



WATER LICENCE INSPECTION FORM

☒ Original
☐ Follow-Up Report

Licensee		Licensee Representative	
Shear Diamonds (Nunavut) Corp.		-	
Licence No. / Expiry		Representative's Title	
2AM-JER1119		-	
Land / Other Authorizations		Land / Other Authorizations	
-		-	
Date of Inspection		Inspector	
April 22-August 16 2014		Eva Paul	
Activities Inspected			
<input checked="" type="checkbox"/> Camp	<input type="checkbox"/> Drilling	<input checked="" type="checkbox"/> Mining	<input type="checkbox"/> Construction
<input type="checkbox"/> Roads/Hauling	<input type="checkbox"/> Other:	<input type="checkbox"/> Reclamation	<input checked="" type="checkbox"/> Fuel Storage
<input type="checkbox"/> Other:			

Conditions:		A - Acceptable	C - Concern	U - Unacceptable	NA – Not Applicable	NI – Not Inspected					
Water Use		Condition	Comment	Site Conditions		Condition	Comment	Haz/Mat Management		Condition	Comment
Intake/Screen	NI			Water Management Structures	U	5		Storage	U	9	
Flow Measure. Device	NI			Culverts / Bridges	NI			Spills	U	10	
Source: Carat Lake	A			Drainage	A			Spill Plan	U	11	
Water Use:	NI	1		Erosion / Sediment	U	6					
Recirculation (y /n)	NA			Mitigation Measures	U	6		Administrative			
				Reclamation Activities	U	7		Records	U	12	
				Materials Storage	NI			Reports	U	12	
Waste Disposal				Signage	NI			Plans	NI		
Waste Water	U	2						Notifications	NI		
Solid Waste	U	3		Monitoring		Other					
Hazardous Waste	U	4		Sample Collection / Analysis	U	8					
*The number in the comments field will correspond with specific comments provided below.											
Samples taken by Inspector:			Location(s):								
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											

SECTION 1	<input checked="" type="checkbox"/> Comments (s.1)	<input checked="" type="checkbox"/> Non-Compliance with Act or Licence (s.2)	<input checked="" type="checkbox"/> Action Required (s.3)
<p>On January 22, 2014, AANDC declared the Jericho Mine site abandoned under section 89 of the <i>Nunavut Waters and Nunavut Surface Rights Tribunal Act</i>. The associated Crown Land Leases have been cancelled. A fly-over of site was done April 22 for general site assessment, and summer site inspections were conducted on June 6, July 15, and August 16, 2014. The June 6 inspection was conducted in conjunction with AANDC Contaminated Sites Program, PWGSC, DFO, NIRB, and KIA. Delta Engineering (PWGSC Contractor) was on-site periodically to undertake Care and Maintenance activities. Delta reported that foxes had inhabited the main camp throughout the winter and the contamination was severe. Cleaning was undertaken throughout the summer for CSP’s future use of the camp.</p> <ol style="list-style-type: none">No water use currently occurring; the site is abandoned.Delta Engineering succeeded in pumping down the PKCA to safe levels in 2013. Levels remain acceptable and freshet flow is not anticipated in large volume. Water in the fuel berms requires active management. Most berms held around 12” of water; and most berms are contaminated from past spills. All water that accumulates in berms with historic contamination requires treatment prior to discharge. There was a leaking barrel in the north berm of barreled fuel, evident by a strong smell and a significant sheen on the water therein. Delta attached a rain drain to the berm to filter the contaminated water.The Licensee, Shear, abandoned the site and left large volumes of solid waste contrary to Waste Management and A&R plans. FPK from the PKCA continues to be a problem; it is not effectively contained in the PKCA. While the mitigation measures Delta put in place in 2013 did reduce the spread of FPK over the winter, further measures will be required to contain the FPK in the future.There remains a large volume of hazardous waste in the HWTa. Delta moved the last remaining barrels of fuel and hazardous waste into the HWTa in 2013, however, no hazardous waste has been removed from site since the abandonment.Phase 1 of the fuel farm is of particular concern; the berm wall on the south-east side is low and is a potential point of failure.Sediment remains visible in the SE dam pond, deposited from the PKCA. No further measures have been taken to remedy this issue. Silt fences erected in 2012 remain but are not actively maintained. Further mitigation measures will be required to address the PKCA in 2014.Shear abandoned the Jericho Mine without conducting any reclamation of the site.Shear remains the Licensee and has not undertaken any of the monitoring requirements since 2012.The HWTa storage structure is heavily contaminated. Indications from Shear in 2011-12 were that the liner of this area was suspect at the time. A large volume of contaminated soil and a growing quantity of hazardous waste are stored here.A new spill was noted under the generator set by the day-tank berm. It appears that glyocol is leaking from the building, presumably from a leak indoors.			

11. The spill plan has not been updated, nor are spills being addressed by the licensee according to the plan.

12. No administrative requirements have been met by the licensee since 2012.

SECTION 2	<input type="checkbox"/> Comments	<input checked="" type="checkbox"/> Non-Compliance with Act or Licence	<input type="checkbox"/> Action Required
<div>Contraventions of the Licence:</div> <div>Part B (1). Failure to pay annual water use fees</div> <div>Part B (2). Failure to submit Annual Report.</div> <div>Part B (3). Failure to submit quarterly reports.</div> <div>Part B (7). Failure to notify the NWB of changes in conditions associated with the project 60 days in advance.</div> <div>Part B (15). Failure to implement Plans as approved by the Board.</div> <div>Part C (1). Security has not been furnished in the amount required by the Board (\$1,121,074).</div> <div>Part E (5). Failure to submit revised Site Water Management Plan.</div> <div>Part E (6)(c). Failure to conduct weekly inspections of site water management facilities during periods of flow.</div> <div>Part E (6)(e). Failure to submit geotechnical inspection report.</div> <div>Part E (8). Failure to implement sufficient measures to prevent the deposition of sediment into Water.</div> <div>Part F (5). Failure to submit revised PKCA Management Plan within 12 months of effective date of licence.</div> <div>Part F (6)(b). Failure to maintain a minimum freeboard of one meter in the PKCA during spring freshet.</div> <div>Part F (6)(d). Failure to carry out weekly inspections of dams, spillways, pipelines.</div> <div>Part F (6)(e). Failure to permanently contain the processed kimberlite within the PKCA.</div> <div>Part F (7). Failure to submit revised Waste Rock Management Plan within 12 months of effective date of licence.</div> <div>Part F (8). Failure to submit Consolidated Waste Management Plan within 12 months of effective date of licence.</div> <div>Part F (14). Failure to carry out weekly inspections of all major earthworks.</div> <div>Part H (4). Failure to maintain secondary containment according to acceptable industry practice.</div> <div>Part H (5). Failure to carry out weekly inspections of fuel containment facilities.</div> <div>Part H (8). Failure to respond to spills occurring on site and to implement the Contingency Plan.</div> <div>Part H (9). Failure to provide an addendum to the Contingency Plan within 30 days of providing notification of temporary closure.</div> <div>Part H (18). Failure to submit monthly monitoring reports.</div> <div>Part H (20). Failure to submit Annual Geotechnical Inspection Report.</div> <div>Part I (1). Failure to file a revised General Monitoring Plan within 6 months of the effective date of the licence.</div> <div>Part I (3). Failure to fully undertake monitoring as described in Table 2.</div> <div>Part J (1)(b). Failure to file an updated Interim Care and Maintenance Plan within one year of issuance of the licence.</div> <div>Part J (3). Failure to provide plans to maintain compliance with the Terms and Conditions of the licence while in temporary closure.</div> <div>Part J (5). Failure to implement progressive reclamation on areas no longer utilized by the project.</div> <div>Part J (6). Failure to provide updated estimate of mine closure restoration liability.</div> <div>Contraventions of the Nunavut Waters and Nunavut Surface Rights Tribunal Act:</div> <div>S.12(1). Deposit of waste in waters in contravention of a licence.</div> <div>S.90(1). Failure to comply with an Inspector's Direction.</div> <div>S.90(2). Failure to furnish security as required under s. 76(1).</div>			
SECTION 3	<input type="checkbox"/> Comments	<input type="checkbox"/> Non-Compliance with Act or Licence	<input checked="" type="checkbox"/> Action Required
Please contact the Inspector and the Regional Director General, AANDC Nunavut Regional Office regarding the status of this site.			

Licensee or Representative	Inspector's Name
-	Eva Paul
Signature	Signature
-	Sent electronically
Date	Date
-	22/09/2014

Office Use Only: Follow-up report to be issued by Inspector

☐ Yes☐ No