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NUNAVUT WATER BOARD NUNAVUT IMALIRIYIN KATIMAYINGI

August 3rd, 2006

File: NWB1JER0410/D6,D13,H1,H5

By Fax: 1-416-777-1898

Greg Missal Vice-President Nunavut Affairs Tahera Diamond Corporation Suite 803, Richmond Street West Toronto, Ontario M5H 2K1

Subject: Notice for Licence Conditions Part D Item 6, Part D Item 13, Part H Item 1, and Part H Item 5 (NWB1JER0410)

Dear Mr. Missal:

i. The NWB would like to point your attention to Part D, Item 6 and Part H, Item 5 of water licence NWB1JER0410. These provisions respectively identify the need to provide an engineered landfill design and an accompanying operations manual. As per the water licence:

(D.6) The Licensee shall submit to the Board for approval, a detailed Landfill Design Plan at least sixty (60) days prior to the construction of the Landfill including drawings, stamped by an Engineer. The plan shall be developed in accordance with Schedule D, Item 6.

(H.5) The Licensee shall, within one (1) year of the effective date of this License, submit to the Board for approval an Operation and Management Plan for the Waste Water Treatment Plant, the Landfill and the Landfarm. The plan(s) shall be developed in accordance with Schedule H, Item 3.

On December 8th, 2005 TDC submitted a two (2) page letter stating a proposal for "a variance in the Jericho Diamond Mine inert industrial waste management disposal as detailed in the Landfill Management Plan required under Schedule D, Part 6 of the mines water licence". This letter referenced an AMEC Landfill Management Plan that had been submitted in August 2004 prior to the issuance of NWB1JER0410. The two (2) page letter is the only piece of correspondence received from TDC for licence conditions Part D Item 6 and Part H Item 5. TDC indicates in this two (2) page letter that foams, plastics, plastics, metals, binding and incinerator ash will be placed in the waste rock dump as a means of waste disposal.

In TDC's reply (dated July 25th, 2006) to NIRB's Inspection Report (dated July 14th, 2006), it is understood that this two (2) page letter and the 2004 **AMEC Landfill Management Plan** were referenced in a response to bullet I) of NIRB's Inspection Report.

You should be aware that a variance in the management of industrial waste may require a formal amendment to the licence, which involves a mandatory public hearing and in turn, a NIRB environmental screening since that option is not contemplated in the NIRB Project Certificate issued for the Jericho project.

- ii. As per a meeting arranged by INAC on November 15th, 2005, with Mr. Carl McLean (INAC), Mr. Greg Missal (TDC), Mr. Lootie Toomasie (NWB), Mr. Philippe di Pizzo (NWB) and the undersigned, the NWB understands that Long Lake Dewatering had taken place prior to NWB approval as per **Part D**, **Item 13** of Jericho's water licence **NWB1JER0410**. This fact has also been reiterated in TDC's 2005 Annual Report submission for the Jericho Diamond Mine (submitted March 31st, 2006) through the statement "Dewatering of Long Lake commenced during the month of September" (Page 13).
- iii. On June 26th, 2006 the NWB received a letter TDC Re: Notification of intent to discharge from the Processed Kimberlite Containment Area (PKCA) to Stream C3 **Part G, Item 5** of Licence **NWB1JER0410**. **Part G, Item 5** of **NWB1JER0410** states the following:
 - (G.5)The Licensee shall provide at least ten (10) days written notice to an Inspector and the Board prior to any planned discharges from the PKCA to Steam C3.

This letter, dated June 19th, 2006, was to commence the drawdown of PKCA to Stream C3 as per **Part G**, **Item 5**. The NWB would like to report the condition set in **Part H**, **Item 1** which states the following:

(H.1)The Licensee shall, at least four (4) months prior to the first effluent discharge from the PKCA, submit to the Board for approval, the PKCA Management Plan. The final detailed report shall be stamped by an Engineer. This report shall be developed in accordance with Schedule H, Item 1.

The NWB would like to remind TDC that the PKCA Management Plan referred to in **Part H, Item 1** has not been approved by the Board and was received by the NWB on March 10th, 2006. July 10th, 2006 marks the date four months following the date the submission was received.

In summary the Board requests a formal response providing clarity to each of the above stated provisions. Sufficient detail and an avoidance of ambiguity should be followed in submitting response materials to the listed provisions. If you require assistance whatsoever please feel free to contact the undersigned at (867) 360-6338 or tech1@nwb.nunavut.ca.

Sincerely,

Original signed by:

Joe Murdock Coordinator of Technical Services

cc. Carl McLean (INAC)
Jim Rogers (INAC)
Peter Kusugak (INAC)
Stephen Bathory (INAC)
Geoff Clark (KIA)
Colette Spagnuolo (EC)
Tania Gordanier (DFO)
Mike Atkinson (GN-DOE)
Josh Gladstone (NIRB)
Kevin Buck (NIRB)