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Your file - Votre référence  
2BE-CHU0508

Our file - Notre référence  
9545-2-2CHUG / #80907

May 25, 2006

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*Via Email*

**Re: 2BE-CHU0508 - Shear Minerals Ltd. - Churchill Diamond Project - 2005 Annual Report**

On behalf of Indian and Northern Affairs Canada (INAC) I have reviewed the above-mentioned application. The following specialist advice has been provided pursuant to INAC's mandated responsibilities for the enforcement of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NW&NSRT), *Arctic Waters Pollution Prevention Act* (AWPPA), and the *Department of Indian Affairs and Northern Development Act* (DIAND Act).

#### Background Information

Shear Minerals Ltd. has submitted an Annual Report of water use and disposal of waste associated with the mining exploration activities of its Churchill Diamond Project in 2005. This project is situated 30 km north northeast of Rankin Inlet and 60 km southwest of Chesterfield Inlet, having a general coordinate of 63°N, 93°02'W. Project personnel were accommodated in an exploration camp located on the shore of Josephine Lake. This camp has a coordinate of 63°12'26"N, 91°14'58". The project licence allows for the daily consumption of 55 m<sup>3</sup> of freshwater from local sources. Of this amount, 5 m<sup>3</sup> is dedicated for domestic purposes and 50 m<sup>3</sup> to support drilling operations.

The Churchill Diamond Project's 2005 Annual Report indicates that the volume of freshwater consumption was within licence limits. All wastes were disposed of in accordance with licence requirements and no hazardous material spills were reported. The Annual Report states that the project's Spill Contingency and Abandonment and Reclamation (A&R) Plans have been approved by the Board and that for the time being, the proponent does not intend to revise them.

## INAC Comments

INAC recommends that the following concerns be taken into consideration when reviewing the Churchill Diamond Project's 2005 Annual Report.

### **SPILL CONTINGENCY**

- It is suggested that the proponent revise its Spill Contingency Plan so that it meets the requirements specified in Part H of its project's licence. In particular, this Plan should include:
  - The name and contact information of the person on site responsible for implementing the Spill Contingency Plan.
  - A fuel inventory which indicates the types and volumes of products stored in the project area.
  - A map which identifies all the camp layout in relations to areas of potential impact. This map should include fuel storage and spill kit locations.
- It is suggested that the Spill Contingency Plan include the appropriate Material Safety Data Sheets for all hazardous materials used to support project activities.
- All fuel caches shall be located above the high water mark of any water body. Furthermore, the use of some form of secondary containment, such as self-supporting insta-berms, is recommended when storing barreled fuel on location rather than relying on natural depressions.
- The proponent shall ensure that all hazardous wastes, including waste oil, receive proper treatment and disposal at an approved facility.

### ABANDONMENT AND RECLAMATION

- It is recommended that the project's A&R Plan indicate when it was last revised and the time-frame in which it is applicable (i.e., the duration of the project's licence). It would be beneficial for this Plan to include Shear Minerals Ltd. contact information so that it can be a stand-alone document.
- It is recommended that the A&R Plan be revised to address seasonal and final A&R procedures. The proponent can use the Guidelines for Abandonment and Restoration Planning for Mines in the Northwest Territories (1990) document posted on the <http://ftp.nunavut.ca/nwb> website as reference material.
- The proponent shall ensure that conditions outlined in Part I of its licence are met. More specifically, is recommended that the A&R Plan be revised to address:
  - The storage of drill core. All extracted drill core shall be stored according to applicable regulations in an appropriate manner and location at least 30 m above the ordinary high water mark of any nearby water bodies, where any direct flow into a water body is not possible and no additional impacts are created.
  - All disturbed areas shall be stabilized and re-vegetated as required, upon completion of work, and restored to a pre-disturbed state.

If there are any changes in the proposed project, INAC should be notified, as further review may be necessary. Please do not hesitate to contact me if you have any questions or comments with regards to the foregoing by telephone (867) 975-4555 or by email via [abernethyd@inac-ainc.gc.ca](mailto:abernethyd@inac-ainc.gc.ca).

Sincerely,

***Original signed by***

David W. Abernethy  
Water Resources Coordinator

cc. Jim Rogers - Manager of Water Resources, Indian and Northern Affairs Canada, Iqaluit

