

May 30<sup>th</sup>, 2007

Chief Administrative Officer Nunavut Water Board P.O. Box 119 Gjoa Haven, Nunavut X0B 1J0 Delivered by Fax: (867) 360-6369

Water Resources Officer P.O. Box 278 Kugluktuk, NU X0B 0E0

RE: Notification of intent to discharge from the Processed Kimberlite Containment Area (PKCA) to Stream C3 – Part G, Item 5 of License NWB1JER0410

Please accept this letter as Tahera Diamond Corporations letter of intent as required in Part G, Item 5 of Water License NWB1JER0410, to commence with the drawdown of the PKCA to Stream C3.

Please find attached sample results collected from the PKCA for acute toxicity as required in Part G, Item 7 (a) and (b). These samples were analyzed by HydroQual Laboratories and indicate 0% mortality to Rainbow Trout, *Oncorhyncus mykiss* and crustacean *Daphina magna*. Toxicity testing will continue to be conducted monthly as indicated by the water license. Water chemistry results from Station JER-WQ2 required in Part 5, Item 6(a) are attached. While discharging, samples will be collected weekly as required and submitted within the monthly SNP reports.

Should you have any additional questions do not hesitate to contact site Environmental staff at 780 644-9129.

Cheryl Wray Environmental Supervisor Harold Gates Operations Manager

Sample Number	Sample ID	Date Sampled	Parameter Code	Result	Unit
L504848-1	WQ-02	5/9/2007	Acidity (as CaCO3)	3.4	mg/L
L504848-1	WQ-02	5/9/2007	Alkalinity, Bicarbonate (as CaCO3)	54.9	mg/L
L504848-1	WQ-02	5/9/2007	Alkalinity, Carbonate (as CaCO3)	<1.0	mg/L
L504848-1	WQ-02	5/9/2007	Alkalinity, Hydroxide (as CaCO3)	<1.0	mg/L
L504848-1	WQ-02	5/9/2007	Alkalinity, Total (as CaCO3)	54.9	mg/L
L504848-1	WQ-02	5/9/2007	Aluminum (Al)-Dissolved	0.0017	mg/L
L504848-1	WQ-02	5/9/2007	Aluminum (Al)-Total	0.0213	mg/L
L504848-1	WQ-02	5/9/2007	Ammonia as N	0.958	mg/L
L504848-1	WQ-02	5/9/2007	Antimony (Sb)-Dissolved	0.00052	mg/L
L504848-1	WQ-02	5/9/2007	Antimony (Sb)-Total	0.00048	mg/L
L504848-1	WQ-02	5/9/2007	Arsenic (As)-Dissolved	0.00055	mg/L
L504848-1	WQ-02	5/9/2007	Arsenic (As)-Total	0.00058	mg/L
L504848-1	WQ-02	5/9/2007	Barium (Ba)-Dissolved	0.066	mg/L
L504848-1	WQ-02	5/9/2007	Barium (Ba)-Total	0.0653	mg/L
L504848-1	WQ-02		Beryllium (Be)-Dissolved	< 0.00050	mg/L
L504848-1	WQ-02		Beryllium (Be)-Total	< 0.00050	mg/L
L504848-1	WQ-02		Bismuth (Bi)-Dissolved	< 0.00050	mg/L
L504848-1	WQ-02		Bismuth (Bi)-Total	< 0.00050	mg/L
L504848-1	WQ-02	5/9/2007	` ,	<5	mg/L
L504848-1	WQ-02	5/9/2007	Boron (B)-Dissolved	0.066	mg/L
L504848-1	WQ-02		Boron (B)-Total	0.062	mg/L
L504848-1	WQ-02		Cadmium (Cd)-Dissolved	< 0.000050	mg/L
L504848-1	WQ-02		Cadmium (Cd)-Total	< 0.000050	mg/L
L504848-1	WQ-02		Calcium (Ca)-Dissolved	20	mg/L
L504848-1	WQ-02		Calcium (Ca)-Total	20.1	mg/L
L504848-1	WQ-02		Chloride (CI)	14.4	mg/L
L504848-1	WQ-02		Chromium (Cr)-Dissolved	< 0.00050	mg/L
L504848-1	WQ-02		Chromium (Cr)-Total	< 0.00050	mg/L
L504848-1	WQ-02		Cobalt (Co)-Dissolved	0.00012	mg/L
L504848-1	WQ-02		Cobalt (Co)-Total	0.00018	mg/L
L504848-1	WQ-02		Conductivity	288	uS/cm
L504848-1	WQ-02		Copper (Cu)-Dissolved	0.00195	mg/L
L504848-1	WQ-02		Copper (Cu)-Total	0.00224	mg/L
L504848-1	WQ-02		Hardness (as CaCO3)	95	mg/L
L504848-1	WQ-02		Iron (Fe)-Dissolved	< 0.030	mg/L
L504848-1	WQ-02		Iron (Fe)-Total	0.05	mg/L
L504848-1	WQ-02		Lead (Pb)-Dissolved	< 0.000050	mg/L
L504848-1	WQ-02		Lead (Pb)-Total	< 0.000050	mg/L
L504848-1	WQ-02		Lithium (Li)-Dissolved	< 0.0050	mg/L
L504848-1	WQ-02		Lithium (Li)-Total	< 0.0050	mg/L
L504848-1	WQ-02		Magnesium (Mg)-Dissolved	11	mg/L
L504848-1	WQ-02		Magnesium (Mg)-Total	11.1	mg/L
L504848-1	WQ-02		Manganese (Mn)-Dissolved	0.0644	mg/L
L504848-1	WQ-02		Manganese (Mn)-Total	0.0669	mg/L
L504848-1	WQ-02		Mercury (Hg)-Dissolved	<0.000050	mg/L
L504848-1	WQ-02		Mercury (Hg)-Total	<0.000050	mg/L
L504848-1	WQ-02		Molybdenum (Mo)-Dissolved	0.00365	mg/L
L504848-1	WQ-02		Molybdenum (Mo)-Total	0.00336	mg/L
L504848-1	WQ-02		Nickel (Ni)-Dissolved	0.00456	mg/L
L504848-1	WQ-02		Nickel (Ni)-Total	0.00399	mg/L
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L504848-1	WQ-02	5/9/2007 Nitrate (as N)	12.1	mg/L
L504848-1	WQ-02	5/9/2007 Nitrite (as N)	0.0899	mg/L
L504848-1	WQ-02	5/9/2007 Oil and Grease	<1.0	mg/L
L504848-1	WQ-02	5/9/2007 Ortho Phosphate as P	0.0068	mg/L
L504848-1	WQ-02	5/9/2007 pH	7.58	рH
L504848-1	WQ-02	5/9/2007 Potassium (K)-Dissolved	10.4	mg/L
L504848-1	WQ-02	5/9/2007 Potassium (K)-Total	10.2	mg/L
L504848-1	WQ-02	5/9/2007 Selenium (Se)-Dissolved	< 0.0010	mg/L
L504848-1	WQ-02	5/9/2007 Selenium (Se)-Total	< 0.0010	mg/L
L504848-1	WQ-02	5/9/2007 Silicon (Si)-Dissolved	2.11	mg/L
L504848-1	WQ-02	5/9/2007 Silicon (Si)-Total	2.17	mg/L
L504848-1	WQ-02	5/9/2007 Silver (Ag)-Dissolved	< 0.000010	mg/L
L504848-1	WQ-02	5/9/2007 Silver (Ag)-Total	< 0.000010	mg/L
L504848-1	WQ-02	5/9/2007 Sodium (Na)-Dissolved	13.7	mg/L
L504848-1	WQ-02	5/9/2007 Sodium (Na)-Total	13.8	mg/L
L504848-1	WQ-02	5/9/2007 Strontium (Sr)-Dissolved	0.271	mg/L
L504848-1	WQ-02	5/9/2007 Strontium (Sr)-Total	0.26	mg/L
L504848-1	WQ-02	5/9/2007 Sulfate (SO4)	19.9	mg/L
L504848-1	WQ-02	5/9/2007 Thallium (TI)-Dissolved	< 0.00010	mg/L
L504848-1	WQ-02	5/9/2007 Thallium (TI)-Total	< 0.00010	mg/L
L504848-1	WQ-02	5/9/2007 Tin (Sn)-Dissolved	0.00151	mg/L
L504848-1	WQ-02	5/9/2007 Tin (Sn)-Total	0.00122	mg/L
L504848-1	WQ-02	5/9/2007 Titanium (Ti)-Dissolved	< 0.010	mg/L
L504848-1	WQ-02	5/9/2007 Titanium (Ti)-Total	< 0.010	mg/L
L504848-1	WQ-02	5/9/2007 Total Dissolved Phosphate As P	0.0097	mg/L
L504848-1	WQ-02	5/9/2007 Total Dissolved Solids	174	mg/L
L504848-1	WQ-02	5/9/2007 Total Inorganic Carbon	8.18	mg/L
L504848-1	WQ-02	5/9/2007 Total Organic Carbon	2.57	mg/L
L504848-1	WQ-02	5/9/2007 Total Phosphate as P	0.0169	mg/L
L504848-1	WQ-02	5/9/2007 Total Suspended Solids	<3.0	mg/L
L504848-1	WQ-02	5/9/2007 Turbidity	1.49	NTU
L504848-1	WQ-02	5/9/2007 Uranium (U)-Dissolved	0.00108	mg/L
L504848-1	WQ-02	5/9/2007 Uranium (U)-Total	0.00109	mg/L
L504848-1	WQ-02	5/9/2007 Vanadium (V)-Dissolved	< 0.0010	mg/L
L504848-1	WQ-02	5/9/2007 Vanadium (V)-Total	< 0.0010	mg/L
L504848-1	WQ-02	5/9/2007 Zinc (Zn)-Dissolved	0.0012	mg/L
L504848-1	WQ-02	5/9/2007 Zinc (Zn)-Total	0.0015	mg/L



## Result Summary

Reference: 07-0761-01-TRS

Contents

Client: TAH102

Client: Tahera Diamond Corporation; operation Yellowknife

Sample: PKCTox-14 May 07

Collection: collected on 2007/05/14 at 0900 by B.O.

Test Data......3 Comments/Statistics..5 Test Conditions......2 Result Summary.....1

QA/QC.....6

**Receipt:** received on 2007/05/16 at 1328 by J. Abcede **Containers:** received 1 x 20L pail at 19 °C, in good condition with

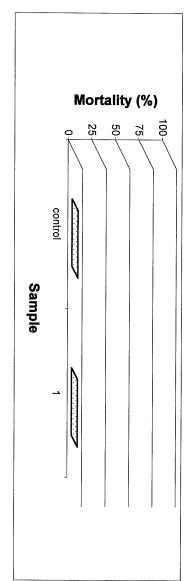
no seals and no initials

**Description:** type: water, collection method: grab

Test: started on 2007/05/17; ended on 2007/05/21

Result:

control 1	Sample
lab control PKCTox-14 May 07	Client Code
0	Mortality (%)
not toxic as tested	Comment



Authorized by K.Steele, B.Sc., Quality Assurance Officer The test data and results are verified correct.



#### Test Conditions

Reference: 07-0761-01-TRS Client: TAH102

**Method:** Biological Test Method: Reference Method for Determining Acute Lethality of Second Edition. Effluents to Rainbow Trout, 2000. Environment Canada, EPS 1/RM/13

Trout 96-h Static Acute Test (HQ 4.4.4.1)

Oncorhynchus mykiss

Organism source: Spring Valley Trout Farms (Batch 20070411TR)

Acclimation: 36 days

Stock mortality: 1.4% (seven days preceeding testing)

Sample initial chemistry: pH: 7.7; EC: 223 (µS/cm); hardness (mg CaC03/L): 57; colour: colourless; odour: organic/ chemical DO: 7.5 (mg/L); temperature: 21 °C

Sample holding time: 3 days (must be ≤ 5 days)
Sample storage: 4 ± 2°C in darkness

**Test vessel:** The test was conducted in 22 L plastic pails with polyethylene liners **Test volume:** 18.5 Litres (depth of solution in each test vessel ≥15cm)

Sample pre-treatment: All test solutions and controls were pre-aerated for 30 minutes

Dissolved oxygen in full strength sample was 8.7 mg/L after pre-aeration The sample was not filtered or pH adjusted prior to or during testing

Loading density: 0.31g/Litre (must be  $\leq 0.5$  g/Litre)

Control water: Dechlorinated City of Calgary water acclimated to test conditions

Test concentrations: Undiluted sample plus a negative control

Test replicates: One replicate per treatment; 10 fish per replicate

Feeding: Fish are not fed 24 hours before test initiation and no feeding during test

**Measurements:** pH, conductivity, dissolved oxygen and temperature measured daily **Aeration:** All treatments aerated at 6.5 ±1 mL/min/L by oil-free compressed air

**Lighting:** Overhead full spectrum fluorescent lights; 100-500 lux at surface passed through disposable glass pipettes

Photoperiod: 16h light:8h dark

Test temperature: 15 ± 1°C

Endpoint: Mortality, % mortality at 96-h

Test validity: The control had 100% survival (must ≥ 90%)

Reference toxicant: 96-h test with Phenol ( $C_6H_50H$ ) initiated May 3, 2007; current results (96-h LC50 and 95% confidence limits) = 1.00 (0.94-1.06) log (mg/L Phenol)

Note: Outlined sections are protocol deviations explained on the comment page; v/v, volume per volume

HydroGual Laboratories Ltd., #4, 6125 12th Street SE, Calgary, Alberta, Canada T2H 2K1
Tel (403) 253-7121 fax (403) 252-9363 www.hydrogual.ca



#### **Test Data**

Client: TAH102 Reference: 07-0761-01-TRS

#### Test Log:

_	_		_				
2007/05/21	2007/05/20	2007/05/19	2007/05/10	2007/05/18	71/00//002	2007/05/47	Date
4		) N	ა		.   c	)	Day
1130	1230		7 200	1040	1145		Time
J. Lantz/S. Ford	B. Denny/C.A. Martens	o. Krisnnappa/L. Henson		J. Lantz/S. Ford	J. Lantz/S. Ford		Technician
all test fish appear normal	all test fish appear normal	all test fish appear normal		all test fish appear normal	test fish loaded at 1145 h		Comment/Observation

4	. ω Τ	) N	) <u> </u>	0	1	4	ω	2	_	0	]	4	. ω	2		。 「	1	4	ω	2	, _	。 「	Day	Sample c	Chamietr
15	15	G	15	15		9.2	8.6	9.0	9.4	8.8		405	379	405	340	343		7.9	8.4	8.3	8.3	8.2		control	•
15	15	5	15	15		9.3	8.5	9.1	9.4	8.7		239	220	238	206	190		7.6	8.0	8.1	8.4	8.0			
											Diss						C								
					Temperature (°C)						Dissolved Oxygen (mg/L)						Conductivity (µS/cm)						pH (units)		
					e (°C)						en (mg/L)						(μS/cm)						s)		



#### Test Data

Client: TAH102 Reference: 07-0761-01-TRS

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	4	ω	N	د ،	· · c	Day	Sample control
	10	10	10	10	10		control
	10	10	10	10	10		
Mortality (%)							
	Mortality (%)		10 10	10 10	10 10 10 10 10 10	10 10 10 10 10 10 10	y 10 10 10 10 10 10 10 10 10 10 10 10 10

## **Biology Summary Tables:**

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								3.8			רכושבו
0.6	0.7	0.4	0.5	0.7	0.5	0.6	0.7	0.5	0.5	Weight(g)	****

	control	Sample
5.5	5.7	Group Wet Weight (g)

cv(%)	sd	average	
7.0	0.3	3.9	
18.6	0.1	0.6	

Notes: nd, not done; na, not applicable; sd, standard deviation; cv(%), coefficient of variation



## **Comments/Statistics**

Client: TAH102 Reference: 07-0761-01-TRS

**Test Result Comments:**None

**Data Analysis:**None

Protocol Deviations:
None



Test Method: Trout 96h Static Acute Test. (LC50, five or more treatments plus a control)

Reference: HydroQual Test Method Manual, section: 4.4.4.1
Biological Test Method: Reference Method for Determining Acute Lethality of

Effluents to Rainbow Trout, 1990. Environment Canada, EPS 1/RM/13

including May 1996 and December 2000 amendments

#### Test Organism:

temperature (°C): culture source: test species: Spring Valley Trout Farms 15 ± 1 Oncorhyncus mykiss

stock mortality (last 7d): dissolved oxygen: 0.3% saturated

batch number: 20070411TR

#### Test Design:

vol. of test vessel (L): test volume depth: 22 >15 cm

replicates per treatment:

fingerlings per replicate: loading (g fish/L) <0.5 3

temperature (°C): 15 <del>|</del> 1

light level (water surface): photoperiod 100-500 lux 16h light: 8h dark

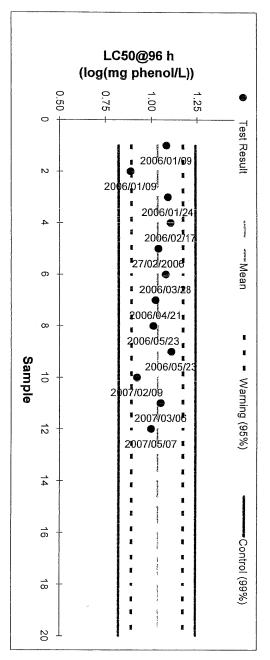
#### **Current Test**

control/dilution water:

dechlorinated tap water

			of variance	v coefficient	notes: sd standard deviation: cv coefficient of variance
	ce limits)	(99% confidence limits	1.24	0.82	control limits (±3 sd)
	ce limits)	(95% confidence limits)	1,17	0.89	warning limits (±2 sd)
			upper	lower	
7	cv(%):	0.07	sd	1.03	mean
		Historical Values	Historic		
	1.06	upper	0.94	lower	Confidence Limits (95%)
	mean	log (mg phenol/L); geometric mean	log (mg pher	1.00	Result (LC50 @ 96h)
		ended on 2007/05/07		007/05/03	started on 2007/05/03
			50H)	toxicant phenol (C <sub>6</sub> H <sub>5</sub> OH)	toxicant p

sa, standard deviation; cv, coefficient of



Qualty Assurance Unit:

Authorized by Diaz, ωį. Sc Quality Assurance Officer 2014002

The test data and results are verified correct



## Result Summary

Reference: 07-0761-01-DAS

Contents

Client: TAH102

Client: Tahera Diamond Corporation; operation

Yellowknife

Sample: PKCTox-14 May 07

Collection: collected on 2007/05/14 at 0900 by B.O.

Comments/Statistics..5

Test Data....

.....4

QA/QC.....6

Result Summary......1 Test Conditions......2

**Receipt:** received on 2007/05/16 at 1328 by J. Abcede **Containers:** received 1 x 20L pail at 19 °C, in good condition

with no seals and no initials

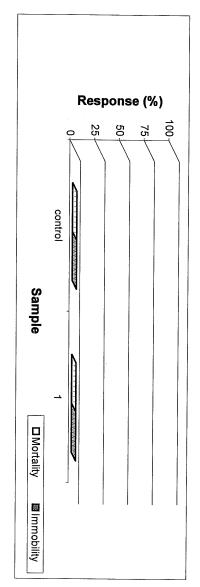
Description: type: water, collection method: grab

**Test:** started on 2007/05/17 ; ended on 2007/05/19

Result:

control II	Sample
lab control PKCTox-14 May 07	Client Code
00	Average Mortality (%) Im
0 0	age Immobility (%)
not toxic as tested	Comment

Notes: sd, sample standard deviation; cv, coefficient of variation; nd, not done; na, not applicable;



Authorized by K.Steele, B.Sc., Quality Assurance Officer The test data and results are verified correct



#### Test Conditions

Reference: 07-0761-01-DAS Client: TAH102

Method: Biological Test method: Reference Method for Determining Acute Lethality of Effluents to *Daphnia magna* , 2000. Environ. Can., EPS 1/RM/14

Second Edition.

Daphnia 48-h Static Acute Test (HQ 4.4.3.1)

Species: Daphnia magna

< 24 hours old

Organism source: in-house culture

Stock mortality: 0%

Culture brood data: 11 days to first brood

23 neonates per average brood

Sample initial chemistry: pH: 7.7; EC: 223 (µS/cm); DO: 7.5 (mg/L); temperature: 21 °C

hardness (mg CaC03/L): 57; colour: colourless; odour: organic/ chemical

Sample holding time: 3 days (must be ≤ 5 days)

Sample storage: 4 ± 2°C in darkness

Test vessel: 385 mL plastic vessels

Test volume: 150 mL

Sample pre-treatment:

The sample was not filtered or pH adjusted prior to or during testing The sample was pre-aerated for 0 minutes (rate of  $37.5 \pm 12.5$  mL/min.L<sup>-1</sup>)

The hardness of the sample was not adjusted (mg CaCO $_3$ /L) prior to or during

testing

Loading density:

Control water: One daphnid/15 mL (must ≤ 1 organism/15 mL)

Dechlorinated City of Calgary water acclimated to test conditions The hardness of the control/dilution water was 193 mg CaCO<sub>3</sub>/L

Test concentrations: Undiluted sample plus a negative control

Test replicates: Three replicates per treatment, 10 daphnids per replicate

Feeding: None

Aeration: None

Measurements: pH, conductivity, dissolved oxygen and temperature at test initiation and

termination

Lighting: Overhead full spectrum fluorescent lights; 400-800 lux at surface

Photoperiod: 16h light:8h dark

Test temperature: 20 ± 2°C

Note: Outlined sections are protocol deviations explained on the comment page



#### **Test Conditions**

Client: TAH102

Reference: 07-0761-01-DAS

Endpoint: Mortality, % mortality at 48-h
Immobility, % immobility at 48-h
Test validity: The control had 100% survival (must ≥ 90%)
Control had 0% abnormal behaviour (must < 10%), e.g. immobility

Reference toxicant: 48-h test with NaCl initiated May 15, 2007; current results (48-h LC50 and 95% confidence limits) = 0.83 (0.81-0.85) log (g/L NaCl)

Note: Outlined sections are protocol deviations explained on the comment page



#### Test Data

Client: TAH102 Reference: 07-0761-01-DAS

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test Daphnia appear normal	C.A. Martens	1210	2	2007/05/19
test <i>Daphnia</i> appear normal	M. Luong	1010		2007/05/18
test Daphnia appear normal	S. Krishnappa	1235	. 0	2007/05/17
Comment/Observation	Technician	Time	Day	Date

#### Chemistry:

replicate	Sample
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7.5	7.8	
7.5	7.8	

2	0	ı
475	398	
453	398	
459	398	Conductiv
278	229	ity (μS/cm)
275	229	
270	229	

2	0	
8.5	8.3	
8.5	8.3	
8.5	8.3	Dissolved Ox
 8.5	8.3	xygen (mg/L
8.3	8.3	)
8.4	8.3	

2	0	
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21	20	
21	20	Temperatu
21	20	ature (°C)
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replicate	Sample	Biology:
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; B, stuck on bi	11	11	and Behavi
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## Comments/Statistics

Client: TAH102 Reference: 07-0761-01-DAS

Test Result Comments:

None

Data Analysis:

None

#### **Protocol Deviations:**

The test vessel control replicate c was loaded with 11 daphnids at test initiation.

## **Quality Assurance Information**

**Test Method:** Daphnia Static Acute Test (LC50, five or more treatments plus a control) HydroQual Test Method Manual, section: 4.4.3.1

Reference: Biological Test Method: Reference Method for Determining the Acute Lethality of Effluents to *Daphnia magna*, 1990. Environment Canada, EPS 1/RM/14.

including May 1996 and December 2000 ammendments.

Test Organism:

test species: Daphnia magna culture source: in-house

inal culture source: Environmen

original culture source: Environment Canada days to first brood: 11

mean brood size: 23
ephippia in stock culture: no

age of test organisms: <24 hours old culture mortality (%): 0%

Test Design:

vol. of test vessel (mL): 500

toxicant: sodium chloride

test volume (mL): 150

replicates per treatment: 1

neonates per replicate: 10 volume per neonate (mL): 15

volume per neonate (mL): 15 samples preaerated: no

hardness adjustment: no

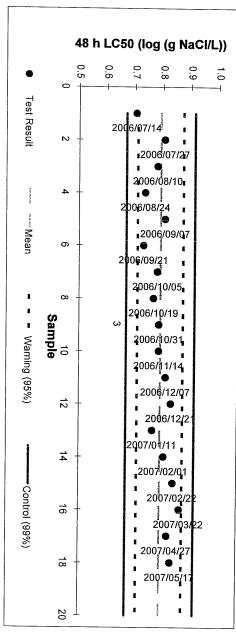
temperature (°C): 20 photoperiod: 16h light:8h dark

light level (water surface): 400-800 lux control/dilution water: dechlorinated tap

#### started on toxicant Sodium Chloride (NaCl) arted on 2007/05/15 ended on ended on 2007/05/17 **Current Test** dechlorinated tap water

Confidence Limits (95%) warning limits (±2 sd) Result (LC50 @ 48h) control limits (±3 sd) mean lower 0.71 lower 0.67 0.79 0.83 log (g NaCl/L); geometric mean upper 0.87 0.91 0.8 1 81 upper **Historical Values** (95% confidence limits) 0.04 cv(%): 0.85 G

notes: sd, standard deviation; cv, coefficient of variance



Quality Assurance Unit:

Authorized by G. Diaz, B.Sc., Quality Assurance Officer
The test data and results are verified correct.