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NWB file: 2BE-NAN0813

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Via email: licensing@nunavutwaterboard.org

Attention: Ms. Beaulieu

**RE: 121205: 2BE-NAN0813 Renewal Application Peregrine Diamonds Nanuq Project
Kivalliq Region**

Environment Canada (EC) has reviewed the above-mentioned renewal application and supporting materials submitted to the Nunavut Water Board (NWB). The following specialist advice has been provided pursuant to the *Canadian Environmental Protection Act 1999*, the pollution prevention provisions of the *Fisheries Act*, the *Migratory Birds Convention Act*, and the *Species at Risk Act*.

Peregrine Diamonds Ltd. is applying to the NWB to renew water license 2BE-NAN0813 for a five year term which supports exploration activities at their Nanuq Project in the Kivalliq Region. Activities include prospecting, surficial sediment sampling, airborne and ground geophysical surveying and exploratory, delineation and evaluation drilling/sampling of numerous targets. Water use proposed to occur under this renewed license is consistent with the volume previously permitted.

Based on a review of the proposed renewal, EC provides the following comments for the NWB's consideration:

General

- Subsection 36(3) of the *Fisheries Act* specifies that, unless authorized by federal regulation, no person shall deposit or permit the deposit 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. The definition of deleterious substance (subsection 34(1) of the *Fisheries Act*) includes "any water that contains a substance in such quantity or concentration, or that has been so treated, processed or changed, by heat or other means, from a natural state that it would, if added to any other water, degrade or alter or form part of a process of degradation or alteration of the quality of that water so that it is rendered or is likely to be rendered deleterious to fish or fish habitat or to the use by man of fish that frequent that water." Subsection 36(3) makes no allowance for a mixing or dilution zone at the point of deposit.
- All sumps, spill basins and fuel caches should be located in such a manner as to ensure that their contents do not enter any water body and are to be backfilled and re-contoured to their pre-disturbance condition when they are no longer required.

- All mitigation measures identified by the proponent, and the additional measures suggested herein, should be strictly adhered to in conducting project activities. This will require awareness on the part of the proponents' representatives (including contractors) conducting operations in the field. EC recommends that all field operations staff be made aware of the proponent's commitments to these mitigation measures and provided with appropriate advice / training on how to implement these measures.

Drilling

- Land-based drilling should not occur within 30 m of the high water mark of any water body unless approved by the NWB and Aboriginal Affairs and Northern Development Canada (AANDC).
- Chemical additives or drilling muds used in connection with this drilling program should be disposed of such that they do not enter any water body either by surface or ground water flows.
- EC has assessed inorganic chloride salts and concluded that these salts in high concentrations are harmful to the environment. As a result, the proponent should ensure that when using calcium chloride (CaCl_2) for drilling purposes that return water is contained and located in such a manner as to ensure that the contents do not migrate into any waterbody frequented by fish. Please note that the proponent should not rely on permafrost integrity to contain and isolate drilling wastes.

Spill Contingency Plan

- Refuelling should not take place below the high water mark of any water body and shall be done in such a manner as to prevent any hydrocarbons from entering any water body frequented by fish.
- A spill kit, including shovels, barrels, absorbents, etc., should be readily available at all locations where fuel is being stored or transferred in order to provide immediate response in the event of a spill and should accommodate 110% of the capacity of the largest fuel storage container.
- EC recommends the use of secondary containment, such as self-supporting insta-berms, for storage of all barrelled fuel rather than relying on natural depressions to contain spills.
- Please note that according to the AANDC's "Guidelines for Spill Contingency Planning" (April 2007), available at <http://www.aadnc-aandc.gc.ca/eng/1100100024236/1100100024253>, all releases of harmful substances, **regardless of quantity** are to be reported to the NWT / NU 24-hour Spill Line, (867) 920-8130 if the release is near or into a water body, is near or into a designated sensitive environment or sensitive wildlife habitat, poses imminent threat to human health or safety, poses imminent threat to a listed species at risk or its critical habitat, or is uncontrollable.

Waste Disposal

- Under the *Canadian Environmental Protection Act 1999* and the *Interprovincial Movement of Hazardous Wastes Regulations*, the transportation of hazardous waste between territories requires that the proponent completes movement documents. The Government of Nunavut only regulates waste in Nunavut and has no authority outside of the territory. An approved movement document should be completed and accompany all hazardous waste shipments.
- EC recommends the use of an approved incinerator for the disposal of combustible wastes. EC has developed a Technical Document for Batch Waste Incineration, and is available at the following web link:
<http://www.ec.gc.ca/gdd-mw/default.asp?lang=En&n=F53EDE13-1>
The technical document provides information on appropriate incineration technologies, best management and operational practices, monitoring and reporting. This information should be incorporated into an incineration management plan for the project.
- The proponent states that sewage waste will be incinerated. Raw sewage has a high moisture content and low heat content. Therefore it is unlikely that the sewage will be completely combusted and could lead to the release of pathogens into the environment. The high moisture materials can leak from the incinerator hearth leading to equipment damage and presenting health hazards to workers. Raw sewage should only be burned in incineration equipment designed for this type of waste. If the proponent decides to pursue sewage sludge

incineration, it should provide the Board with the design specifications of the incinerator and a letter from the manufacturer stating that this equipment is suitable for burning this type of waste.

Wildlife and Species at Risk

- Subsection 6(a) of the *Migratory Birds Regulations* states that no one shall disturb or destroy the nests or eggs of migratory birds. If active nests are encountered during project activities, the nesting area should be avoided until nesting is complete (i.e., the young have left the vicinity of the nest). The Proponent should consult the fact sheet “Planning Ahead to Reduce Risks to Migratory Bird Nests” available at: <http://www.ec.gc.ca/paom-itmb/>
- EC recommends that food, domestic wastes, and petroleum-based chemicals (e.g., greases, gasoline, glycol-based antifreeze) be made inaccessible to wildlife at all times. Such items can attract predators of migratory birds such as foxes, ravens, gulls, and bears. Although these animals may initially be attracted to the novel food sources, they often will also eat eggs and young birds in the area. These predators can have significant negative effects on the local bird populations.
- Subsection 5.1 of the *Migratory Birds Convention Act* prohibits persons from depositing substances harmful to migratory birds in waters or areas frequented by migratory birds or in a place from which the substance may enter such waters or such an area.
- In order to reduce aircraft disturbance to migratory birds, EC recommends the following, safety permitting:
 - Fly at times when few birds are present (e.g., early spring, late fall, winter)
 - If flights cannot be scheduled when few birds are present, plan flight paths that minimize flights over habitat likely to have birds and maintain a minimum flight altitude of 650 m (2100 feet).
 - Minimize flights during periods when birds are particularly sensitive to disturbance such as migration, nesting, and moulting.
 - Plan flight paths to avoid known concentrations of birds (e.g., bird colonies, moulting areas) by a lateral distance of at least 1.5 km. If avoidance is not possible, maintain a minimum flight altitude of 1100 m (3500 feet) over areas where birds are known to concentrate.
 - Avoid the seaward side of seabird colonies and areas used by flocks of migrating waterfowl by 3 km.
 - Avoid excessive hovering or circling over areas likely to have birds.
 - Inform pilots of these recommendations and areas known to have birds.
- Subsection 79(2) of the *Species at Risk Act* (SARA), states that during an assessment of effects of a project, the adverse effects of the project on listed wildlife species and its critical habitat must be identified, that measures are taken to avoid or lessen those effects, and that the effects need to be monitored. This section applies to all species listed on Schedule 1 of SARA. However, as a matter of best practice, EC suggests that species on other Schedules of SARA and under consideration for listing on SARA, including those designated as at risk by the Committee on the Status of Endangered Wildlife in Canada (COSEWIC), be considered during an environmental assessment in a similar manner. The Table below lists species that may be encountered in the project area that have been assessed by COSEWIC as well as their current listing on Schedules 1-3 of SARA (and designation, if different from that of COSEWIC). Project impacts could include species disturbance, attraction to operations and destruction of habitat.

Terrestrial Species at Risk potentially within project area ¹	COSEWIC Designation	Schedule of SARA	Government Organization with Primary Management Responsibility ²
Peregrine Falcon	Special Concern (<i>anatum-tundrius</i> complex ³)	Schedule 1	Government of Nunavut

Wolverine (Western population)	Special Concern	Pending	Government of Nunavut
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¹ The Department of Fisheries and Oceans has responsibility for aquatic species.

² EC 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. Thus, for species within their responsibility, the Territorial Government is best suited to provide detailed advice and information on potential adverse effects, mitigation measures, and monitoring.

- For any Species at Risk that could be encountered or affected by the project, the proponent should note any potential adverse effects of the project to the species, its habitat, and/or its residence. All direct, indirect, and cumulative effects should be considered. Refer to species status reports and other information on the Species at Risk registry at <http://www.sararegistry.gc.ca> for information on specific species.
- If Species at Risk are encountered or affected, the primary mitigation measure should be avoidance. The proponent should avoid contact with or disturbance to each species, its habitat and/or its residence.
- Monitoring should be undertaken by the proponent to determine the effectiveness of mitigation and/or identify where further mitigation is required. As a minimum, this monitoring should include recording the locations and dates of any observations of Species at Risk, behaviour or actions taken by the animals when project activities were encountered, and any actions taken by the proponent to avoid contact or disturbance to the species, its habitat, and/or its residence. This information should be submitted to the appropriate regulators and organizations with management responsibility for that species, as requested.
- For species primarily managed by the Territorial Government, the Territorial Government should be consulted to identify other appropriate mitigation and/or monitoring measures to minimize effects to these species from the project.
- Mitigation and monitoring measures must be taken in a way that is consistent with applicable recovery strategies and action/management plans.
- Implementation of these measures may help to reduce or eliminate some effects of the project on migratory birds and Species at Risk, but will not necessarily ensure that the proponent remains in compliance with the *Migratory Birds Convention Act*, *Migratory Birds Regulations*, and the *Species at Risk Act*. The proponent must ensure they remain in compliance during all phases and in all undertakings related to the project.

If there are any changes to the project EC should be notified, as further review may be necessary. Please do not hesitate to contact the undersigned at (867) 975-4631 or Paula.C.Smith@ec.gc.ca.

Regards,



Paula C. Smith
A/Senior Environmental Assessment Coordinator

cc: Carey Ogilvie, Head Environmental Assessment North, EA and Marine Programs Division, EC