GREG MISSAL: Mr. Chair, Greg Missal, Tahera Diamond Corporation. That's fine with us.

VICE-CHAIRMAN: Has the plane left Yellowknife now? Do we know that?

GLEN STEPHENS: Mr. Chairperson, Glen Stephens. Yes, it is our understanding that the plane left a little after 10 after 8.

Also, for further clarification, on that plane was representatives from Environment Canada, Department of Fisheries and Oceans Canada and the Government of Nunavut representative.

CHAIRMAN: Thank you. Is there anybody from the Hamlet who may want to ask questions to KIA and NTI? Anybody from independent consultants would like to ask NTI or KIA?

RAMLI HALIM: No questions, Mr. Chairman.

CHAIRMAN: Water Board staff?

WATER BOARD STAFF QUESTIONS NTI AND KIA:

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman. Questions on the presentation that you gave, you made reference or Mr. Donihee made reference that NTI has a policy for water management. I'm wondering if we could obtain a copy of that? I know it is public information. I

have been referred to the website, but I forgot to bring a copy. So I'm wondering if we could get a copy of that to be tabled as an exhibit?

A JEANNIE EHALOAK: Thank you, Mr. Chair. Jeannie Ehaloak. I can get a copy for you.

Q DIONNE FILIATRAULT: If the Nunavut Water Board decides to approve a license for Tahera, what role does NTI see having in the issue of the actual license, once it is issued, as far as providing review of plans, studies, reports, final design drawings?

A JEANNIE EHALOAK: Thank you, Mr. Chair. Jeannie Ehaloak. NTI and KIA work in joint work together to prepare this, prepare a submission.

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman. The submission that was officially filed by the deadline, actually it indicates that it is from the KIA submission to the Water Board, and I'm wondering does NTI agree with all of the KIA recommendations that are found within KIA's submission and the Rescan report?

A JEANNIE EHALOAK: Jeannie Ehaloak. Yes, we do.

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman. One of the key recommendations that KIA and NTI have provided is a recommendation that the

water license should be renewed for no longer than six years after the effective date. I'm wondering if you could provide a summary of why only six years in relation to Tahera's request of -- for the life of the mine of eight years plus construction?

A MICHAEL McGURK: Michael McGurk. First of all, we recommended a renewal, not a new water license, just so there is no uncertainty there. We gave -- in our submission we gave four reasons, the first is the rapid change in the regulatory regime for diamond mines in Canada. This is a new industry for Canada, and it is new for the world because of the unusual extreme climatic conditions under which the mining takes place. There is not a lot known, and we have to anticipate that there will be changes over time and our understanding of the physics and chemistry of processed kimberlite and the effluent that comes from diamond mines.

The second reason was that there were intended to be modifications to the initial mine plan, and the best example was the ponds A, B and C and their role in the water management plan. There was going to be -- according to Tahera, there was going to be a decision made whether the water would be released into the PKCA or into the receiving environment, and we felt that after five years, we

would know more about the real operating mine plan, as opposed to the theoretical mine plan.

The third reason was that a license renewal gives an opportunity for the regulators and for the mine operator and for intervenors to come back and review what's been learned after one year of construction and five years of operation, and sit down together and go over it again and see do the conditions and the terms of the water license match the reality of the operating mine.

And the fourth reason and the last reason, the least reason, was that the mine plans to run for eight years, it may run longer. But after five years of operation, there still would be significant amounts of ore to be -- yet to be processed, so Tahera would have an incentive to seek renewal of this water license. So the choice of the time period was a result of these four factors.

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman. With respect to the presentation by Geoffrey Clark, under water use and quantity of water, I'm wondering if you can just clarify -- it was a little bit late last night when we got to that point, what you mean by a limit should be set to the drawdown of the elevation of Carat Lake.

A MICHAEL McGURK: Michael McGurk.

Q DIONNE FILIATRAULT: Slide 20.

A MICHAEL McGURK: Nothing was spoken about the effect of water withdrawal on the water level at Carat Lake in any of the presentations that we read. We talked about water quality, we talked about changes in habitat as a result of the causeway, but nothing was said about the fact that the water level in the lake may actually change. I don't know if it will. According to Tahera, their expected withdrawals amount to no more than maximum one percent of the total volume, but what if there is a very low dry year, would we see large changes in the elevation of the lake? I don't know. And we don't want to see changes in the elevation of the lake, and so I felt that there should be a requirement to maintain Carat Lake in its present state.

As to what level it should remain at, it should remain within its natural range. And we felt that we recommended that Tahera be asked to provide the natural range of water levels in Carat Lake so that the Board can choose a level within that range below which the lake should not be allowed to fall.

Q DIONNE FILIATRAULT: For the water flows in

the mine, you suggest that establishing additional monitoring stations at Pond A, B and C and all the sumps, and I'm just wondering why you are classifying that as additional. It is my understanding that ponds A, B and C already have identified surveillance network stations at those initially.

A MICHAEL McGURK: I'm not sure that they are covered by the surveillance network program. I think the surveillance network program is for the receiving environment. Ponds A and B and C are within the mine footprint and are monitored for the purposes of the mine's water management and not as part of the regulatory regime. We put this in because we just wanted to make sure that the water management plan of Tahera, that they have modelled, is an ongoing process, and I believe that they have stated that, that they will continue to keep their water management plan operating and their water management model operating.

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman. In the table where -- I'm referring to slide 23, where it refers to the purpose of various stations' locations, there is reference to near field, middle field, far field, and I'm just wondering is that reference not subjective in

defining near field, middle field and far field? Is there any industry standard by which we measure the near field, mid field and far field?

A MICHAEL McGURK: Michael McGurk. I'm not aware of an industry standard as a -- it is somewhat subjective near, mid, far is -- depends upon the scale of the operation. So near, mid and far for Jericho would all be near for some -- a larger place like Diavik. We felt, though, that this is more of a -- this is something for the discretion of the Water Board if they choose to label stations. They don't have to, but if they choose to label stations by their purpose, we thought that the station should be labelled a little better than the way they were labelled by Tahera.

And the biggest example was calling Jericho River a downstream control station, SNP14, and it is simply not possible to call a station that's downstream of an effluent release point a control. And it bothered us that they would use that word, and we felt that we wanted to point that out to help the Water Board. It is not something that necessarily has to be in the water license itself.

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman. I guess I'm still trying to figure

out how putting -- and I will use the example that you provided for SNP14, how including far field water quality without understanding a range of near field, middle field, and far field provides any more clarity without some sort of range of what that implies.

A MICHAEL McGURK: If you don't see any good reason, anything that adds value to assigning a purpose to these stations, we don't object to that. It is -- if you want to just label them by their names and their numbers, that's fine.

We just felt that Tahera had to find purposes for these stations, and we felt that their purposes were labelled incorrectly, and we wanted to point that out for the assistance of the Board.

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman. In reference to slide 28, you refer to contingency plans that need to be developed and list several points. I'm wondering, can these various details be dealt with either as part of final designs or as part of an overall adaptive management plan, or are you looking for something stand alone and more specific?

A MICHAEL McGURK: Michael McGurk. We were going to leave that to the discretion of the Water Board. We wanted to point out two major

issues that we felt should be labelled under contingency planning, one is what happens -- and this is an issue that has been raised by other intervenors, what happens if the expected permafrost depth is actually lower than expected and water enters the pit? And the other was the sequence of events that would follow if discharge limits could not be met. I leave that up to the discretion of the Board as to how they actually want to package that in the license.

Q DIONNE FILIATRAULT: Thank you, Mr. Chair. You refer in slide 29 that the entire mine should be reclaimed to Inuit standards. Does KIA or NTI have standards or published standards or what the expectations for reclamation are?

A GEOFF CLARK: Within the model that we developed, KIA Board members and staff spent many hours and days discussing reclamation standards and objectives according to Inuit values. This information is not published for the note of the Nunavut Water Board.

As well, you should note, however, it is unrelated to KIA's reclamation security model, that NTI and the Kitikmeot Inuit Association and the other Inuit associations are currently developing a reclamation policy for Inuit-owned lands in

Nunavut. However, considering that KIA is responsible for surface land management in the Kitikmeot region, KIA has the authority to determine the standards for reclamation in the Kitikmeot. And not only the authority, but we have the liability for reclamation as well. So this is why KIA developed its own reclamation and security model based on Inuit values, Inuit reclamation objectives for the Kitikmeot.

Q DIONNE FILIATRAULT: Do you see coordinating the review and ultimate approval of an A&R plan jointly with the Water Board and/or the federal government under the land leases to ensure that we have eliminated duplication and any potential verifications as far as abandonment and restoration goes?

A GEOFF CLARK: Yes, KIA has already been engaged in discussions with DIAND regarding our mutual concern that we did not overlap in our reclamation estimate, and that we work cooperatively to ensure that our estimate is -- works for the entire site, as well for our respective landholdings on each side of the Inuit-owned land border.

CHAIRMAN: We just want to take a moment here to recognize and introduce Ernie

Bernhardt (phonetic), former MLA and long-term resident of the Kitikmeot. Welcome.

Go ahead.

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman. You spoke in reference to the model and how it was developed. And I'm just wondering, can you confirm this is the first instance that this model has been applied?

A GEOFF CLARK: Yes, this is the first instance that this model has been applied. That is Geoff Clark, sorry.

Q DIONNE FILIATRAULT: In the submission, your detailed submission, do you feel there is sufficient data that overviews the assumptions -- whenever you model anything, there is always assumptions that are made and parameters to focus the model and how it is interpreted -- that there is sufficient information in your submission for the Board to understand how you reach the eventual cost estimate conclusions that you did?

A GEOFF CLARK: KIA's model uses assumptions that are the same, largely the same assumptions that are used by the other parties that submitted a reclamation estimate and that we used information provided by Nuna Logistics in the Tahera estimate, and we -- and wherever there was a

lack of information, we used the values provided in the reclaim model that is used by DIAND.

Q DIONNE FILIATRAULT: You have indicated that the assessment has incorporated Inuit values, and I'm just wondering how Inuit values actually were incorporated into the assessment? And I use this, and I can probably provide an example, is how are Inuit values used when you are determining, say, the movement of a volume of material? Where was it incorporated more in a general sense?

A GEOFF CLARK: Inuit values -- this is Geoff Clark. Inuit values aren't used to determine the micro details of a reclamation plan. So, for example, whether the -- whether a large truck is used, compared to a smaller vehicle, for moving material around is irrelevant. What is important is the reclamation objective, what is the end point? What is going to be on the land 10, 50, 100 years from now?

So in the model, there are three general end points that Inuit can choose from, and in this case, long-term closure was chosen for all infrastructure components, except for some aspects where Inuit would like to see an emergency airstrip remaining and a small building for emergency shelter.

I don't think this is the place to go into the actual details of how the model works, because we did not submit that as part of our submission. But the outcomes or the reclamation objectives are determined by Inuit, and they are based on the guiding principles, and then those -- that information is taken onward to the community beneficiary committees in case there were any extra issues or clarification required in our model.

Q DIONNE FILIATRAULT: Thank you, Mr. Chairman. It may be useful for the Board to understand how the values that you have determined sort of the framework under which you came to those numbers. It would be useful to sort of have that for the framework. I'm wondering, without sort of breaching any proprietary information, if that can be provided? And if you feel that would be useful to the Board, in your opinion?

A JOHN DONIHEE: John Donihee for KIA. Mr. Chairman, we are happy to share that information with the Board and with Tahera on the understanding that it is to be done in a confidential fashion in order to protect the proprietary interests that KIA has.

I guess, Dionne, we would just want to know how much or how little you would like to see. Do

you want to see the whole thing, or are you really just wanting to focus on the way that Inuit values were derived and used to draw the reclamation end point or objectives?

CHAIRMAN: We need five minutes.

(BRIEF ADJOURNMENT)

CHAIRMAN: Welcome back. Any more questions from the Water Board staff?

Q STEPHEN LINES: Thank you, Mr. Chairman. Stephen Lines. With regards to the monitoring at sump ponds A, B and C, I was wondering if KIA could provide some of their ideas on the frequency and parameters that they would like monitored?

A MICHAEL McGURK: We don't have any specific recommendations about the variables or the frequency.

Q STEPHEN LINES: Thank you. My second question, Mr. Chairman, is could KIA provide the reclamation values of the Inuit standards for reclamation which they would like seen applied to to the water components?

A GEOFF CLARK: This is Geoff Clark for the KIA. First of all I would like to reiterate that KIA doesn't consider any of the water-related reclamation to occur on Inuit-owned

land, and that it is all -- we believe this will all be likely to occur on Crown land.

The reclamation activities that we have included related to water on a site-wide basis include what we call passive treatment and monitoring of the open pit, which is the fertilizer or nutrient addition that was discussed earlier in the questioning. Additions would be related to post-closure monitoring, related to water which would include aquatic monitoring as well.

So when I say aquatic monitoring, I mean biota, aquatic biota and water quality monitoring. And then there are some minor activities related to directing flows in water flows in the mine site at closure. They have a much smaller contribution to the reclamation amount. In a general sense, that one percent to the overall cost is simply -- for example, creating an outflow for Pond A, B and C or rediverting flows from Stream C1 to pit, we consider all of those costs minor.

The expensive costs are activities related to the water treatment of the open pit and the monitoring, long-term monitoring surrounding that, and that is scheduled to happen after closure. And we estimated that the monitoring would occur over the life of the filling period of the pit, which is

estimated to be 20 years.

Q STEPHEN LINES: Thank you, Mr. Chairman. For those components which were mentioned, how do they differ from the reclamation estimate provided by Nuna? Those components were also included in that, so how do the ones presented by KIA which go by Inuit values and standards differ from those presented by some of the other parties?

A GEOFF CLARK: This is Geoff Clark. Related to water reclamation only, differences would include in the estimate provided by Tahera, there was a general estimate provided of $20,000 a year for ten years related to monitoring. I assume that includes the passive water treatment.

KIA's review of that felt that those costs were underestimated by Nuna for such a treatment system. And also their time frame was shorter than KIA had estimated. We estimated a 20-year monitoring program, they estimated a 10-year monitoring program. As a result -- pardon me for one second. Our total cost of passive water treatment plus pit water monitoring was estimated at about $498,000, compared to $200,000 provided by Nuna. As well, Nuna did not include monitoring of the site in general for aquatic biota or water

quality, because it is just not the open pit that should be monitored after closure in relation to reclamation. So those would be additional costs.

Our total costs for water quality monitoring post closure is $386,000. And for the aquatic environment monitoring, it was $161,000. So that's pushing up to close to a million dollars, whereas Nuna provided an estimate of about -- well, a general monitoring estimate of $200,000, which I assume some would be related to pit water related reclamation.

In the DIAND estimate, DIAND used a different method for calculated water-related security than KIA did where they -- KIA looked at specific activities that would need to be done in order to reclaim certain components of the mine. And I think that -- I can't comment specifically on what DIAND did, but they -- in addition to what they have done, they added a -- or they incorporated a percentage split of which a percentage goes to water and a percentage goes to land, KIA didn't do that.

However, KIA and DIAND, I had mentioned we worked -- we worked together to try and make sure that our estimates are not duplicating any security required for the entire site. And in our

discussions with DIAND, at the point in time when we had those discussions, it didn't appear that DIAND had accounted for any money related to the passive water treatment that was proposed by Tahera for the open pit. And I believe in their submission they didn't consider -- they stated in their submission that treatment of the pit water would not be required. So that would be a cause for a big difference between KIA's estimate and DIAND's estimate for water only. So in this case, we are talking probably about -- and also DIAND has much lower monitoring figures.

KIA's water quality monitoring estimates in total are about 660,000, DIAND's are around 400,000. And KIA also has monitoring for aquatic biota, which we mentioned, and DIAND does not propose to monitor for that in the current estimate. So those cause differences to occur in the water-related estimate.

It is clear in KIA comparing these three estimates that there are three very different ways of completing this estimate. KIA feels that we have as accurate as you can have, and also a robust method because we look at the actual activities that have to happen on the site to reclaim a certain component of the mine, compared to other

methods which are splitting out percentages for attributing a percentage of the overall mine costs to water in some other fashion, aside from just actually looking at what needs to be done and costing it.

STEPHEN LINES: Thank you, that's all.

BILL TILLEMAN: Thank you, Mr. Chairman. And so before the break there was an offer made by KIA to submit their information in total, but that it be done confidentially. I think it is the staff's position that it is not -- that actually wouldn't be necessary, although we thank them for the offer.

What might be helpful, Mr. Chairman, and we can ask this, if I could ask Mr. Donihee to comment or Mr. Clark, if they could just simply give a little bit more of an explanation, put a little bit more meat on the bones, so to speak, of the slide number 34, as soon as they could today, and that then would be the final request. I would ask Mr. Donihee how that might work for them.

JOHN DONIHEE: John Donihee for KIA. Mr. Chairman, we can do that. We probably need to get access to a printer, but it should be possible during the day. I will copy Tahera as well and DIAND as well, because they both have interests in

the reclamation and abandonment reclamation of the site.

BILL TILLEMAN: Thank you, Mr. Donihee, and thank you, Mr. Chairman, those are the staff's questions.

CHAIRMAN: Thank you.

Mr. Missal?

GREG MISSAL: Greg Missal. I guess if I understood counsel for the Water Board correctly, you are declining getting a copy of the proprietary model; is that correct?

BILL TILLEMAN: Yes, that's correct.

GREG MISSAL: Greg Missal with Tahera. If possible, Tahera would still like to have a copy of that, even though the Water Board has declined. I believe the offer was made. Thank you.

JOHN DONIHEE: Yes, Mr. Chair.

CHAIRMAN: Go ahead.

JOHN DONIHEE: Thank you, sir. John Donihee. Yes, we will provide the details to Tahera.

CHAIRMAN: Okay. Is the Water Board staff done with questions?

BILL TILLEMAN: Yes, sir.

CHAIRMAN: Thank you. Okay. I

would like to acknowledge the arrival of DIAND, Environment Canada and DFO. As a matter of fact, if I can ask DIAND if they have any questions to be addressed to joint submissions by NTI and KIA, you are more than welcome to do so. Thank you.

DIAND QUESTIONS NTI AND KIA:

Q JOHN BRODIE: Good morning, Mr. Chairman. John Brodie. I have a number of questions concerning the abandonment and reclamation aspect of the KIA intervention.

I would like to start with just a general question first. In the context of the philosophy of what has been addressed in the KIA scope of reclamation activities, I'm wondering, is the scope of the reclamation work that is included in your estimate, would you say that it is equivalent to or more stringent than what is called for in the Nunavut Mine Reclamation Policy?

A GEOFF CLARK: Geoff Clark, KIA. Since the KIA model is based on Inuit values for reclamation, first thing I can say is it is different from DIAND's policy for mine abandonment and reclamation for Nunavut. It may be more stringent; however, it depends on how one interprets the policy, the mine site reclamation policy that is developed for Nunavut.