



Fisheries and Oceans
Canada

Pêches et Océans
Canada

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October 20, 2005

Your file *Votre référence*
NIRB# 05EN087

Our file *Notre référence*
NU-05-2806

Gladys Joudrey
Manager Environmental Administration
Nunavut Impact Review Board
P.O. Box 2379
Cambridge Bay, NU X0A 0C0

Via electronic mail to:
gjoudrey@nirb.nunavut.ca

Dear Ms. Joudrey:

Subject: Diamondex Resources Ltd. Exploration Program, Heequo Property, Kitikmeot Region.

Fisheries and Oceans Canada (DFO) received the proposal on May 30th, 2005, concerning Diamondex Resources Ltd. Exploration Program on their Heequo Property in the Kitikmeot Region of Nunavut. To expedite future correspondence or inquiries, please refer to the referral title and file numbers when you contact us.

Referral File No.:	05-HCAA-CA4-000-002806
Habitat File No.:	NU-05-2806
Referral Title:	Mineral Exploration (diamonds), Diamondex Resources Ltd., Heequo Property, Takijuk Lake Area

It is our understanding that the proposal consists of:

- Works that will occur between July 18, 2005 and July 17, 2007;
- Prospecting and till sampling; geophysical surveys; and potentially exploration drilling.

as outlined in the following plans:

- Diamondex Resources Ltd. INAC Application for Land Use Permit and Supplementary Information;
- Diamondex Resources Ltd., Non-technical Project Proposal Summary.

If the above plans have changed since the time of submission, the advice in this letter may no longer apply and the proponent should consult with us to determine if further review is needed.

We have concluded that the proposed works and undertakings are adequate to protect fish and fish habitat provided that the work is carried out as described in the plans and the following additional measures are implemented:

- If artesian flow is encountered, drill holes should be plugged and permanently sealed upon completion of the project.

- All disturbed areas should be stabilized and re-vegetated as required, upon completion of work, and restored to a pre-disturbed state.
- No material should be left on the ice when there is potential for that material to enter the water (i.e. spring break-up).
- If the operations requires water in sufficient volume that the source water body may be drawn down, please submit details (volume required, size of water body, fish species etc.) to DFO for review. DFO strongly discourages the use of streams as a water source.

Extraction of water via intake from any water body is prohibited under Section 30 of the *Fisheries Act* unless the entrance of the intake is properly screened to prevent the entrainment of fish. Refer to the *Freshwater Intake End-of-Pipe Fish Screen Guideline* (DFO 1995), which is available upon request. No harm should come to fish during water removal as long as the following mitigation measures are implemented:

- Ensure that the holes in the screen are small enough that no fish of any size can pass through the screen and into the intake.
- The rate of water withdrawal should be such that fish do not become impinged on the screen.
- Make certain that the fish guard or screen is properly maintained, in a good state of repair, and is not removable except for renewal or repair.
- During the time in which a renewal or repair is being conducted, the entrance of the water intake should be closed in order to prevent the passage of fish into the intake.

By implementing these additional measures and those already outlined in your plans, it is our opinion that the proposed works and undertakings will not likely result in the harmful alteration, disruption or destruction (HADD) of fish habitat, which is prohibited unless authorized by DFO. These are recommendations to ensure that the proposed works will likely not result in a HADD of fish habitat. Therefore a subsection 35(2) Authorization is not necessary.

You could contravene subsection 35(1) of the *Fisheries Act* if a HADD of fish habitat results from any change in your proposed plan or from failure to properly implement these additional measures. Subsection 35(1) states, "*no person shall carry on any work or undertaking that results in the harmful alteration, disruption or destruction of fish habitat.*"

This letter of advice does not permit the deposit of a deleterious substance (section 36 of the *Fisheries Act*) into waters frequented by fish nor does it release you from the responsibility to obtain any other federal (for example, the *Navigable Waters Protection Act*) or territorial approvals.

- Sediment and erosion control measures should be implemented prior to commencement of, and maintained during, the work to prevent sediment entry into the water.
- Drill cuttings should be suitably contained such that they do not enter any water body. The use of biodegradable, salt free drill additives is encouraged over non-biodegradable types.
- For any drilling activities, the proponent should ensure that the contractor undertaking the drill is prepared with a contingency plan covering the detection, control and handling of any inadvertent drilling fluid migration that may enter a water body.

- All activities, including operation, maintenance procedures and vehicular refueling, should be controlled to prevent the entry of petroleum products, sediment, debris or other deleterious substances into the water.
- All spills of oil, fuel, or other deleterious material should be reported immediately to the 24-Hour Spill Line at (867) 920-8130.

If there are any questions concerning the above, or if my understanding of the proposal is either incorrect, incomplete, or if there are changes to the proposed works or undertakings, please contact me directly by telephone at (867) 979-8012 or by fax at (867) 979-8039.

Yours sincerely,

Original signed by:

Lyndon Kivi
Habitat Management Biologist
Fisheries and Oceans Canada – Eastern Arctic Area

Copy: Phyllis Beaulieu - Nunavut Water Board
Spencer Dewar - DIAND
Karen A. McNair, Diamondex Resources Ltd.
Keith Pelley - Fisheries & Oceans Canada – Conservation and Protection