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Your file - Votre référence NWB1JER0410/TR/D4 Our file - Notre référence 9545-1-1-JER-R

November 4, 2005

Ms. Phyllis Beaulieu Manager of Licensing Nunavut Water Board Box 119, Gjoa Haven, NU. X0B 1J0

Dear Ms. Beaulieu,

Re: Jericho Project, QA/QC Plan.

Thank you for providing INAC with an opportunity to review the above-mentioned plan, dated April 2005, and prepared by AMEC Earth Environmental Ltd. for Benachee Resources Inc. (herein referred to as "Benachee").

These documents were submitted to the NWB by Benachee on April 5, 2005 as a requirement of Part L, Item 5 of water license NWB1JER0410 which states:

The Licensee shall submit to an Analyst for approval within three (3) months of the effective date of this Licence, a Quality Assurance/Quality Control (QA/QC)Plan that include field and laboratory procedures and requirements. This report shall be developed in accordance with Schedule L, Item 2.

There is some confusion on INAC's part as to how Appendix A – General Operational Monitoring Plan – should be considered; we understand that this was supposed to be a stand-alone document required by Part L, Item 1 of the Water Licence. In the absence of instructions indicating otherwise, INAC directed its expert advisors to review Appendix A only as it relates to the main document: the QA/QC Plan. It is assumed that a General Monitoring Plan will be submitted by Benachee at a later date.

Finally, it should be noted that INAC's review and acceptance of this plan does not in any way, release Benachee from its obligation to comply with the spirit and intent of the Water Licence condition under which the plan was filed. Benachee is ultimately responsible for correcting any deficiencies in the plan and/or any liabilities resulting from these deficiencies, which may arise during the course of the project.

INAC has the following comments to offer:

The QA/QC Plan follows INAC QA/QC guidelines (1996) as well as Environment Canada biological sample handling guidelines (2002). Furthermore, it introduces QA/QC principles developed by the International Standards Organization in the ISO-9001 system. It therefore appears that the Plan contains the basic requirements of a QA/QC Plan as applied to Schedule L, Item 2 of the Jericho Water Licence.

For these reasons, INAC's comments are brief.



An apparent weakness is in the lack of detail for "field sampling" (Schedule L, Item 2 (e)), however, after reading through the General Operational Monitoring Plan (Appendix A) and the 2004 Aquatic Biota AEMP, INAC's reviewers found much of the required detail. Perhaps such reports are where such detail should be provided, rather than in the more generic QA/QC Plan.

Nonetheless, such sampling detail was not found for the following components:

- Sediment Chemistry Sampling referred to under Section 3.1 of the QA/QC Plan. Sampling approaches were not detailed in either of the monitoring reports provided. Details such as which sampler (e.g.; dredge type, corer) is used; number of replicates making up a composite at one site; description of substrate samples; and precautions taken to prevent cross-contamination among sampling points all provide assurance about the reliability of the result for any one sampling point. While this detail may not be required in the more generic QA/QC plan, the sampling approach for sediment chemistry sampling should be made available.
- Fish: referred to under Section 3.1 of the QA/QC Plan. Sampling approaches to determine community structure and population health were not found in the QA/QC Plan or Appendix A. This information is valuable for adaptive environmental management, owing to the signals provided by shifts in fish community structure and by changes to the health of fish potentially as a result of mine operations. These data can be acquired from the fish collected for tissue contaminant analysis and from the netting program for collecting them. The approach and therefore the extent of monitoring for community structure and population health is unclear based on INAC's review of the QA/QC Plan. This information was expected to be found in the Aquatic Biota AEMP. INAC suggests that Tahera clarify the approach on monitoring for community structure and population health.
- Ponds A, B & C: No mention was made of monitoring near-shore areas of Carat Lake where potential direct discharge could be permitted from collection ponds A, B & C (see May 12, 2005 Memo re: AEM Plan attached). If it has been decided that the contents of Ponds A, B and C will be pumped directly to the PKCA pond, then this is not an issue. If such a decision has not been made, then the monitoring plan mentioned at the Hearing related to this source should be included in the QA/QC Plan.

This concludes INAC's comments. Should the NWB or Benachee Resources Inc. have any questions or require clarification on any of the comments in this review, do not hesitate to contact the undersigned.

Robert Eno

Water Resources Coordinator

c. Greg Missal - Tahera Diamond Corporation