



**Indian and Northern Affairs Canada  
Nunavut Field Operations  
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Iqaluit, Nunavut  
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**NWB1JER0306  
NWB1JER0410**

**Tahera Diamond Corporation/ Benachee Resources Inc.  
803-121 Richmond Street West  
Toronto, Ontario  
M5H 2k1**

**February 22, 2005**

**Re: Jericho Camp Water Licence Inspection July 15, 2004.**

Dear Mr. Missal;

The following document is a summary of the Water Licence Inspection conducted on July 15, 2004. In the course of the Inspection, concerns were identified with respect to; spill reporting and cleanup, leaking fuel drums, the contaminated soil farm and improperly stored waste barrels. Many of the issues identified in this report have been identified in the past as violations of the Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSTRA) If the Licencee wishes to avoid regulatory involvement in the form of enforcement action, significant steps must be taken to ensure compliance with the terms and conditions of the NWNSTRA. The fact that a new Licence has been developed and the Licencee has changed from Tahera Corporation to Banachee Resources Inc. will not be an excuse for continued non-compliance with the Act or the latest Water Licence.

### **Water Supply**

The Licencee is required to record the monthly and annual quantities of freshwater obtained from Carat Lake. Water use records were not present at the time of the Inspection and no means were in place to record the volume of water drawn from Carat Lake. An Annual Report containing information on all activities relating to the Water Licence in 2004 is required not later than March 31, 2005. The small, gasoline powered intake at Carat Lake should be equipped with a spill kit to ensure that fuel does not enter the water should a spill occur (Figure 1). The water intake and treatment plant (Figure 2) will be upgraded when the camp is moved and expanded, hopefully spill response and containment measures will be upgraded as well.

### **Solid Waste Disposal**

Current storage of waste fuel and oil is unacceptable. Many of the waste drums are tipped over and the partial liner currently in place would not hinder the migration of any released contaminants. Small combustibles and food waste are incinerated on site while non-burnable waste and the ash from incineration are collected and stored in a partially bermed area (Figure 3). The waste barrels should all be stored upright on pallets, in a completely bermed and lined area to prevent contaminant migration (Figure 4). Large combustible waste is currently open burned (Figure 5) with the ash placed in barrels for transport south. Waste barrels should be transported south for disposal in an appropriate licenced facility on an annual basis.

The current contaminated soil farm at Jericho camp is in an unacceptable condition. The soil farm is not properly managed or maintained. Contaminated soil is overflowing the sides of the containment tarp (Figure 6) and it does not appear that the contaminated soil it contains has ever been turned/ tilled. Furthermore, there are no measures in place to prevent spring runoff from carrying contaminants out of the soil farm. The Licencee needs to maintain the soil farm to prevent the migration of contaminants out of the site and facilitate the microbial and mechanical breakdown of contaminants through tilling of the soil. The soil it contains should be collected and placed into sealed drums and shipped south unless the condition of the soil farm is drastically improved.

### **Fuel Handling and Spill Reporting**

There are a number of spills at the site which have not been reported to the 24 hour Nunavut/NT Spill Line (867 920-8130) or cleaned up, a direct violation of the Nunavut Waters and Nunavut Surface Rights Tribunal Act (Figure 7). Spill reporting and clean up must be improved if Tahera/ Benachee Resources is to avoid enforcement action. A large number of p-50 fuel drums are stored on a sandy strip of land adjacent to Carat Lake. Fuel is visible leaking from a number of these drums. The elevation of this area combined with the high porosity of the soil and the proximity to Carat Lake pose a significant risk that spilled fuel could enter Carat Lake.

### **Sewage Treatment**

Sewage is incinerated with grey water deposited in a pair of sumps on site. The sump was not in use at the time of the Inspection as there were only two people in camp. The sumps are not within 30m of the high water mark of any water body.

### **Non-Compliance of the Act or Licence**

The Licencee needs to clean up spills promptly when they occur and immediately report all spills to the 24 hour Spill Line. All spills need to be cleaned up with a follow up Spill Report to an INAC inspector within thirty days of the occurrence of the spill. The stipulations outlined in this report will be the responsibility of Benachee Resources Incorporated once a new Water Licence has been issued. All concerns identified in this report need to be dealt with prior to the next Water Licence Inspection in 2005.

If you have any questions or concerns please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Scott Stewart".

Scott Stewart  
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cc.

Nunavut Water Board - Gjoa Haven (Dionne Filiatrault, Jim Wall)  
Environment Canada - Iqaluit (Sid Bruinsma)  
Environment Canada - Yellowknife (Anne Wilson)  
Nunavut Impact Review Board - (Gladys Joudrey)





Figure 1. Freshwater intake on Carat Lake at Jericho Camp.

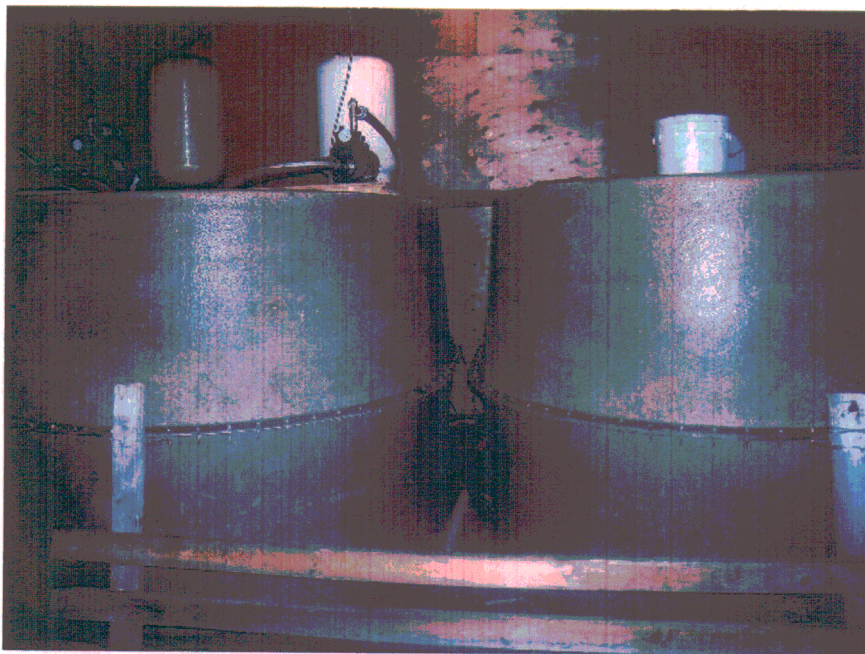


Figure 2. Freshwater tanks in the Water Treatment Plant at Jericho Camp.



Figure 3. Waste drums in a partially bermed area at Jericho camp.



Figure 4. Ash, waste oil and non-burnable waste storage area with many barrels tipped on their side.





Figure 5. Ash and metal waste pushed into a pile at what appears to be an open burning site.

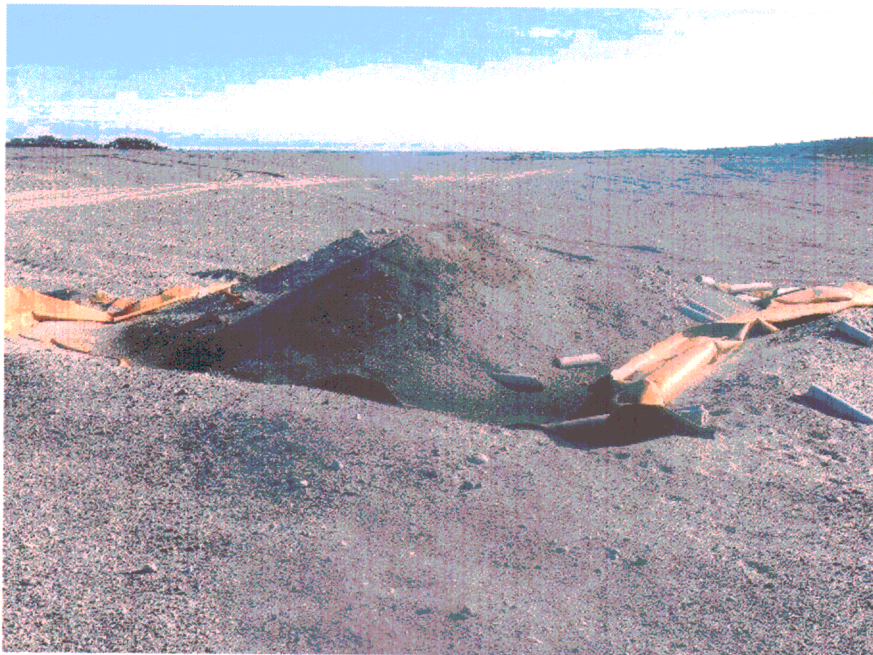


Figure 6. The mismanaged contaminated soil farm at Jericho camp.



Figure 7. A fuel spill at Jericho camp that went unreported and was not cleaned up at the time of the Inspection.