

1 A GREG MISSAL: Greg Missal with  
2 Tahera. We have had that discussion internally,  
3 John, and there would be -- really wouldn't be a  
4 problem with us having the -- I think, sorry, your  
5 question was related to security, correct,  
6 specifically? With the security being payable from  
7 Benachee if this is what was requested of us.

8 Q JOHN DONIHEE: John Donihee again.  
9 It does sort of fuzzy the fact that these are two  
10 separate corporate entities, but let me give you an  
11 analogy. When the NWT Water Board considered the  
12 Ekati licence in 1997, give or take, the same kind  
13 of issues came up about the relationship between  
14 BHP and the Canadian subsidiary and the Australian  
15 subsidiary. And in that case, you know, there was  
16 a fairly significant amount of security required by  
17 the water license, and there were some concerns  
18 about whether BHP Canada, and I'm not sure of the  
19 exact corporate name, but whether BHP Canada could  
20 provide that kind of assurance to the Crown. And  
21 my recollection is that BHP International provided  
22 a corporate guarantee on behalf of its Canadian  
23 subsidiary.

24 And I see this as a somewhat analogous  
25 situation here, and so I guess what I am wondering  
26 is since, as you indicated last night, you know,

1 Tahera is funded and ready to go, but we are not  
2 quite so certain about the circumstances with  
3 Benachee, whether Tahera Diamonds Inc. is ready to  
4 offer a corporate guarantee with respect to any  
5 security that might be demanded for this water  
6 license if it is issued to Benachee Resources Inc.

7 A GREG MISSAL: Mr. Chair, Greg Missal  
8 with Tahera. John, Tahera certainly would be able  
9 to do that on behalf of Benachee, yes.

10 Q JOHN DONIHEE: So I'm taking this as  
11 a commitment to the Water Board on behalf of Tahera  
12 saying essentially that if the Water Board assesses  
13 security against Benachee, that Tahera will make  
14 arrangements to file a formal guarantee for  
15 whatever amount the Water Board assesses?

16 A GREG MISSAL: Mr. Chair, Greg  
17 Missal. That's correct, John. The only thing I  
18 would maybe add to that is I know that there is  
19 some requirements from Indian and Northern Affairs,  
20 and so we would have to make sure that the wording  
21 was appropriate so that it satisfied all parties.  
22 But Tahera Corp. would certainly guarantee that.

23 Q JOHN DONIHEE: Thank you. I just have one  
24 other question, Mr. Chairman. It is John Donihee  
25 again. In response to some of the issues that have  
26 been raised by Board staff, some of the responses

1 have indicated that Tahera plans a sort of an  
2 adaptive management strategy or adaptive management  
3 approach with respect to the way the things will  
4 work at the site.

5 And I did make some notes when Dr. Ott was  
6 making his presentation about the sorts of things  
7 that are going to be filed annually. He mentioned  
8 a geotechnical report, seepage and waste rock, the  
9 AEMP, the SNP and a wildlife management plan. But  
10 there was no reference in anything that Tahera was  
11 committing itself to filing with respect to an  
12 adaptive environmental management plan.

13 If you are going to be managing the site in  
14 that way and doing these extra tests and things to  
15 see if your impact predictions are accurate or not,  
16 wouldn't it make some sense to have some kind of an  
17 adaptive management planning process formally  
18 established and some kind of ongoing reporting on  
19 that front so that we can have some certainty that  
20 you are achieving your objectives with the  
21 management of water on the site?

22 A BRUCE OTT: Bruce Ott, AMEC.  
23 Thanks, John. That's another one of the weaknesses  
24 in that quick run through of my presentation. I  
25 think in reference to the detailed submissions that  
26 we made that we have indicated that there are

1 triggers for action there. What you are asking for  
2 is some formalization of how the company would  
3 respond to that, and I think that can be worked  
4 into the existing reporting structure without any  
5 difficulty.

6 Q JOHN DONIHEE: John Donihee. You  
7 have no difficulty, then, if it is also worked into  
8 the license. sir?

9 A BRUCE OTT: Bruce Ott, AMEC. We  
10 note that the larger diamond mines in the south  
11 which, again, I must reiterate that the scale of  
12 this operation is just totally different from other  
13 mining operations, but that kind of thing is  
14 written into licenses.

15 So the company is certainly prepared to  
16 entertain that provision being put in the licence.  
17 If I'm allowed a personal opinion, I think that  
18 there is perhaps too much of a movement to command  
19 and control and not enough flexibility in  
20 innovative solutions on the site, but having said  
21 that, we don't disagree with what you are  
22 suggesting.

23 Q JOHN DONIHEE: Thank you, sir. Just one  
24 final other issue then, I think it is more a matter  
25 of clarification. In response to some of the  
26 questioning with respect to abandonment and

1 restoration, answers came in that led me to the  
2 understanding that the company expects to be filing  
3 an interim abandonment and reclamation plan  
4 sometime after the license is granted. I think  
5 there was one answer that talked about another  
6 license where it had been filed nine months after  
7 the license. And so, again, this is something that  
8 KIA is interested in seeing happen. But I take it  
9 from your answers that the company is amenable to  
10 updating, once the Board has issued its  
11 instructions to updating the abandonment and  
12 reclamation plan at a reasonable time post  
13 licensing?

14 A GREG MISSAL: Greg Missal with  
15 Tahera Corporation. Yes, John, that's correct, we  
16 would.

17 JOHN DONIHUE: Thank you very much,  
18 Mr. Chairman. Those are my questions.

19 CHAIRMAN: Thank you. Are there  
20 any other questions from the floor?

21 DIAND CONTINUES QUESTIONING THE LICENSEE:

22 Q MR. OSMOND: Mr. Chairman, it is  
23 Dave Osmond from Gartner Lee representing INAC.  
24 One of the answers to one of the questions that  
25 Dave Hohnstein asked was regarding the use of lake  
26 levels for monitoring stream or gauging flows to

1 ensure that the effective dilution was being  
2 achieved, and the answer back was, according to the  
3 company hydrologist, that it is quite effective.

4 And I agree, probably it is quite effective  
5 in open water systems, but that period of time when  
6 the spring breakup occurs and when the dilution of  
7 effluent is expected to be at its minimum,  
8 apparently we have some difficulty trying to figure  
9 out how that will be achieved to ensure that ten to  
10 one dilution occurs.

11 That's the time of year when the bulk of the  
12 water has to be discharged, and we also appreciate  
13 that that's -- you have got to make hay when the  
14 rain -- when the breakup occurs, but I just want to  
15 know how we can be sure that indeed 10 to one  
16 dilution is being achieved during that very  
17 difficult time when water levels are going to be  
18 difficult to determine during ice cover, partial  
19 ice cover.

20 A PETER McCREATH: Pete McCreath,  
21 Clearwater Consultants. Thanks for the question,  
22 Dave. It is a challenging time of year to measure  
23 discharges and measure water levels at the breakup.  
24 I think what we would propose to do, though, is  
25 rather than trying to measure depths of flow in  
26 either the outflow from Lake C3 or the inflow to

1 C3, we would measure them on the lake for the lake  
2 itself.

3 When flows start to increase in the spring,  
4 there is a noticeable increase in lake levels at  
5 that time. As the shore ice begins to melt, the  
6 lake rises and the flows through the creeks  
7 increase. The problem with measuring flows in the  
8 creeks is that often the creek channels are not  
9 well defined. They are boulder channels, and  
10 sometimes you literally don't know where the flow  
11 is going at that first start of the breakup.

12 We believe that with a pressure transducer  
13 installation, for example, or a nitrogen bubbler  
14 installation within Lake C3, that we would be able  
15 to come up reasonable reliability levels,  
16 measurements of lake levels in C3. And that,  
17 combined with the development as best we can during  
18 the open water season of rating curves for the  
19 outlet of the lake, would allow us to estimate  
20 flows and enhance a reasonable degree of certainty  
21 that we are achieving the required dilutions.

22 I would just like to point out briefly on the  
23 dilution side that the ten-to-one number that has  
24 been quoted is a number that our modelling  
25 indicates occurs for a very short period of time  
26 and only in the contingency case when we would have

1 to release stored water from an extra complete  
2 year, in other words, releasing two years' worth of  
3 runoff in a single year. So it is a very rare  
4 occurrence that would occur only for a very short  
5 period of time.

6 Once we are into the open water season, then  
7 we can do other measurements to confirm that we are  
8 achieving compliance.

9 Q DAVE OSMOND: Thank you, Mr.  
10 Chairman. Dave Osmond again. I wonder how the  
11 Board could be assured of getting those results in  
12 fact that the proper dilution is occurring during  
13 that high volume discharge period. If you might  
14 have some suggestions on that, Pete, whether it is  
15 a reporting program or whatever, I would appreciate  
16 your guidance on that.

17 A PETER McCREATH: Pete McCreath,  
18 Clearwater Consultants. Dave, we would have a  
19 monitoring station for the open water season  
20 located at the 200 metre mixing zone.

21 The plan with the releases from the PK is  
22 that, in fact, they would be ramped up. We would  
23 not plan on suddenly turning on the tap full bore  
24 as soon as a little bit of snow starting melting  
25 around the site.

26 Based on the lake levels and the increase in



1 lake levels, I think good correlation can be  
2 developed to say that we have a good certainty that  
3 the flows coming into Lake C3 and leaving C3 would  
4 be at least ten times what we would be planning to  
5 release.

6 And, again, I would reiterate the combination  
7 of events that would lead to a dilution as low as  
8 ten to one are that there are a number of  
9 conservative assumptions that have gone into that  
10 number, and most of the time the dilutions in fact  
11 would be much higher than that, I believe in the  
12 order of 30 to 1 as a minimum, Kelly? Minimum 20  
13 to 1 at the edge and more like 40 to 1 at the  
14 outlet of the lake.

15 Q DAVE OSMOND: Mr. Chair, it is Dave  
16 Osmond here. I appreciate these factors. All I  
17 wanted to know, is there something going to be  
18 included in a monitoring plan that shows after --  
19 maybe after a year of operation that indeed you are  
20 achieving these -- particularly during that  
21 critical time of year during spring breakup, that  
22 you are achieving indeed these kinds of dilutions?

23 A KELLY SEXSMITH: Mr. Chair, it is Kelly  
24 Sexsmith. We also have a monitoring station  
25 located somewhere near the edge of that 200 metre  
26 mixing zone, and that station will be monitored as

1 part of the environmental monitoring program on the  
2 site on a regular basis. One of the parameters  
3 will be -- included will give us an instant  
4 indication of whether our dilution is being met  
5 because we will be monitoring the conductivity of  
6 the water leaving the facility and the conductivity  
7 at the edge of that mixing zone, and we can quickly  
8 check right away that the ratio is ten to one or  
9 higher.

10 Those also go in for formal lab testing, and  
11 we will get a total dissolved salts content and all  
12 the metals, and we will be able to check the  
13 ratios.

14 So after a year of operation, we should be  
15 able to quickly see if we are achieving what we  
16 expect to achieve at that point.

17 Q DAVE OSMOND: Then, Mr. Chairman, I'm  
18 assuming that this data will be included in the  
19 annual reporting, and that's how it will be  
20 furnished back to the Board.

21 Thank you. Sorry to draw that out so long.

22 CHAIRMAN: Thank you. Elders, if you  
23 would like to make a statement, please do so. I  
24 would like to ask for those people from Contwoyto  
25 Lake if they have any questions? From Bathurst  
26 Inlet, any questions coming from Bathurst Inlet?

1 From those people from Bay Chimo, any questions,  
2 comments? Cambridge Bay visitors, any questions  
3 arising? Any other Elders, any questions from the  
4 floor, is there any questions from the floor?

5 State your name and where are you from

6 COMMUNITY MEMBER QUESTIONS LICENSEE:

7 Q MARIAN: I'm Marian. I just want to  
8 ask a question regarding to how are you going to  
9 operate the mine? When you are going to abandon  
10 the site, how are you going to be reclaiming and  
11 cleaning up the site and all the facilities that  
12 you are going to be storing, and when you are going  
13 to be doing this reclamation?

14 I would recommend that any mining companies  
15 should not leave anything debris or anything  
16 behind.

17 It has been many many years since mining came  
18 up north. We hear in Kugluktuk, the residents of  
19 this community, know that wherever these activities  
20 happen, there are drums, barrels and other items  
21 left behind, and that's not good to see.

22 And while the mining companies are operating,  
23 we need to ensure that wildlife is looked after  
24 well, the water quality, fish.

25 And we recommend that you do not leave  
26 anything behind and make sure that there is

1 monitors, monitoring done at all stages before and  
2 after the activities of mining. That's all I have  
3 to say, and I hope you well. And if I have  
4 something else to bring out, I will speak up again.  
5 Thank you very much.

6 GREG MISSAL: Greg Missal with Tahera  
7 Corporation, Mr. Chair. Thanks very much for those  
8 comments. Marian has been at a lot of our meetings  
9 here. When they have been in Kugluktuk, she  
10 usually gets stuck making coffee and making  
11 bannock, but it is always good.

12 Marian knows about this project. And you are  
13 absolutely right, Marian, that it is important for  
14 those things to be taken care of when mining is  
15 finished. And I think forums like this allow that  
16 to happen, and I think that's a big change that's  
17 happened with mining over the years.

18 I think we all know about bad examples of  
19 mining projects that happened many, many years ago,  
20 but I think the mining industry has done a very  
21 good job of working with the land that they work on  
22 and the people around the projects to treat the  
23 land sensitively and also consider the people of  
24 the communities. So thanks for those comments,  
25 Marian.

26 CHAIRMAN: Okay. Are there any

1 final questions or comments to be directed to the  
2 applicant? Mr. Hohnstein?

3 WATER BOARD CONTINUES QUESTIONING THE LICENSEE:

4 Q DAVE HOHNSTEIN: Thank you, Mr.  
5 Chairman. Just another -- Dave Hohnstein. Just  
6 another question going back to the release of PKCA  
7 waters into Lake C3, and a little more on Dave  
8 Osmond's comments.

9 I was just wondering that the period of time  
10 that the 10 percent dilution would be taking place  
11 in Lake C3, what that actual period of time is and  
12 whether or not it is highly critical to releasing  
13 the effluent from the PKCA, or if that water that  
14 is proposed to be released during that period of  
15 time could be released over the rest of the  
16 duration of the summer and fall?

17 A PETER McCREATH: Thanks, Dave. Pete  
18 McCreath, Clearwater Consultants. Yes, as part of  
19 the adaptive management approach, that is certainly  
20 one thing that could be considered.

21 The length of time that the modelling  
22 indicates that ten-to-one dilution occurs is, I  
23 believe, less than a week. Yeah, roughly a week.  
24 And, again, for a reasonably conservative  
25 combination of circumstances. So a short duration  
26 period.

1           The release schedule that we have modelled  
2       assumes these discharges commencing roughly two  
3       weeks before complete removal of the ice cover.  
4       After that time, wind mixing generates good  
5       dilution right through the system.

6       CHAIRMAN:                               Let's take a  
7       ten-minute break, and then we will come back and  
8       begin the presentations from other interested  
9       parties. Thank you.

10   (BRIEF ADJOURNMENT)

11       CHAIRMAN:                               Welcome back. Before  
12       he moves on to the next presentation, there is a  
13       couple of housecleaning items. Mr. Tilleman?

14       BILL TILLEMAN:                        Thank you, Mr.  
15       Chairman. Just a couple of things, one is that  
16       throughout the documents filed by Tahera, they have  
17       referred occasionally to other documents such as  
18       the final EIS or the draft EIS and documents  
19       related to that. So the Board is operating on the  
20       assumption that if need be, it can refer to the  
21       record that was before the NIRB that dealt with  
22       these documents.

23           One example yesterday was the Fisheries and  
24       Oceans have a document that deals with peak  
25       particle velocity, which is an indicator of stress  
26       coming from blasting activities, for example. So

1 if that became relevant, and I don't know if it is,  
2 we just wanted to make sure that unless there is an  
3 objection, and if so, the parties needed to let us  
4 know right now, otherwise the Board is proposing,  
5 at least the staff is proposing through you, Mr.  
6 Chairman, that any documents referenced in these  
7 application materials are fair game for the Board  
8 to refer to if it needs to.

9 So through you, Mr. Chairman, then if there  
10 are any objections to this, we would like to know  
11 about it at this time from any of the parties, and  
12 I would just suggest you ask if there are any  
13 objections. If not, I have a couple of other  
14 things.

15 CHAIRMAN: Thank you,  
16 Mr. Tilleman. Are there any objections from the  
17 parties?

18 BILL TILLEMAN: Related to that,  
19 Mr. Chairman, is that occasionally there are  
20 standard industry guidelines, and I can't --  
21 Canadian Dam Safety Guidelines would be one  
22 example. And as long as that is in the public  
23 domain and an instrument related to the issue of  
24 water quality or the deposit of wastes into the  
25 water, unless there are objections to that, the  
26 Board is proposing, through you, that it be able to

1       rely on those documents as it considers and writes  
2       this licence and its reasons.

3               So, sir, if you may ask if there are any  
4       objections to that to the audience, and then I  
5       still have a couple of other things.

6       CHAIRMAN:                               Thank you,

7       Mr. Tilleman. Are there any objections? No.

8       BILL TILLEMAN:                        So, Mr. Chairman, that  
9       would also include the NWT Water Board Guidelines  
10      that have been adopted by the Nunavut Water Board,  
11      unless there is any objection.

12      CHAIRMAN:                             Any objections? No.

13      BILL TILLEMAN:                       Mr. Chairman, also  
14      these application materials have referred to, and  
15      we have heard evidence about a number of different  
16      kinds of plans that the Board would need to use as  
17      part of the way in which it puts this license  
18      together. The staff of the Water Board thought  
19      that we should let the audience know through you,  
20      sir, that we have talked with the staff and counsel  
21      for the applicant, and we understand that the  
22      applicant will work before the end of this hearing  
23      and put on the record before the end of this  
24      hearing as much as it can, a list of specific plans  
25      and hopefully the anticipated dates for filing of  
26      those plans, which we will then mark as an exhibit.



1           So we will likely meet with the applicant  
2 during the breaks and encourage other parties,  
3 should they wish to do so, do the same so that we  
4 can understand specifically and within the category  
5 of whether it is an A&R plan or monitoring or an  
6 SNP plan or a construction plan for certain  
7 activities, that that be caught in a stand-alone  
8 document, again with the anticipated dates as much  
9 as they can be known. And we just thought, sir,  
10 through you that the parties should know that, it  
11 is important to the staff. And if anyone has any  
12 objection to that, they can let us know.

13           If they have a concern about it, they should  
14 feel free to contact the applicant during the  
15 hearing before it is over, and especially before it  
16 is over, because our expectation is to have an  
17 exhibit of some kind filed with that information in  
18 it, sir. If there is any comment on that, fine. I  
19 don't know what else we can do, because we are  
20 waiting for the applicant to put some of this  
21 together, and we will be there to help out during  
22 the breaks, if we can.

23           Okay. Mr. Chairman, as we are almost to the  
24 point of having other intervenors or parties come  
25 in and present evidence. We would hope that the  
26 other parties respond to some of the issues that

1 have come up during the first part of the hearing.

2 Frankly and respectfully, the staff feel like  
3 we are talking too much, and we would rather it be  
4 the parties in the audience who have their own  
5 experts, and even if they don't, they have their  
6 own values, and we would rather hear from them.

7 There are certain things which people may  
8 assume are clarified, but in our mind, we are not  
9 so sure. Let me give you an example, one was  
10 whether or not the current security, which is  
11 supposed with the Water Board of \$918,000, is to be  
12 treated as a credit against the 1.7 million,  
13 assuming that the Board decides that that is the  
14 final cost, which hasn't been decided.

15 But the question of whether that is to be  
16 treated as a credit, and that's deducted from the  
17 amount that this Board decides, or is it to be an  
18 add-on component because it is not yet -- because  
19 it is still in place and those liabilities still  
20 exist. That wasn't, in the staffs' mind, clarified  
21 completely.

22 So we would hope that when the other parties  
23 have the opportunity to make their presentation on  
24 these issues, they actually tell us, tell you, sir,  
25 what they think about it, and also then the company  
26 has a chance to ask them questions about their

1 position. And at the end of the day, everyone can  
2 recommend, that the more parties tell this Board  
3 these important things that are coming out right  
4 now, the better this decision is going on.

5 Let me give you another example. There is  
6 currently in place, as I understand it, a Type B  
7 water license that exists, and I think it exists  
8 for the exploration camp that exists today. So one  
9 of the issues that -- I don't know if the parties  
10 are going to ask this, but I hope that they would,  
11 is what should be done with that license? Should  
12 the Board cancel that one, because now part of the  
13 exploration activities will be rolled into  
14 construction, should this Board and other  
15 regulators decide to approve the application? Does  
16 it all become a Type A license? Does it stay  
17 partly Type B, and when would that stop?

18 And also who, as Mr. Donihee pointed out,  
19 should the name of these licenses be in? Is the  
20 Type B license in the name of Tahera, which I  
21 believe it is, or not? Tahera Corporation, if  
22 Dionne is telling me that, then would an  
23 application be made, and if so when, to this Board  
24 to amend that license to change names?

25 Those are the kinds of things, and I know  
26 DIAND is coming up next, and they have a wealth of

1 people here with them that can address these  
2 things, and the applicant can ask them questions.  
3 But we need this information before us.

4 And so I guess at the end of all of this, I  
5 am just encouraging the parties, as much as they  
6 can, to feel free to be aggressive in asking these  
7 questions so that the Board has the information it  
8 needs in the next few days when you make your final  
9 decision on what to do with their application, sir.

10 Finally, as another example, Mr. Chairman,  
11 the question of the IIBA and whose name that is in  
12 is somewhat relevant for the Board only inasmuch as  
13 the compensation that's as a part of that is  
14 related, at least in part, to the amounts that this  
15 Board must look at in terms of security for the  
16 ultimate, I guess, reclamation at the end of the  
17 day.

18 Now, this isn't for the Board -- this is a  
19 KIA issue and a proponent issue, but it is, again,  
20 related all at the end of the day, so it is just  
21 another example of something that could be brought  
22 forward at the appropriate time, but hopefully  
23 before the end of the hearing. Because as the  
24 parties may or may not understand, when this  
25 hearing closes, then that's it, and no other  
26 letters are going to be filed unless everybody

1 knows about them, and no other meetings are going  
2 to happen. This Board leaves likely today or  
3 tomorrow, whenever it is, and it goes, and it goes  
4 behind closed doors, and it makes its decision. So  
5 we need all of that information when you hit the  
6 final hammer down in less than 24 hours or whenever  
7 that happens. So we are just asking people to  
8 bring that forward. That's all, sir.

9 CHAIRMAN: Thank you. The Elder  
10 would like to make a statement. Thank you.

11 NELLIE ENUKANAVAK(PHONETIC): My name -- I will just  
12 say that I'm from Kugluktuk, Nellie Enukanavak is  
13 my name.

14 I want to say to the people who are here,  
15 because I have been thankful because you do come to  
16 our community. You arrive here, you come here, and  
17 we are thankful that you do inform us. And you do  
18 arrive in good condition, you know, incident free.  
19 Thanks for keeping us informed and letting us know.

20 Our youth, I want to thank our youth as well,  
21 because, you know, a lot of our younger people,  
22 young adults are getting the employment from  
23 industries such as this, and, you know, you have  
24 been helping them in doing so.

25 Without employment, our youth are not in a  
26 very good position because they have low skills or