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Your file - Votre référence
2BE-PCD

Our file - Notre référence
9545-1 / #87494

June 19, 2006

Richard Dwyer
Licensing Trainee
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Via Email

Re: 2BE-PCD - De Beers Canada Inc. - Prince of Wales, Chartrand Lake, and Devon Island Diamond Exploration Projects - Licence Application

On behalf of Indian and Northern Affairs Canada (INAC), I have reviewed the application for a water licence by De Beers Canada Inc. for their Prince of Wales, Chartrand Lake, and Devon Island Diamond Exploration Projects. The following advice has been provided pursuant to INAC's mandated responsibilities under 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).

De Beers Canada Inc. is applying for a licence for freshwater use and disposal of wastes associated with its Prince of Wales, Chartrand Lake, and Devon Island Diamond Exploration Projects. It has requested a licence for four exploration camps which allows the daily use of 0.75 m³ of freshwater per camp from June 25, 2006 to October 1, 2007. Project activities are scheduled for a 4 to 6 week time period beginning in late June / early July. The proponent will conduct prospecting, geological mapping, and geophysical survey works, all of which are anticipated to have minimal environmental effects.

Temporary fly-in camps will be established to support the Prince of Wales and Devon Island Projects. The proponent will base its Chartrand Lake Project from the Hamlet Taloyoak. All camps will accommodate approximately 6 project personnel and will be serviced by both Twin Otter airplanes and helicopters. Local sources of freshwater will be consumed for domestic needs and all gray water and sewage will be directed to sumps situated at least 30 m away from nearby water sources. These sumps will be backfilled and treated with lime prior to abandoning camp sites. Pending approval, solid wastes from the Prince of Wales and Devon Island Projects will be back-hauled to the Hamlet of Resolute landfill and solid wastes from the Chartrand Lake Project will be disposed of at the Taloyoak landfill.

The Hamlet of Resolute is approximately 130 km northwest of the Prince of Wales and 60 km southwest of the Devon Island Project Areas. The Hamlet of Taloyoak is approximately 10 km southwest of the Chartrand Lake Project Area. Provided in Table no.1 is a list of the proposed fly-camp locations for the Prince of Wales and Devon Island Projects.

Table No.1 Fly-camp Locations

Prince of Wales Project	Devon Island Project
Camp A: 73°19'N, 98°54'30"W	Camp A: 75°26'N, 89°51'W
Camp B: 72°20'30"N, 98°01'30"W	Camp B: 76°18'N, 92°18'W

Each camp will be equipped with a fuel cache. Liquid fuel products will be stored in 205 L steel barrels. These caches will contain a total of 3,690 L of Jet-B aviation fuel (18 barrels), 205 L of diesel (1 barrel), and two (2) 100 lb tanks of propane. Spill response kits will be made available at each fuel cache, generator, and helicopter. The proponent has prepared a Spill Contingency Plan which identifies emergency contacts and a spill response checklist. In the event of a hazardous material spill, contaminated soil and used absorbent materials will be properly contained and delivered to an approved disposal facility.

INAC Comments

Indian and Northern Affairs Canada recommends that the following comments be taken into consideration when reviewing this project submission.

GENERAL

- INAC is appreciative of the proponent's decision to base its Chartrand Lake Project activities from the Hamlet of Taloyoak. Company representation in this community will provide positive exposure of Nunavut's mining industry and economic benefits to Taloyoak residents.
- INAC notes that De Beers did not allow sufficient time from the date of application to the Nunavut Water Board and the proposed initial date for setup of the camps for the NWB to follow section 55(4) of the Nunavut Waters and Surface Rights Tribunal Act:

55(4) Where a public hearing is not held in relation to an application, the Board shall not act on the application until at least thirty days after notice of the application has been published under subsection (1) unless, in the opinion of the Board, there are urgent circumstances that justify the Board acting on that application in a shorter period, but that shorter period shall not be less than ten days.

INAC suggests that the NWB inform the applicant of the time requirements in the Act and to inform communities and interveners and receive comments.

SPILL CONTINGENCY / HAZARDOUS MATERIALS

- All fuel caches shall be located above the high water mark of any water body. Furthermore, INAC recommends the use of secondary containment, such as self-supporting insta-berms, when storing barreled fuel on location rather than relying on natural depressions.
- The proponent shall ensure that any hazardous materials, including waste oil, receive proper treatment and disposal at an approved treatment facility.
- INAC recommends that the proponent revise its Spill Contingency Plan for the Prince of Wales, Devon Island, and Chartrand Lake Diamond Exploration Projects. This Plan should summarize spill response measures on the types of terrain that are representative of the project area (i.e., land, water, snow, and ice), the contact information of individuals responsible for initiating clean-up measures for each project, and a list of available spill response equipment (i.e., spill kit contents).
- INAC recommends that the proponent confirm that the list of camp locations provided in the Spill Contingency Plan. The coordinates for the Devon Island Project Camp-A is not the same as what is provided in the licence application form.

ABANDONMENT AND RESTORATION

- INAC recommends that the proponent's Abandonment and Restoration (A&R) Plan for the Prince of Wales, Devon Island, and Chartrand Lake Diamond Exploration Projects be made camp/project specific. This Plan should address temporary and final abandonment procedures for all project infrastructure and waste materials. Including A&R procedures for activities that will not be conducted in these projects is unnecessary (e.g., acid generation of tailings and culvert removal).

Indian and Northern Affairs Canada requests notification of any changes in the proposed project, 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.

Sincerely,

Original signed

David W. Abernethy
Water Resources Coordinator

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