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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

NWB File No: 2AM-JER0410
(Previous File Number NWB1JER0410/J1)

July 24, 2006

Gregory G. Missal
Vice President, Government and Regulatory Affairs
Tahera Diamond Corporation
803 - 121 Richmond Street West
Toronto, Ontario M5H 2K1
Email: missal@tahera.com

sent by email: missal@tahera.com

Re: Submission of a Contingency Plan under Part J, Item 1, Licence Number 2AM-JER0410

Dear Mr. Missal:

The Nunavut Water Board (NWB) has completed the review of Contingency Plan submitted March 22, 2005 by the Licensee in accordance with Part J Item 1. The document was distributed upon receipt for review and comment to interested persons with a submission deadline of May 13, 2005.

The Board has taken into consideration the information submitted and hereby approves the *Jericho Diamond Project Contingency Plan*, Motion No. 2006-34, with the following request for a revision to the plan.

The Licensee is encouraged to implement the following items immediately into the Contingency Plan; however the submission of the revision shall be included with the annual revision of the Contingency Plan as per Part J, Item 4.

The items to be addressed in the revision are broken down into two sections, the first are general items and the second is a list that follows the sub-items (a-w) in Schedule J, Item 1.

General

- The approved 2005 Contingency Plan was developed for construction of the mine; the next submission shall be updated to reflect the operational status of the mine.

- The Licensee shall include operation and maintenance of the winter road access to the Jericho Mine from the Tibbitt-Contwoyto winter road in the Contingency Plan.
- The Licensee shall include a table in the Contingency Plan that provides the locations in the Plan that address the points in Schedule J, Item 1.
- The Licensee shall review the plan annually at a minimum.

The following list follows the sub-items (a –w) in Schedule J Item 1, the text in italics is the water licence condition:

- a. *The Plan shall comply with the Dam Safety Guidelines, address the construction and development phase;*

Compliance with the Dam Safety Guidelines will be addressed in documents associated with Dam structures as those components are reviewed by the NWB.

- b. *Integration of the hazardous waste management plan as provided with the “Application for Water Licence Appendix F” into the spill contingency plan;*

All of the materials listed in “Application for Water Licence Appendix F” are included in the 2005 Contingency Plan. The Licensee shall incorporate the safe handling practices from “Application for Water Licence Appendix F” in site specific spill response and include the safe handling in the Response Action Plans as required in point s.

- c. *Introduction, scope of plan, when the plan is active, description of project and site;*

The description of the project and site are incomplete and the site map is insufficient.

- d. *Name, address and title of person in charge;*

This point is complete.

- e. *Name, job title and 24 hour number of person responsible; on site;*

The contact number for the on-site manager is provided. Is this the 24-hour contact? If it is, it should be labeled as such. If not, the 24-hour contact shall be provided.

- f. *Chain of command and organizational chart;*

The chain of command in the organizational chart in Figure 3.1 is not clear, for example it is not clear who initiates the spill response or who is responsible for contacting the Spill Line. The incident reporting procedure in Section 11.0 is clearer than Figure 3.1. and this information should be combined in an updated organizational chart.

- g. *Location, size and capacity of facility; Map showing all potential spill locations and materials storage;*

The capacity of the facility is provided in the approved 2005 Contingency Plan. The volume of the tanks, number of tanks and the volume within the impermeable berm for the fuel farm and shall be included in next Contingency Plan submission.

Although the storage locations are provided in the text of the approved 2005 Contingency Plan a map shall be included in the next Contingency Plan submission that includes all potential spill locations and materials storage.

h. *Types and amounts of materials stored on site;*

The Licensee shall provide an approximate range of volumes for materials stored in small quantities on-site.

i. *Current Materials Safety Data Sheets for all hazardous materials/petroleum products on site;*

Current MSDS sheets mean that they have been published or revised within the past three years. The Licensee shall provide a table at the beginning of the MSDS Appendix that provides the date each MSDS sheet in the Appendix was published or revised.

j. *Analysis of potential spills, fate and effects identified;*

The Licensee shall include a section of the spill clean-up procedures on muskeg in addition to the sections on water, ice and land.

The Licensee shall clarify in the next Contingency Plan submission, “Any spills would be the responsibility of the fuel contractor” (Section 4.6.2 and 4.6.2.3) as any spills would be the responsibility of the Licensee.

The section on drums and cylinders (Section 4.6.3.3) shall include measures to prevent spills in the next Contingency Plan submission.

The Licensee shall provide further information regarding the statement in Section 14.4 “..kimberlite is a low toxicity substance that will cause more physical than toxicological damage..”. Bioassay testing done by Environment Canada (EC) has consistently found that drill effluent from kimberlite targets to be toxic. The Licensee shall provide data and analysis regarding the statement to EC and the NWB. The Licensee shall include preventative measures for a release of kimberlite in the next Contingency Plan submission.

k. *Site map, showing sensitive areas and potential for contamination;*

A site map showing sensitive areas and potential for contamination was not provided in the 2005 Contingency Plan. The Licensee shall provide a site map showing sensitive areas and potential for contamination in the next Contingency Plan submission.

l. *Steps taken to report, contain, clean up and respond;*

The Licensee shall include the reportable spill volumes for the applicable materials from the Government of Nunavut, *Consolidation of Regulation R-068-93 Spill Contingency Planning and Reporting Regulations* (July 1993).

The NWB agrees that all spills will be recorded or logged and spills that do not meet the volume requirement under Schedule B of the Government of Nunavut's regulations shall be logged and submitted monthly to the Inspector.

The steps taken to contain and clean-up spills are covered adequately in the approved 2005 Contingency Plan.

The Licensee shall include the volume of material in Table 4.1 in Section 4.2.

Section 4.2 refers to Schedule 1 for a contact list of personnel trained in emergency response. Schedule 1 shall be included in the Table of Contents.

m. *Response Team identification giving lines of authority and responsibility;*

The response team is not identified in the approved 2005 Contingency Plan. The lines of authority in Section 11 is different than Figure 3.1, the Licensee shall provide consistency in the next Contingency Plan submission.

n. *Reporting and communication procedures;*

In a letter dated, June 10, 2005, the Licensee has installed a new communication system on site; new contact names, titles, phone and pager numbers will be reflected in the next Contingency Plan submission.

o. *Site contact list with names, titles, phone and pager numbers;*

This information was unavailable when the approved 2005 Contingency Plan was submitted, it shall be updated for the following submission.

p. *Off-site contact list including all relative regional contacts; DIO, DIAND Water Resources Inspector, EC, DFO, GNU DOE, special assistance contacts;*

The Licensee shall include a Kitimeot Inuit Association contact in Kugluktuk.

q. *How plan is activated;*

Sections 4.15 and 4.17 overlap and it is not clear how the contingency plan is activated. The next Contingency Plan shall be clear as to how the plan is activated.

r. *Description of training provided to employees/designated responders; including the initial training and active response training;*

The description of the training in the approved 2005 Contingency Plan is proposed training. The next Contingency Plan submission shall include the actual training being performed on site related to contingency planning.

- s. *Response Action Plans and countermeasures (ie fuel storage and transfer protocols, explosives transfers) in the event of a spill; this would include potential spills from the PKCA, process pipelines, material storage areas (fuels, chemicals, explosives)*

The response action plan for the PKCA Dam Failure in Section 2.1.7 is insufficient. The Licensee shall provide, stand alone, Response Action Plans for all major system components and the higher volume petroleum/chemical products stored on-site. The Response Action Plans shall include at a minimum the requirements in the 1987 NWTWB contingency planning guidelines:

- a. Description of the response personnel;
 - b. Equipment;
 - c. Sequence of actions that will most likely be needed to properly contain, recover and dispose of spilled material; and
 - d. Restoration measures that would be undertaken for the affected area.
- t. *Clean-up and disposal practices; hazardous waste transportation and removal;*

This point overall is covered adequately in the approved 2005 Contingency Plan, however it shall be updated now that the mine is in operation for the next Contingency Plan submission.

- u. *Inventory and location of response equipment and supplies;*

The Licensee shall include a map that indicates the locations of all response equipment and supplies.

- v. *Copy of NWT Spill Report Form;*

The Government of Nunavut has developed a Nunavut specific spill report form, it can be found on the NWB ftp site:

<http://ftp.nunavut.ca/nwb/NWB%20Administration/Guidelines%20for%20Spill%20Contingency%20Planning/NWB%20Nunavut%20Spill%20Report%20Form%20Eng-Inuktitut.pdf>.

- w. *Date plan was prepared;*

This point is complete.

If you have any questions or require clarification, technical staff are available to discuss these guidelines.

Regards,

Original signed by:

Sarah Gagné, E.I.T
Technical Advisor

/sg/pdp

Cc: Phyllis Beaulieu, NWB Manager of Licensing, licensing@nwb.nunavut.ca
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