

1 to hunt and trap white foxes, you don't see those
2 things anymore, so it is thankful that they can
3 find employment in the mining industry.

4 This is my land, I am thankful for my land.
5 I have no children. It is the young people that
6 help me when they are employed, and I think they
7 should be -- continue to be employed, you know,
8 whether it is in exploration or so on.

9 A long time ago when we were youth, we
10 trapped in the minus 40, in the bitter cold setting
11 traps. Now, you don't see that anymore, our youth
12 are not into that. They have no dogs. It is, you
13 know, through employment that they can have what
14 they have today. And now that you are working on
15 our land and it is creating employment for our
16 youth, we are grateful for that, that they can
17 have -- you know, we are appreciative of that very
18 much.

19 I have lived here for all my life, and I am
20 thankful. I am thankful for the industries for
21 continuing to arrive in our community to keep us
22 informed and let us know what is happening.

23 Our great concern, too, is our water, and its
24 extensive discussion on it. That's all I have to
25 say for now.

26 CHAIRMAN:

Thank you. I do

1 believe that Ramli, you raised your hand there?
2 ACRES INTERNATIONAL CONTINUES QUESTIONING LICENSEE:

3 Q RAMLI HALIM: Thank you, Mr.
4 Chairman. Ramli Halim, Acres International. I
5 have just two more questions basically.

6 The first one is about the settling pond,
7 settling dam. I think if you look at a summary of
8 the Tahera submission, it was mentioned that the
9 settling dam is actually being eliminated, and it
10 is being put as a contingency. And the other one,
11 there is also discussion in the design of the PKCA
12 about using an alternative dike which is going to
13 be a dike will be built between the west dam and
14 the divider dike.

15 I just need some kind of clarification in
16 terms of the priority or the preference that
17 actually Tahera has, because you are comparing of
18 building a settling dam in which you already have
19 the investigations, your technical investigation
20 data, but perhaps you have to build it with
21 geosynthetic liner. You are comparing them against
22 building a dike which might have to be built with
23 the water -- I mean built in the wet, and there is
24 -- at the moment there is no data, so I was
25 wondering what is your preference actually in terms
26 of a contingency, which one you are actually

1 planning to do. This is an if question, if the
2 result the water quality does not meet criteria for
3 discharge.

4 A CAM SCOTT: Cam Scott, SRK.
5 Ramli, I don't think our thinking has advanced that
6 far yet, and it is very much a case of let's see
7 what the conditions are in the field, and I think
8 we need to keep them both on the table at this
9 time.

10 Q RAMLI HALIM: Okay. Thank you,
11 Mr. Chairman. My second question is going back
12 into the divider dike again. I know that Tahera,
13 it has already indicated that there will be more
14 information to be brought in with additional
15 investigation for the divider dike, but I'm just
16 kind of following up my previous question earlier
17 today, and also question that was asked by Mr.
18 Stephen Lines and it was answered by Cam.

19 And the question is again about the
20 monitoring of the divider dike, because the divider
21 dike is eventually, after the mining is closed,
22 became the only structures that is going to be in
23 the PKCA area. The west dam there is a possibility
24 it is going to be large, the request will probably
25 be removed. However, the tailings, the fine
26 tailings and the divider dike became the main toe

1 dike of the tailing area.

2 And I was wondering whether there is any
3 monitoring station need to be done there,
4 particularly considering there is water at one time
5 on both sides of the dike? And as I see in
6 Appendix S in the drawing G14, I didn't see
7 anything at all mentioned about a thermo monitoring
8 station in that area to monitor the tailing
9 condition in terms of the thermistor.

10 A CAM SCOTT: Cam Scott, SRK. I'm
11 sorry, Mr. Chair, Ramli, I'm not sure I understand
12 what the question was.

13 Q RAMLI HALIM: The question is, on
14 drawing G14, Appendix S, I didn't see any
15 monitoring plan for thermistors in the fine PK area
16 at all. I'm not quite sure whether this is
17 actually for the operation monitoring only, and the
18 postoperation will be actually prepared as part of
19 the abandonment and restoration plan.

20 In terms of putting the thermistor to check
21 with the tailings is going to be frozen, is there
22 going to be any problem? Is there going to be
23 stability for the divider dike past the tailings
24 behind it?

25 A CAM SCOTT: Cam Scott, SRK. There
26 is a couple of things. First of all, in terms of

1 the monitoring plan, G14, it is my recollection
2 that that plan is indeed an operational monitoring
3 plan. In any event, you are right, there is no
4 thermistors planned in the divider dike at the
5 present time.

6 However, just a couple of things in terms of
7 the stability of that structure that was mentioned
8 by Stephen earlier as well. The structure is at
9 most in the order of 5 to 8 metres high, and
10 probably not -- probably less than the 8 metres.
11 It is going to be much, much wider than it is
12 higher.

13 And in terms of the long-term stability of
14 the tailings or of the fine PK, there is nothing
15 about those features, nor is there anything about
16 the condition -- the divider dike itself, which
17 depends on the development of permafrost in
18 those -- into those elements. In fact, we have
19 assumed there won't be, although we have eluded in
20 previous discussions at the NIRB level that there
21 may well be permafrost aggradation into the fine PK
22 over time, and there is a recognition that may have
23 some water quality issues as were discussed during
24 the NIRB hearings. And the philosophy on that one
25 was very physical, monitoring water quality over
26 those first few years following closure.

1 So I think at the moment we don't see the
2 need for thermistor modelling in there. The
3 operation of that structure is really how it
4 performs will be how it performs, and it will be
5 watched and monitored, and adjustments will be made
6 during operations to deal with the actual
7 performance relative to what we would like it to
8 be.

9 So if there are deviations, we will make
10 deviations to the development of that structure,
11 and it will be raised over time. So it is very
12 much something that can be adjusted over the life,
13 operating life of the mine.

14 And just finally I just wanted to say that it
15 still -- we haven't completed the investigation or
16 the final design of that structure to this point.

17 Q RAMLI HALIM: Mr. Chairman, so I
18 believe that you agree that some kind of monitoring
19 has to be placed in the divider dike at one time so
20 that you will be able to know whether there is
21 going to be any problems in the future for when the
22 time to abandon the mine, and then that's going to
23 be some kind of a check whether there is any
24 problem with the stability or whether the tailing
25 area will be frozen.

26 A CAM SCOTT: Just for clarity, it

1 doesn't need a frozen core. In fact, to the extent
2 that it doesn't freeze is so much the better during
3 operations. But the final details on the
4 monitoring, something may be required as part of
5 the longer-term operation or possibly as part of
6 closure to address stability in other issues. But,
7 again, those details will be forthcoming.

8 RAMLI HALIM: Okay. Thank you, Mr.
9 Chairman, I don't have any more questions.

10 CHAIRMAN: Go ahead.

11 DIAND CONTINUES QUESTIONING THE LICENSEE:

12 Q NORM CAVANAGH: Thank you, Mr. Chair.
13 Norm Cavanagh, Justice Canada, counsel for INAC.
14 We had a couple of questions. They arose out of
15 the name issue, and we were going to address them
16 in our final summation, but in view of Mr.
17 Tilleman's comments, maybe we should ask them now
18 if it please the Chair.?

19 Mr. Chair, the first question that we have is
20 when Tahera commenced their applications or their
21 presentation on their application, they indicated
22 this application is being made on behalf of
23 Benachee Resources Inc., that's correct, is it?

24 A GREG MISSAL: Mr. Chairman, that is
25 correct, that was the statement that was made. It
26 is Greg Missal with Tahera.

1 Q NORM CAVANAGH: And the reason that is
2 so critical, is the project certificate that was
3 issued by the NIRB is in the name of Tahera
4 Corporation. And so we have the situation where we
5 have a project certificate in one company's name
6 and an application here today in another company's
7 name. Perhaps it would be beneficial to the Board
8 if Tahera could clarify for the Board members how
9 they are proposing to deal with that discrepancy.

10 GREG MISSAL: Mr. Chair, Greg
11 Missal, Tahera Corporation. Norm, I think maybe to
12 start with that, it is probably worthwhile pointing
13 out that when the company made applications for
14 this, the application that went to NIRB at that
15 time was in the name of Benachee Resources
16 Incorporated. The final EIS did indicate that it
17 was Tahera acting on behalf of Benachee Resources,
18 or some form of that wording. So obviously I guess
19 the project certificate did come out in the name of
20 the company that was representing Benachee at that
21 time.

22 You know, as I have said in the letter of
23 December 3rd to the Board, as well as to INAC, it
24 is the company's desire for the regulatory
25 instruments to be in the name of Benachee
26 Resources. And it seems as though perhaps the best

1 way to move forward on this would be for Tahera to
2 send a letter to the Nunavut Impact Review Board
3 indicating our position, and, I guess, perhaps
4 hopefully clarifying what we need from them, and I
5 guess we would have to wait to hear from NIRB on
6 what they would be able to do for us in amending
7 that project certificate to reflect Benachee
8 Resources.

9 Q NORM CAVANAGH: Thank you. Thank you
10 for the answer. Perhaps you could just clarify
11 again for the Board here when Tahera proposes to do
12 that or commence that process?

13 A GREG MISSAL: Greg Missal with
14 Tahera. Immediately.

15 Q NORM CAVANAGH: Okay. Thank you.
16 Mr. Chairman, we also have a couple of questions
17 arising out of the license that's in existence for
18 the existing exploration camp. And I guess the
19 easiest way to start this line of questioning is to
20 ask Tahera to confirm that, in fact, that water
21 license is held by Tahera Corporation or Tahera
22 Diamond Corporation?

23 A GREG MISSAL: It is Greg Missal with
24 Tahera Diamond Corporation. The exploration water
25 permit, it was issued in the name of Tahera
26 Corporation, Norm. As I think everyone knows,

1 recently Tahera Corporation had a small name change
2 adding diamond, Tahera Diamond Corporation, which
3 we felt better reflected the business of the
4 company now that we were moving into a mining
5 phase.

6 So I'm not sure, Norm, whether that
7 exploration water license has been updated to
8 reflect Tahera Diamond Corporation or not. The
9 Water Board could answer that, I guess. But it was
10 originally issued in the name of Tahera
11 Corporation.

12 Q NORM CAVANAGH: Thank you for the
13 answer. For the purpose of my line of questioning,
14 we will just refer to it being in the name of
15 Tahera.

16 The security that is issued or that has been
17 granted pursuant to that license is Tahera's
18 security; is that correct?

19 A GREG MISSAL: Greg Missal with
20 Tahera. That is correct. The security associated
21 with that exploration permit is held in the form of
22 a number of letters of credit that were part of a
23 schedule of payment. But they were in the name of
24 Tahera Corporation, that's correct.

25 Q NORM CAVANAGH: Okay. And then
26 pursuant to that, we did have some discussions off

1 the record, and I think the conclusion of those
2 discussions was that it would be very difficult,
3 if not impossible to substitute security in the
4 name of Tahera for security, if any, that the Water
5 Board orders in the name of Benachee. In fact, it
6 would have to be a separate process. Is that a
7 fair comment?

8 A GREG MISSAL: Mr. Chair, Greg Missal
9 with Tahera. I think that is a fair comment, Norm.
10 Obviously there is some administrative
11 complications to doing that. So I guess it would
12 be a process where you would foresee the Water
13 Board returning a portion, if not all of that
14 existing deposit back to Tahera Corporation, and
15 then, of course, Tahera would reissue in the name
16 of Benachee, as appropriate.

17 So it is -- in some senses it is a double
18 transaction instead of a single transaction, but
19 effectively it accomplishes the same thing.

20 Q NORM CAVANAGH: And is it fair to say
21 that any application to return security granted by
22 Tahera is not part of this application today?

23 A GREG MISSAL: Greg Missal with
24 Tahera. Yeah, I think there is a fair argument for
25 that, Norm. Obviously in the differences in names,
26 I can see how it would be difficult for the Water

1 Board to complete that transaction. So we would
2 deal with it in almost two steps instead of one
3 step. One step getting any refund back from the
4 NWB on the Tahera portion, and then the second step
5 would be providing whatever was required as a
6 result of this process.

7 NORM CAVANAGH: Thank you,
8 Mr. Chairman. I have no further questions.

9 CHAIRMAN: Thank you. You have a
10 question there?

11 DILLON CONSULTING QUESTIONS THE LICENSEE:

12 Q BRIAN LEECE: Thank you,
13 Mr. Chairman. Brian Leece, Dillon Consulting. I
14 have a question related to the collection of
15 background soil samples in the coming year and when
16 we are likely to be seeing a sampling program. And
17 it is particularly important in relation to
18 something that Dr. Ott mentioned earlier about the
19 air quality monitoring that's going to be going on
20 over the life of the project and the air deposition
21 looking for particle deposition.

22 And I'm curious as to how they are going to
23 determine if, in fact, the operation has had an
24 impact on the local environment if we don't have
25 any background sampling in the area to determine
26 what conditions are before the process starts.

1 A BRUCE OTT: Bruce Ott with AMEC.

2 I think the issue of the soil sampling, I can't
3 speak directly to when that would happen, but it
4 certainly would have to be open during the summer.
5 And it would be in the interest of the company to
6 collect those soil samples.

7 For the basis of providing background metal
8 levels for ecological risk assessment, that's
9 likely to be required on closure, and my
10 understanding of that was the issue with respect to
11 soils. If you are talking about air quality or
12 effects of air quality, I think Ekati has certainly
13 found, and I would expect others to have too, that
14 a soil sample would tell you something about the
15 bedrock geology and glacial movement of soils. But
16 unless you have very heavy pollution or very heavy
17 air pollution, it is not going to tell you very
18 much at all about what the pattern of deposition
19 from airborne sources would be.

20 BRIAN LEECE: Thank you.

21 CHAIRMAN: Are there any more
22 further questions to be addressed to the applicant?
23 If there is no further questions, we can move on to
24 the next item in the order of events, which is
25 number 10, presentation by parties in the following
26 order, DIAND, Environment Canada, DFO, NTI, KIA and

1 Hamlet of Kugluktuk. Okay.

2 If we can have the Tahera crew here move away
3 a little bit so that we could see the presentation.
4 If I could call upon DIAND now, thank you.

5 BILL TILLEMAN: Thank you,
6 Mr. Chairman. And so in swearing in the witnesses
7 for DIAND, what I would like to do is also suggest
8 that they will be filing this. So we would propose
9 that the presentation they are about to make then,
10 Mr. Chairman, in hard copy be referenced as Exhibit
11 number 4, and this is their Tahera Diamond
12 Corporation -- do you want to put Benachee on your
13 slide? But it is labeled the Tahera Diamond
14 Corporation Jericho Project Presentation, December
15 6th and 7th. Exhibit number 4 then would be the
16 hard copy. and Exhibit number 5, Mr. Chairman,
17 would be the electronic version.

18 With that in mind, sir, I will swear them in,
19 and they can go.

20 EXHIBIT NO. 4:

21 HARD COPY OF DIAND'S TAHERA DIAMOND
22 CORPORATION JERICHO PROJECT PRESENTATION,
23 DECEMBER 6TH AND 7TH

24 EXHIBIT NO. 5:

25 ELECTRONIC COPY OF DIAND'S TAHERA DIAMOND
26 CORPORATION JERICHO PROJECT PRESENTATION,

1 DECEMBER 6TH AND 7TH.

2 BILL TILLEMAN: Please state your name
3 for the record, and spell your last name.

4 CARL McLEAN: The name is Carl
5 McLean, M-c-L-E-A-N.

6 (CARL McLEAN SWORN)

7 BILL TILLEMAN: Please state your name
8 for the record, and spell your last name.

9 GLEN STEPHENS: Glen Robert Stephens,
10 S-T-E-P-H-E-N-S.

11 (GLEN ROBERT STEPHENS SWORN)

12 BILL TILLEMAN: Please state your name
13 for the record, and spell your last name.

14 ELIZABETH SHERLOCK: Elizabeth Jane
15 Sherlock, S-H-E-R-L-O-C-K.

16 (ELIZABETH JANE SHERLOCK SWORN)

17 BILL TILLEMAN: Place state your name
18 for the record, and spell your last name.

19 DAVE OSMOND: David Osmond,
20 O-S-M-O-N-D.

21 (DAVID OSMOND SWORN)

22 BILL TILLEMAN: Please state your name
23 for the record, and spell yourself last name.

24 JOHN BRODIE: John Brodie,
25 B-R-O-D-I-E.

26 (JOHN BRODIE SWORN)

1 BILL TILLEMAN: Please state your name
2 for the record, and spell your last name.

3 SCOTT STEWART: Scott Douglas Stewart,
4 S-T-E-W-A-R-T.

5 (SCOTT DOUGLAS STEWART SWORN)

6 BILL TILLEMAN: Please state your name
7 for the record, and spell your last name.

8 SALLY HOWSON: Sally Howson,
9 H-O-W-S-O-N.

10 (SALLY HOWSON SWORN)

11 BILL TILLEMAN: Thank you. Thank you,
12 Mr. Chairman. They are ready to go.

13 PRESENTATION BY DIAND:

14 GLEN STEPHENS: Good afternoon,
15 everyone. I want to thank the Board for the
16 opportunity to speak to you and to the community
17 members here today.

18 My name is Glen Stephens. I am the acting
19 director of operations for Indian and Northern
20 Affairs Canada's Nunavut regional office. With me
21 today are staff from the Nunavut office, Carl
22 McLean, manager of land; Geoff Howell, land
23 specialist; Elizabeth Sherlock, manager of water
24 resources; Robert Eno, water resource coordinator
25 for the Kitikmeot region; Scott Stewart, water
26 resource officer; Jennifer Hayward, senior

1 communications officer; and Kendra Patrick, water
2 quality specialist.

3 As well, we have brought some of the
4 consultants who assisted in preparing our comments
5 to the Board. These are Norm Cavanagh, legal
6 advisor; David Osmond and Sally Howson from Gartner
7 Lee Limited, and John Brodie from Brodie
8 Consulting.

9 INAC is pleased to intervene at these Nunavut
10 Water Board hearings on Tahera's diamond Jericho
11 project. It is an important and historic milestone
12 in Nunavut, as it represents the start of a new
13 generation of mining production with the Nunavut
14 identity. This has far-reaching implications to
15 the mining industry, Nunavut and Canada, as
16 everyone watches the progress of the establishment
17 of the territory's first producing mine since the
18 creation of Nunavut in 1999.

19 INAC's responsibility is to provide the best
20 advice possible to the Board. We want to ensure
21 that the best information is provided in order for
22 the Board to perform its roles and
23 responsibilities. We are also here to answer any
24 questions that the Board has for us, as well as
25 answering questions that other intervenors and,
26 most importantly, the community may have.

1 INAC derives its regulatory mandate,
2 responsibilities and obligations from several
3 pieces of legislation. That includes the DIAND
4 Act, the Nunavut Land Claims Agreement, the
5 Canadian Environmental Assessment Act, the Mine
6 Site Reclamation Policy for Nunavut, the
7 Territorial Lands Act and Regulations, and the
8 Nunavut Water and Nunavut Surface Rights Tribunal
9 Act.

10 The project lies partly on Inuit-owned land
11 administered by the Kitikmeot Inuit Association,
12 and partly on Crown land administered by Indian and
13 Northern Affairs Canada.

14 If the project receives approval, INAC will
15 negotiate the issuance of and enforce the
16 instruments of the land lease for that portion of
17 the project on Crown land. INAC will also
18 negotiate an issuance of and enforce instruments of
19 the mineral lease.

20 Under the Nunavut Water and Surface Rights
21 Tribunal Act, INAC will also be responsible for
22 inspecting and monitoring compliance to the water
23 license issued by the Nunavut Water Board.

24 Because of INAC's broad mandate, we have made
25 available a wide range of scientific and technical
26 expertise. Many of the staff with me today will

1 implement the terms and conditions of the water
2 license and Crown land leases.

3 INAC's review of the water license has
4 considered the Final Environmental Impact Statement
5 and supplementary information, the water license
6 application and information provided during the
7 technical sessions.

8 INAC's review focussed on those issues within
9 INAC's mandate, particularly surface and permafrost
10 disturbance, water quality and quantity and
11 abandonment and reclamation cost estimates.

12 Concerns identified by INAC during the EA and
13 initial steps in the regulatory phase have been
14 addressed to a great extent by information and
15 commitments provided by Tahera Diamond Corporation.
16 The INAC intervention highlights those issues that
17 remain a concern to INAC by providing rationale and
18 context for the issue and recommended water license
19 terms and conditions for the Board's consideration.

20 Time does not permit us to go through the
21 entire intervention at the hearing, therefore we
22 will only touch on the key issues relating to water
23 resources, land, monitoring and closure.

24 Several issues related to water quality and
25 quantity have been raised by INAC throughout the
26 environmental assessment and water licensing phase.

1 We believe that Tahera has made a very good
2 effort to address many aspects of our concerns.
3 There are, however, further details needed both in
4 the short and the long term to satisfy our concerns
5 related to water quality and quantity.

6 The following slides will highlight those
7 areas that require additional detail, as well as
8 our recommendations.

9 Hydrology and surface water management. The
10 management of recovery plant rejects are uncertain
11 as material was not able to characterize;
12 therefore, the water license should include a
13 requirement for Tahera to submit a report after the
14 first year of operation. This report should
15 identify the characteristics of the recovery plant
16 rejects and the specifics of how they will be
17 handled, including final location and rationale for
18 appropriate blending ratio. Most other aspects of
19 water management will be addressed through the
20 monitoring process.

21 Water quality. The effluent discharge from
22 the site should be limited to discharge from the
23 PKCA. Proposed effluent discharges directly from
24 the collection ditches should not be authorized at
25 this time as insufficient details have been
26 provided regarding its management, potential

1 impacts and monitoring.

2 Tahera has indicated that careful management
3 of the effluent discharge volumes is required in
4 order not to impact the receiving environment, but
5 has not provided a clear means of controlling
6 effluent discharge rates. Therefore, the water
7 license should require submission of a management
8 plan for review and approval six months prior to
9 the first effluent discharge from the PKCA. This
10 plan should provide details on how effluent
11 discharge rates will be managed to ensure a minimum
12 ten to one dilution at the edge of the mixing zone
13 in Lake C3.

14 Tahera has indicated the recycle from the
15 PKCA to the process plant must be assessed as a
16 viable alternative before it is applied at this
17 site, although such recycle is generally considered
18 best-management practice. Therefore, the water
19 license should include a requirement for the
20 company to submit a report after the first year of
21 operation identifying whether recycle will be
22 implemented. And if not, providing a detailed
23 rationale for why recycle is not considered a
24 viable management practice at this site.

25 Discharge criteria for metals. Tahera has
26 proposed aquatic thresholds to protect aquatic