

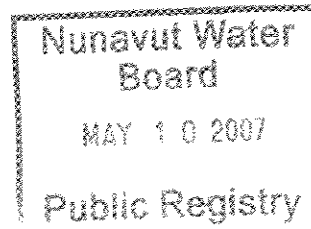
Environment  
CanadaEnvironnement  
Canada

Environmental Protection Operations  
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May 8, 2007

Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU X0B 1J0

Attention: Phyllis Beaulieu



Our File: 4703 003 035

Fax: (867) 360-6369

**RE: NWB 2BE-BRO0607 –Assignment of Water License from Kennecott to Diamondex- Brodeur Lake**

On behalf of Environment Canada (EC), I have reviewed the information submitted with the above-mentioned application. The following specialist advice has been provided pursuant to Environment Canada's mandated responsibilities for the enforcement of the *Canadian Environmental Protection Act*, Section 36(3) of the *Fisheries Act*, the *Migratory Birds Convention Act*, and the *Species at Risk Act*.

Diamondex Resources Ltd. is applying for the assignment of Nunavut Water License 2BE-BRO0607 from Kennecott Canada Exploration Inc. to pursue continued diamond exploration on the Brodeur Peninsula. Environment Canada recommends that the proponent adhere to the same guidance provided for activities related to diamond exploration and drilling on the Brodeur Peninsula, (NWB 2BRO0405) regardless of changes to the licensee.

It is understood that The Brodeur Project is within latitudes 73°20'N and 73°40'N and longitudes 87°00'W and 89°00'W. Project activities will be supported by a 15 person seasonal camp, named St. Joseph's Exploration Camp. This camp is located 25 km upstream of the Jackson River on the Brodeur Peninsula's northwestern side. The camp has a coordinate of 73°14'49.4"N, 87°52'10.4"N and is 80 km west of Arctic Bay, NU. Project activities for the 2006 and 2007 exploration seasons include prospecting, geological mapping, geophysical surveying, and diamond drilling, all of which will be conducted with the aim of locating diamond-bearing kimberlite deposits.

Environment Canada recommends that the following conditions be applied throughout all stages of the project:

**GENERAL**

- The proponent shall not deposit, nor permit the deposit of any fuel, chemicals, wastes or sediment into any water body. According to the *Fisheries Act*, Section 36(3), the deposition of deleterious substances of any type in water frequented by fish, or in any place under any conditions where the deleterious substance, or any other deleterious substance that results from the deposit of the deleterious substance, may enter any such water, is prohibited.
- Section 35 of the *Migratory Birds Regulations* states that no person shall deposit or permit to be deposited, oil, oil wastes or any other substance harmful to migratory birds in any waters or any area frequented by migratory birds. If harmful substances do come into contact with bodies of water that are frequented by migratory birds during the open water season, then these must be completely cleaned up following the procedures identified by the proponent and subject to final approval by an Inspector.
- Environment Canada recommends that all activities be conducted outside the migratory bird breeding season, which extends from approximately June 1-July 15. These dates are approximate, and if active nests (i.e., nests containing eggs or young) are encountered outside of these dates, the proponent should avoid the area until nesting is complete (i.e., the young have left the nest). Paragraph 6(a) of the *Migratory Birds Regulations* state that no one shall disturb or destroy the nests or eggs of migratory birds.

- In order to reduce disturbance to resting, feeding, or moulting birds, CWS recommends that aircraft used in conducting project activities maintain a vertical distance of 1000 m and minimum horizontal distance of 1500 m from any observed concentrations (flocks / groups) of birds.

#### DRILLING

- Drill cuttings and sludge shall either be placed within sumps or bagged and transported away from the project area for proper disposal.
- Sumps created for the disposal of drill cuttings shall be located above the high water mark of any water body and in such a manner as to prevent the contents from entering any water body frequented by fish.
- Environment Canada would like to inform the proponent that the *Canadian Environmental Protection Act* has listed Calcium Chloride (CaCl) as a toxic substance. The proponent shall therefore ensure that if CaCl is used as a drill additive, all sumps containing CaCl are properly constructed and located in such a manner as to ensure that the contents will not enter any water body.
- Land based drilling should not occur within 30 m of the high water mark of any water body.
- If an artesian flow is encountered, the drill hole shall be immediately plugged and permanently sealed.

#### CAMPS

- Any sumps created for the disposal of camp sewage or grey water shall be located at least 30m above the high water mark of any water body and in such a manner as to prevent the contents from entering any water body frequented by fish. Further, all sumps shall be backfilled upon completion of the field season and contoured to match the surrounding landscape.
- The proponent shall not store materials on the surface ice of lakes or streams, except that which is for immediate use

#### FUEL STORAGE / SPILL CONTINGENCY / HAZARDOUS MATERIALS

- The proponent shall ensure that any hazardous materials, including waste oil, receive proper treatment and disposal at an approved facility.
- Environment Canada recommends the use of secondary containment, such as self-supporting insta-berms when storing barreled fuel on location rather than relying on natural depressions

Environment Canada advises the Nunavut Water Board that the Brodeur Project is within an area that is known to have Ivory Gull breeding sites. Currently, Ivory Gulls are listed under the *Species at Risk Act (SARA)* as a Species of Special Concern on Schedule 1. However, due to recent High Arctic research findings, the Canadian Wildlife Service (CWS) has requested that the Committee on the Status of Endangered Wildlife in Canada up-list the species to Threatened or Endangered. The CWS anticipates that the Ivory Gull species will be up-listed and development practices which affect Ivory Gulls and/or their habitat would be subject to prohibitions under the *Nunavut Wildlife Act* or the *SARA*. The CWS recommends that the Proponent take extra precautions to avoid nesting areas of Ivory Gull and, upon observing any evidence of Ivory Gull nest sites, record their locations and contact the Canadian Wildlife Service - Environment Canada office in Iqaluit as soon as possible.

If there are any changes in the proposed project, EC should be notified, as further review may be necessary. Please do not hesitate to contact me with any questions or comments with regards to the foregoing at (780) 951-8942 or by email at [jody.klassen@ec.gc.ca](mailto:jody.klassen@ec.gc.ca).

Yours truly,



Jody Klassen

cc: Carey Ogilvie (Head, Assessment and Monitoring, EPO)  
Mike Fournier (Northern Environmental Assessment Coordinator, A&M, EPO)