The control there would be the same as it was at any other site.

It seems to me part of this is an administrative thing about who is the landowner, and that would certainly need to be sorted out. I am not aware that that has been finally sorted out at this time, Mr. Chair.

A GREG MISSAL: Greg Missal. Maybe I could just add a couple of comments to that. Obviously the one landfill site is in a pile that's being developed early on, so obviously there is advantages to your landfill being located in those waste-rock piles, and so obviously we want to try and take advantage of that. Now, later on through the life of the project, we quit using that one waste-rock pile and move to a separate waste-rock pile. And, of course, we would like to also take advantage of utilizing it as necessary.

In terms of getting approval to do that, I

mean that's part of, I guess, the land lease discussions, I believe. Thank you.

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman. With reference to water balance calculations, Tahera has run various models on quantity, quality simulations. Will they be assuming after several years of operation they are going to have actual data, will they be rerunning these -- the modelling assessment tools that were used to verify some of the assumptions that were obtained in the assessment phase?

A MR. McCREATH: Pete McCreath, Clearwater Consultants for Tahera. Yes, Dionne, as data is collected, monitoring of flows, processed flows, runoff flows, there is going to be an ongoing updating of the balance to confirm or revise assumptions regarding storage requirements, discharge requirements, et cetera. And that's going to be an ongoing process.

Q DIONNE FILIATRAULT: So just to clarify, Mr. Chairman, the updated assessments or revisions, does Tahera propose to submit those to the Board on an annual basis for their review?

A PETER McCREATH: Yes, on an annual basis there would be the various reports, monitoring reports, including the waste dump and

seepage report. And I'm assuming that updating of the processed flows and the water balance calculation would form a portion of that report.

Q BILL TILLEMAN: Mr. Chairman, it is Bill Tilleman. And so I guess as these new data come in, then how is the Board to deal with that in the license? Is it to issue a license with terms that are contingent upon new numbers coming in so that we know that the models will or have played out as you have predicted them or not? How does the Board deal in specific license conditions with these changes and the data that you will be collecting over the next several years, particularly when you start operating?

A MR. McCREATH: The approach that's going to be taken is one of adaptive management. The estimates that -- sorry, Pete McCreath, Clearwater Consultants.

The approach that's been taken has been to have our best estimates at what we expect the water conditions to be, the runoff conditions, the seepage conditions, et cetera. The real conditions will be determined when operations actually start. Depending on what is actually measured, operations would have to be adjusted within the terms of the water license.

Annual releases will not be exactly 485,000 cubic metres per year, depending on what precipitation conditions are, what actual runoff response conditions are for the different site facilities. However, the limits, the complaint limits within the license are what would govern the operational adjustments that will be carried out.

Q BILL TILLEMAN: Mr. Chairman, it is Bill Tilleman. So we referred a lot to the other mines in the Northwest Territories, and, in fact, some of you who are here today have built or consulted on those mines.

What have you learned with their licensing that is either good or not good? What can this Board do better to, of course, protect the environment and the water quality and so on and so forth, the deposit of waste? What have you learned that you can tell this Board that this Board can do better?

Because surely those other mines would have gone through the same adaptive management and they would have had to file the same plans that at some point surely those mines would say we don't want to get into this revolving regulatory door where we have to keep coming back to refile with these boards.

At what point -- on the one hand, at what point is a license really a license with stable enough terms that you know exactly what you can do and what you should do and what you should not do? And balanced against that, at what point -- how does this Board do this knowing that new information and data is going to be coming in, new designs on the divider dike, and so on, as we have heard, will be filed over the next -- you know, there is another study being done in January, and so on. So how do we balance that off at this stage of your mine application?

A GREG MISSAL: Mr. Chairman, Greg Missal with Tahera. Maybe I will start off trying to respond to that, Bill, and maybe we will move the mike down the table here so we can draw on some of the other experiences.

But I think what you have highlighted is exactly the point that I was trying to make in the conclusion of my presentation, and that is the need for the Board to issue a license that has terms and conditions that allow us to operate in compliance. And I think you heard throughout our presentation that -- and particularly from Kelly, because a lot of what she spoke about is very crucial to the work that this Board does in terms of the discharge

limits.

She has presented a methodology for giving discharge limits that are safe, which as I would imagine is of utmost importance to the Board. Some of those limits are conservative slightly, but we believe that we can meet them, and I think that's what's important in this process and in this license, is to have safe limits but also have limits that we are pretty sure we can meet. And I think that's what you saw in our presentation, was just that.

You know, I think in terms of some of the other projects, you know, I'm sure if they can look back on their processes, they would say, you know, if they could have had a little more flexibility on some things and perhaps a term of license for life of mine, because as I mentioned earlier as well, it is that certainty that's very, very crucial.

So I think in what you have heard from us in our presentation is that we have developed a safe criteria, and also criteria that we believe we can meet. So we would prevent that continually coming back to the Board and asking for modification or amendments, which we certainly don't want to have to do.

CHAIRMAN: Does the Water Board

have any further questions?

Q DIONNE FILIATRAULT: This is my own. With respect to the explosives use, the largest source of ammonia will be in the runoff water from residues from blasting.

If water is to be pumped to the PKCA, if the discharge does not meet discharge criteria, if not, the release will be made directly from or as proposed by the proponent to be directly to Carat Lake. What form of ammonia remains in the effluent, and is there a potential for the accumulation of the ammonia back on the tundra soils, and is this a negative effect?

A KELLY SEXSMITH: The residual ammonia that could be present in the water -- sorry, Kelly Sexsmith -- would be taken out by the plants along the flow path, and it would go into the normal nutrient cycling of those plants and in and out of the soil system, and largely would be bound up by that process.

Q DIONNE FILIATRAULT: Mr. Chairman, it is more of a question in relation to the discharge from the PKCA to Stream C3. They indicate that there may be the potential for erosion, and I'm just wondering why you would not, given the volume and the discharge rate to C3, through the current

assessment, why you would not actually implement erosion control measures, why wait for the impact to occur? Why not address the potential impact?

A PETER McCREATH: Pete McCreath, Clearwater Consultants for Tahera. Dionne, what we are proposing is that before there is any discharges made, that there would be a complete inspection carried out of the C3 channel to identify potentially weak areas and to reinforce those areas as required with clean gravel or clean granite to prevent the erosion occurring, so it wouldn't be responding to the erosion.

Subsequent to that, however, there would be ongoing monitoring and inspection during discharges to Stream C3, both for the dewatering of Long Lake and the then subsequent annual discharges of excess water from the system.

Q DIONNE FILIATRAULT: Mr. Chairman, it actually brings -- in his response he brought up another issue, is he refers to the various materials that are going to be used in the construction process, and throughout the documentation there is reference made to clean rock, and I'm just wondering if you could elaborate?

I know that Don mentioned yesterday in his

presentation yesterday, about the pressure washing of the base at the dike, but is that the same process that is used when you are talking about using clean rock in the construction of some of the facilities? And I'm not sure exactly which one's proposed to used that clean rock, but looking for a clarification on what they mean by clean rock and how they clean the rock.

A MR. McCREATH: Pete McCreath, Clearwater Consultants. For usage as erosion-protection material, the material that would be used would be waste rock from the pit that would be screened to appropriate sizes first. And, if necessary, there would be removal of fine material that could become suspended in the water column.

So by clean rock I don't mean literally taking every little rock and washing it, we are talking about removal of material that could be deleterious in the stream. And the rock, itself, would be tested beforehand to make sure that it was inert, stable and structurally resistant.

Q DIONNE FILIATRAULT: I guess it is more leading to some of the comments that we are going to hear later on from some of the parties. Has Tahera received confirmation from DFO regarding

preferred options for compensation for water quality effects to Stream C3? It was an issue that was raised in -- I think it was a letter from Rick Pattenden to DFO, and I'm just wondering -- I think it was something that we had raised at the technical meeting as well, and I am just wondering if that has been clarified?

A RICK PATTENDEN: Sorry, but could you please clarify your question specifically to DFO's concern with water quality effects on Stream C3?

Q DIONNE FILIATRAULT: Sorry, Mr. Chairman. In Appendix P and in response to outstanding DFO issues from the environmental assessment process, there was a letter from Rick Pattenden to DFO in Section 2 impacts to the flow regime -- or, sorry, in Section 1, impacts to the flow regime of Stream C3, there was -- I will have to look at the exact submission, but my question is has DFO confirmed with Tahera that the conclusions and preferred options for compensation on water quality effects to Stream 3, I am assuming that were outlined in this memorandum or letter, has this issue been resolved?

A RICK PATTENDEN: Rick Pattenden. The specific issue in relation to water quality effects and its effects on fish habitat, I can say have

been resolved based on DFO's position. I would have to defer to a DFO response as to the rationale for why it has been resolved.

Q DIONNE FILIATRAULT: There is only a few more, Mr. Chairman, but this is the last chance to ask questions to the proponent, so it needs to be detailed.

In the Appendix T, with respect to waste-rock dump number 1, there was reference made to a stream that flows across the dump site number 1 to Carat Lake. Is there any diversion needed for this stream? Is it an ephemeral stream? Is it going to be an issue for operations?

A MR. McCREATH: Pete McCreath, Clearwater Consultants. I don't believe there is really any well-defined streams there. There are local, as you say, ephemeral areas that convey water. Most of these will be covered by the waste dump as it advances.

There will be a perimeter collector around the toe of the ditch so that any seepage that does come out of the ditch will be collected and initially directed to the open pit for transfer to the PKCA. As permafrost aggrades into the base of the dump, we expect this seepage to decrease with time.

CHAIRMAN: Thank you. I am getting signals here for a break. Let's take a ten-minute break.

(BRIEF ADJOURNMENT)

CHAIRMAN: Welcome back. And let's proceed. Okay, Dionne?

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman, a few more questions. I would like to revisit one of the issues, and it refers to Appendix T, the waste rock low-grade coarse processed kimberlite management plan. In there they talk about a work plan and additional studies section, and they make reference to work or studies that were to be implemented in the spring and summer of 2004. Was the work done, or is it now being proposed for 2005? And when is Tahera proposing to submit the information for comment before stripping of the pit commences, and when would that be?

A KELLY SEXSMITH: Mr. Chair, it is Kelly Sexsmith. The plan that Dionne is referring to was completed. The testing occurred over October and November, and the results are available now. The reporting of them is underway, and I believe we committed in the report to issue that report in the first quarter of 2005, which we are quite prepared

to do in early January.

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman. This is probably a question that will also have to require clarification from DFO, but I am going to pose it to Tahera at this point. Has the minister of DFO designated Long Lake as a tailings containment area? That's, I guess, the question at this point to Tahera.

A RICK PATTENDEN: Mr. Chair, Rick Pattenden. At the present time, the answer is no, to my knowledge.

GREG MISSAL: Mr. Chair, Greg Missal with Tahera. If I could just ask Dionne for a clarification on that. I guess if you can just tell us where you are coming from on that question.

Q DIONNE FILIATRAULT: I'm not completely familiar with the Fisheries Act, and I will have to clarify some issues with DFO when they make their presentation, but it is my understanding that somewhere in the Fisheries Act, if a tailings containment area is identified, that it actually requires sign-off approval from the minister of DFO.

That being the case, along those same lines in our act, the Nunavut Waters Act, the Board is required to ensure that the terms and conditions of

the approval of the Board have conditions that are, and I quote, "at least as stringent as DFO requirements." And our concern is is how do we ensure that those -- that our terms and conditions are at least as stringent as DFO's conditions if DFO has not issued the approvals that they need to issue? And one being in relation to the tailings containment area.

A GREG MISSAL: Greg Missal, Tahera. Dionne, I think the simple answer to this whole issue is through our work we are doing with DFO on the no net loss plan and when that becomes finalized, and I'm sure Derrik will talk more about that in his presentation, but it is -- I don't think it is quite practical to believe that that approval would exist let's say today. The no net loss plan is yet to be finalized, so I guess the short answer is as Rick said, no, we don't have that, but that's all wrapped up into the no net loss plan package, if you will. Thanks.

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman. In the design for the PKCA document, they talk about the construction staging, and it says that Long Lake will be substantially dewatered prior to the commencement of plant operations. What provisions for the dewatering should this

Board consider where the water that is going to be dewatered, is it immediately to be discharged from the PKCA, and what mitigation options or measures is Tahera proposing to ensure that that quality meets discharge parameters?

A MR. McCREATH: Pete McCreath, Clearwater Consultants. Initially, Dionne, the discharge, of course, will be natural water that is in Long Lake and is flowing naturally into Stream C3 now. The plan is to lower the water level slowly and carefully, and if sediment entrainment from the shoreline, for example, becomes an issue, then the discharge would be halted. We don't require dewatering all the way down to the lowest point of the lowest hole. Maybe you can help me, Cam, we have to take it down three metres?

From a construction perspective, we don't actually have to lower the water significantly. I believe the dewatering requirement is primarily a DFO requirement.

GREG MISSAL: Mr. Chair, if I can just ask Rick Pattenden to add anything he can to that, please.

A RICK PATTENDEN: Mr. Chairman, Rick Pattenden. In regards to the dewatering of Long Lake prior to construction, the contingency plan

would be simply to -- if -- I'll back up. The potential issues are elevated suspended sediment levels during dewatering due to disturbance of the banks and whatnot. The primary contingency would be to stop the dewatering at the point where Tahera exceeds its license criteria, whatever they would be.

However, I should note that the background conditions in Long Lake don't predispose it to creating high suspended settlement levels. The lake shorelines are steep, in general, and dominated by rock and the large boulders.

The depth at which dewatering is required in large part will not reach the area of Long Lake that contains the fine sediments that would be suspended and cause the problems downstream. So the basic characteristics of Long Lake likely won't create conditions of high suspended sediment levels right from the start. But as I mentioned earlier, the primary contingency plan is to stop dewatering when levels get too high.

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman. So just to clarify, when you are actually dewatering from a monitoring perspective, you are proposing to meet any regulated discharge parameters. What general monitoring -- are you

just going to monitor for TSS, or would it be the same routine monitoring that's proposed in the operational monitoring plan for, say, the active discharge during operations, it would be the same as when -- through the construction phase?

A BRUCE OTT: Bruce Ott, AMEC. The monitoring plan that we put forward in some detail does discuss that, and I probably glossed over it a little bit quickly in my presentation here in trying to stick to the highlights, but we are proposing to monitor TSS and turbidity, get a correlation between those. We would initially be -- well, we would monitor turbidity on a daily basis and get a correlation with TSS, and TSS would then probably drop back to a weekly basis.

You are probably aware that total suspended solids needs to be analyzed in the lab, so what we are -- what we would want to do is as quickly as possible, develop a correlation with turbidity so that we would have an early warning system, rather than waiting a week and finding out that the water was noncompliant and having discharged over that whole time.

So we have a concentrated monitoring for total suspended solids at any rate during the dewatering period, that's the general plan, and it

is outlined in the submission that we made, the written submission.

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman. From a flow perspective, just I know it is in the documentation, what is the average flow in Stream C3, and what is the average flow that Tahera is proposing for discharge? And they may need to go and look for this, so they can get back to me, and I will just go to the next question while you are looking, if that's okay, Mr. Chairman.

In the same document when it applies to the abandonment and restoration and the cover that's being proposed, Tahera makes reference to traffic ability trial over selected areas during operations may be attempted, and I'm just trying to -- does this just talk about driving over the cover? How it is actually going to be -- you know, are you going to be able to get onto the surface of the fine PK to actually place cover? What exactly do you mean by traffic ability trial over selected areas of the PK, fine PK?

A CAM SCOTT: Cam Scott, SRK. Yeah, Dionne, that's exactly what it is, it is just to get a handle on how -- will it be possible to traffic on these materials during summer. There is