



Nunavut Regional Office
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Your file - Votre référence
2AM-JER0410 / 76E/13-2-2 & 76L/3-1-2
Our file - Notre référence
IQA-N 9545-1-1JERR / CIDMS 85764v2

July 9th, 2007

Greg Missal
Vice President, Government and Regulatory Affairs
Tahera Diamond Corporation
121 Richmond Street West
Toronto, Ontario
M5H 2K1

Re: Contingency Plan - Jericho Mine Project

Indian and Northern Affairs Canada (INAC) reviewed the Jericho Diamond Mine Contingency Plan Update for 2006, submitted by Tahera Diamond Corporation as required for the Nunavut Water Board Licence (NWB) 2AM-JER and the Crown land leases 76E/13-2-2 and 76L/3-1-2. The Nunavut Regional Office of INAC received the Plan Update by email on May 28, 2007.

In conducting our review INAC referred to past documents and correspondence, which is listed on the attached list. INAC believes that Tahera has provided additional information in the update over the 2005 Contingency Plan, however, some issues remain outstanding. The NWB had summarized these issues earlier in their July 24, 2006 letter to you.

Based on our review of the Updated Contingency Plan (April 2007), INAC directs the proponent to review the following sections:

Section 1.7.4, Regulation of Toxic Substances, states the Government of Nunavut and the Kitikmeot Inuit Association are active agencies regarding spills. INAC also plays a role in spill response. INAC enforces the Water Licence through the Nunavut Waters and Surface Rights Tribunal Act and the Crown Land Leases under the Territorial Lands Act. Therefore, INAC is interested in receiving information on spills to help characterize the project and their relationship to project and licence components.

Table 3.2, External Emergency Contact Numbers: Replace the generic contact number for INAC with Peter Kusugak, Manager of Field Operations, 867-975-4295 (phone) and 867-979-6445 (fax). In addition, update Section 6.3 (2), Reporting.

Table 4.1, Risk Analysis Worksheet: Tahera should provide its rationale on how the frequency and consequence of site specific risks were determined.

Table 12.1, Emergency Response Site Resource Inventory: Tahera should update Table 12.1 to include sealed radioactive source leak test kits and explain how the appropriate personnel on the Jericho Mine site will understand and access Sealed Radioactive Source Leak Testing. Sub-section of Appendix D, Radiation Safety Policy and Procedures Manual, states *"the individual responsible for the collection of sealed radioactive source leak test samples shall have access to and be familiar with the following documents: Sealed radioactive source leak test kits.* INAC suggests that Tahera include a clear map in the Contingency Plan Update that indicates the locations of all response equipment and supplies.

Appendix B, Emergency Specific Procedures (pages 85-205): Information appears missing on: floor dry, automotive grease, soibitan monotailate, dyno gold, polycarboxylic acid amide and paraffin oil.

Appendix F, MSDS (pages 354-516): Information appears missing on: N7, N23 Emulsifier, N4 Sodium Thiocyanate and Jet B. Varsol appears in two separate portions. If two forms of varsol are being used, Tahera should include MSDS sheets for both forms. If only one form of varsol is being used on site the proponent should decide which emergency specific procedures should apply. INAC also requests that Tahera clarify whether Jet A and Jet B fuels are located on site.

Finally, INAC would like to remind the Tahera Diamond Corporation that information management is their responsibility and not the role of reviewers. Tahera should improve the documentation within the Contingency Plan, as suggested by INAC and others, and clarify where changes have been made during updates. For example, Tahera should include a table in the Contingency Plan which identifies where Schedule J, Item 1 of Licence 2AM-JER0410. INAC may review any updated version of the Contingency Plan to identify if past and present comments have been implemented.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4280 or by email at DewarS@ainc-ianc.gc.ca.

Sincerely,

Original Signed By Spencer Dewar

for Carl McLean
Director of Operations

cc- Dionne Filiatrault, Acting Executive Director- Nunavut Water Board

List of Documents Used in the Review:

- i Jericho Diamond Project - Contingency Plan Update for 2006, April 2007
- ii Jericho Diamond Project - Contingency Plan, January 2005
- iii Nunavut Water Board Licence 2AM-JER0410 (formerly NWB1JER0410)
- iv Indian and Northern Affairs Canada Crown Land Lease-76E/13-2-2 and 76L/3-1-2
- v Letter- Re: Jericho Diamond Project Contingency Plan (May 6, 2005), from Robert Eno (INAC) to Phyllis Beaulieu (NWB)
- vi Letter- Re: Comments on Contingency Plan (June 10, 2005), from Gregory Missal (Tahera) to Philippe di Pizzo (NWB)
- vii Letter- Re: Submission of a Contingency Plan under part J, Item 1, Licence Number 2AM-JER0410 (July 24, 2006), from Sarah Gagne (NWB) to Gregory Missal (Tahera)
- viii Letter- Re: 2007 Update of Jericho Contingency Plan – Water Licence 2AM-JER0410 (April 4, 2007), from Bruce Ott (Tahera) to Phyllis Beaulieu (NWB).