

NIRB File No.: 05EN104 INAC No.: N2005J0032

August 17, 2007

Honourable Chuck Strahl c/o Jeff Holwell Lands Specialist Indian and Northern Affairs Canada Iqaluit, NU

Via email: holwellj@inac-ainc.gc.ca

Re: Application Terms and Conditions for Diamondex Resources Ltd.'s Camp Location
Amendment Request with INAC for Brodeur Property Project

Dear Jeff Holwell:

The Nunavut Impact Review Board (NIRB) has completed a review of Diamondex Resources Ltd.'s request to Indian and Northern Affairs Canada (INAC) for a camp location amendment for its **Brodeur Property Project**.

Please be advised that the NIRB received the following comments regarding the proposed camp location amendment:

Environment Canada (EC)

- The permittee shall remove all combustible waste petroleum products from the site and be dispose of properly at an approved disposal facility.
- It is recommended that Used absorbent materials, oily or greasy rags, and equipment servicing wastes should be safely stored and transported in sealed containers and safely transported to a facility that is authorized for the treatment and disposal of industrial hazardous wastes.

Government of Nunavut – Department of Environment

- It is recommended that soil contaminated by fuel (e.g., soils under an old storage tank) be treated on site or removed to an approved disposal site and replaced with new soil. Soils in the vicinity of fuel and/or chemical storage should be tested and disposed off if necessary.
- The permittee shall apply appropriate technologies to ensure complete combustion of wastes, and the use of a dual chamber, forced-air incinerator is recommended. The proponent shall make determined efforts to achieve compliance with *Canada-Wide Standards (CWS)* for *Dioxins and Furans*, and *CWS for Mercury Emissions*.
- The permittee shall implement a comprehensive waste management strategy that is designed to reduce and control the volumes of wastes produced, transported, and disposed of.

It is required that waste wood treated with preservatives such as creosote, pentachlorophenol or heavy metal solutions should not be burned. Additionally, plastics, electrical wire, asbestos and building demolition wastes (except clean wood) are wastes likely to produce dioxins and furans when burned and should be excluded from incineration. Finally, hazardous wastes should not be managed through burning or incineration.

These concerns have been incorporated into the following additional recommended **Waste Disposal** terms and conditions:

- 10. The permittee is required to remove all waste petroleum products from the abandoned campsite and dispose of at an approved disposal site.
- 11. The permittee is required to use a dual chamber, forced-air incinerator to achieve compliance with *Canada-Wide Standards (CWS) for Dioxins and Furans*, and *CWS for Mercury Emissions*.
- 12. The permittee is required to ensure that waste wood treated with preservatives such as creosote, pentachlorophenol or heavy metal solutions not be burned. In addition, plastics, electrical wire, asbestos and building demolition wastes (except clean wood) are wastes likely to produce dioxins and furans when burned and should be excluded from campsite incineration.
- 13. The permittee shall implement a comprehensive waste management strategy that is designed to reduce and control the volumes of wastes produced, transported, and disposed of at proposed new campsite.

Therefore, the NIRB is reissuing the recommended Terms and Conditions contained in the July 29, 2005 Screening Decision (attached), as well as recommending the additional terms and conditions, as noted above, be incorporated into the INAC Land Use Permit for this project.

In addition, NIRB notes the following legislation is applicable to the permittee and the project through all relevant legislation should the project proceed:

The Species at Risk Act (http://laws.justice.gc.ca/en/showtdm/cs/S-15.3). Attached in Appendix A is a list of Species at Risk in Nunavut. The Proponent should consult the Species at Risk Public Registry (http://www.sararegistry.gc.ca/) to identify any Species at Risk within the project location including in project region. Further, the Proponent shall develop monitoring plans for each relevant Species at Risk in accordance with any applicable status reports, recovery strategies, action plans, and management plans posted on the Species at Risk Public Registry and in consultation with the Government Organization with Primary Management Responsibility. Monitoring plans should record the locations and frequency of observing species of special concern and note any actions taken to avoid contact or cause disturbance to the species, its residence, or its critical habitat.

If you have any questions or concerns, feel free to contact the NIRB's Technical Advisor, Li Wan at (867) 983-4608 or lwan@nirb.nunavut.ca.

Sincerely,

Stephanie Briscoe Executive Director

Cc: Janet Stritychuk, Diamondex Resources Ltd.

Cindy Parker, Environment Canada, Helen Yeh, Government of Nunavut

Attachments: Appendix A – January 3, 2007 Species at Risk in Nunavut

January 29, 2005 Screening Decision Report

APPENDIX A

Species at Risk in Nunavut

This list includes species listed on one of the Schedules of SARA (*Species at Risk Act*) and under consideration for listing on Schedule 1 of SARA. These species have been designated as at risk by COSEWIC (Committee on the Status of Endangered Wildlife in Canada). This list may not include all species identified as at risk by the Territorial Government.

- Schedule 1 is the official legal list of Species at Risk for SARA. SARA applies to all species on Schedule 1. The term "listed" species refers to species on Schedule 1.
- Schedule 2 and 3 of SARA identify species that were designated at risk by the COSEWIC prior to October 1999 and must be reassessed using revised criteria before they can be considered for addition to Schedule 1.
- Some species identified at risk by COSEWIC are "pending" addition to Schedule 1 of SARA. These species are under consideration for addition to Schedule 1, subject to further consultation or assessment.

Schedules of SARA are amended on a regular basis so it is important to periodically check the SARA registry (www.sararegistry.gc.ca) to get the current status of a species.

Updated: January 3, 2007

	COGENIA		Government Organization
Species at Disk	COSEWIC	Schedule of SARA	with Lead Management Responsibility ¹
Species at Risk	Designation		
Eskimo Curlew	Endangered	Schedule 1	EC
Ivory Gull	Endangered ²	Schedule 1	EC
Peregrine Falcon (subspecies anatum)	Threatened	Schedule 1	Government of Nunavut
Ross's Gull	Threatened	Schedule 1	EC
Harlequin Duck (Eastern population)	Special Concern	Schedule 1	EC
Felt-leaf Willow	Special Concern	Schedule 1	Government of Nunavut
Peregrine Falcon (subspecies tundrius)	Special Concern	Schedule 3	Government of Nunavut
Short-eared Owl	Special Concern	Schedule 3	Government of Nunavut
Fourhorn Sculpin	Special Concern	Schedule 3	DFO
Peary Caribou	Endangered ³	Pending	Government of Nunavut
Beluga Whale	Endangered	Pending	DFO
(Eastern Hudson Bay			
population)			
Beluga Whale	Threatened	Pending	DFO
(Cumberland Sound			
population)			
Beluga Whale	Special Concern	Pending	DFO
(Western Hudson Bay	_		
population)			
Beluga Whale	Special Concern	Pending	DFO

(Eastern High Arctic –			
Baffin Bay population)			
Bowhead Whale	Threatened ⁴	Pending	DFO
(Hudson Bay-Foxe			
Basin population)			
Bowhead Whale	Threatened ⁴	Pending	DFO
(Davis Strait-Baffin			
Bay population)			
Porsild's Bryum	Threatened	Pending	Government of Nunavut
Atlantic Walrus	Special Concern	Pending	DFO
Narwhal	Special Concern	Pending	DFO
Rusty Blackbird	Special Concern	Pending	Government of Nunavut
Barren-ground	Special Concern ³	Pending	Government of Nunavut
Caribou (Dolphin and			
Union population)			
Grizzly Bear	Special Concern	Pending	Government of Nunavut
Polar Bear	Special Concern	Pending	Government of Nunavut
Wolverine (Western	Special Concern	Pending	Government of Nunavut
Population)			

¹ Environment Canada has a national role to play in the conservation and recovery of Species at Risk in Canada, as well as responsibility for management of birds described in the Migratory Birds Convention Act (MBCA). Day-to-day management of terrestrial species not covered in the MBCA is the responsibility of the Territorial Government. Populations that exist in National Parks are also managed under the authority of the Parks Canada Agency. EC = Environment Canada, DFO = Department of Fisheries and Oceans

² Designated as Endangered by COSEWIC in April 2006 and it is expected that the category of concern in SARA will also be changed from Special Concern to Endangered.

³ Peary Caribou was split into three separate populations in 1991: Banks Island (Endangered), High Arctic (Endangered) and Low Arctic (Threatened) populations. The Low Arctic population also included the Barren-ground Caribou - Dolphin and Union population. In May 2004 all three population designations were de-activated, and the Peary Caribou, Rangifer tarandus pearyi, was assessed separately from the Barren-ground Caribou (Dolphin and Union population), Rangifer tarandus groenlandicus. The subspecies pearyi is composed of a portion of the former "Low Arctic population" and all of the former "High Arctic" and "Banks Island" populations, and it was designated Endangered in May 2004. Although SARA lists Peary Caribou on Schedule 2 as three separate populations, the most current designation is the COSEWIC designation of the subspecies pearyi as Endangered.

⁴ The "Eastern and Western Arctic populations" of Bowhead Whale were given a single designation of Endangered in April 1980 by COSEWIC. These were split into two populations to allow separate designations in April 1986. The Eastern population was not re-evaluated in April 1986, but retained the Endangered status of the original "Eastern and Western Arctic populations". The Eastern Arctic population was further split into two populations (Hudson Bay-Foxe Basin population and Davis Strait-Baffin Bay population) in May 2005, and both these populations were designated as Threatened. Both these populations are under consideration for addition to Schedule 1. Although SARA lists the Eastern Arctic population as Endangered (Schedule 2), the most current designation is the COSEWIC designations of the Hudson Bay-Foxe Basin and Davis Strait-Baffin Bay populations as Threatened.