



Fisheries and Oceans
Canada

Pêches et Océans
Canada

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April 26, 2007

Your file *Votre référence*
2BE-HEP

Our file *Notre référence*
NU-07-0030

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, Nunavut X0B 1J0

Via electronic mail to:
licensing@nunavutwaterboard.org

Dear Ms. Beaulieu:

Subject: Diamonds North Resources Limited – Hepburn Lake Project – Type “B”

Fisheries and Oceans Canada (DFO) received your referral concerning the multi-year diamond exploration program near Hepburn Lake located in the South Coppermine Area of the Kitikmeot Region of Nunavut. To expedite future correspondence or inquiries, please refer to the following referral title and file number when you contact us:

Habitat File No.:	NU-07-0030
Referral Title:	Exploration, Hepburn Lake Project, Hepburn Lake, Kitikmeot Region

It is our understanding that the proposal consists of:

- *a diamond exploration program between January 1, 2007 and December 31, 2012 to determine if magnetic features are sourced by kimberlite and to determine their diamond content;*
- *on-ice drilling to occur after break up and cuttings from the drills will be pumped to shore with the use of a Poly-drill system;*
- *on-land drilling where the cuttings will be collected in a constructed sump or a natural depression;*
- *prospecting; and*
- *geophysical surveying.*

As outlined in the following plans:

- *Application for a Water Licence submitted to the Nunavut Water Board, by Graham Gill (Diamonds North Resources Limited), dated November 30, 2006;*
- *Exploration/Remote Camp Supplementary Questionnaire, submitted by Diamonds North Resources Limited; and,*
- *Non-Technical Summary of a Diamond Exploration Project on the Hepburn Project, Nunavut, submitted by Diamonds North Resources Limited.*

If the above plans have changed since the time of submission, the advice in this letter may no longer apply and we should be consulted 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:

- All disturbed areas should be stabilized and reclaimed to pre-construction conditions upon completion of work. Work associated debris should be removed immediately after completion of construction.
- Suitable erosion and sediment suppression measures should be implemented on disturbed areas before, during and after construction until vegetation or other appropriate measures are established in order to prevent sediment from entering any waterbody.
- All wastes, drill cuttings, sewage containments, settling ponds and fuel caches should be located a minimum of thirty (30) metres from the normal high water mark of any water body, and be sufficiently bermed or otherwise contained to ensure that these substances do not enter any water body.
- If the operations requires water in sufficient volume that the source water body may be drawn down, details should be submitted (volume required, size of water body, percent of total volume of water in source lake to be used, fish species etc.) to DFO for review. DFO strongly discourages the use of streams as a water source.
- Intakes of all water intakes (for drills and domestic uses) should be equipped with an appropriately sized screen to prevent debris blockage and fish mortality (refer to DFO's Freshwater Intake End-of-Pipe Fish Screen Guidelines, 1995, available at www.dfo-mpo.gc.ca/library/223669.pdf). DFO discourages the use of small lakes and streams for water withdrawal.

By implementing these additional measures and those already outlined in the 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) *Fisheries Act* Authorization is not necessary.

The Proponent could contravene subsection 35(1) of the *Fisheries Act* if a HADD of fish habitat results from any change in the 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 into waters frequented by fish which is prohibited under Subsection 36(3) of the *Fisheries Act*.

This letter of advice does not release the proponent from the responsibility to obtain any other federal, territorial or municipal approvals.

We request that we be notified at least 10 working days before the start of work and that a copy of this letter be kept on site while work is in progress. 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, DFO should be contacted directly by telephone at (867) 979-8007 or by fax at (867) 979-8039.

Yours sincerely,

Original Signed By:

Amy Liu
Fish Habitat Biologist
Fisheries and Oceans Canada – Eastern Arctic Area

Copy: Ipeelee Itorcheak, DFO, Conservation and Protection