

New NIRB File No.: 08EN021
Old NIRB File No.'s: 05EN097
05RN026
New INAC File No.: N2008C0012
Old INAC File No.'s: N2005C0026
N2001J0021 (expired)
Old KIA File No.: KTL305F010

- Use of airstrip during summer months.
- Consumption of water and generation of wastes.
- Temporary storage of fuel at drill site locations and at camp sites.
- Incineration of combustible solid waste; non-combustible solid wastes stockpiled and flown to Yellowknife or Cambridge Bay for disposal.

This renewal proposal also involves one amendment which results in a change to the original scope of the project. The amendment includes a small mechanized trenching program to extract 5 – 10 tonne sample of kimberlite. In addition, Diamonds North is proposing to extract a sample of this size at two known kimberlite bodies instead of one, which was previously proposed.

Pursuant to Part 4, Article 12 of the NLCA, NIRB shall proceed to screen the **complete** project proposal, including the amendment activities.

All documents received and pertaining to this 2008 project proposal can be obtained from NIRB's ftp site at

http://ftp.nunavut.ca/nirb/NIRB_SCREENINGS/ACTIVE_SCREENINGS/08EN018-Diamonds%20North%20-%20Victoria%20Island/ including:

- *NIRB Part 1 Summary Application Form in English*
- *NIRB Part 1 Summary Application Form in Inuktitut*
- *NIRB Part 1 Summary Application Form in Inuinnaqtun*
- *NIRB Part 2 Project Specific Information Requirement Form*
- *Indian and Northern Affairs Canada Application for Land Use Permit*
- *Non technical Project Proposal summary in English*
- *Non technical Project Proposal summary in Inuktitut*
- *Maps*
- *Equipment specifications*
- *Abandonment and Restoration Plan*
- *Environmental Guideline for General Management of Hazardous Waste*
- *Safety Manual/Field Guide*
- *Fuel Spill Contingency Plan*

NIRB would also like to advise Parties that the use of water and deposition of waste associated with the project activities are subject to a current Nunavut Water Board (NWB) water license (NWB2BE-TAH0611).

NIRB is copying interested Parties and municipalities most affected by Diamonds North's renewal proposal with this letter and we invite interested persons to comment directly to the NIRB by **April 4, 2008**.

NIRB would like Parties to provide comments regarding:

- Whether the project proposal is likely to arouse significant public concern; and if so, why;
- Whether the project proposal is likely to cause significant adverse eco-systemic and socio-economic effects; and if so, why;
- Whether the project is of a type where the potential adverse effects are highly predictable and mitigable with known technology, (please provide any recommended mitigation measures); and
- Any matter of importance to the Party related to the project proposal.

Please send your comments to the attention of NIRB's Manager of Environmental Administration Leslie Payette by email at lpayette@nirb.ca or via fax at **(867) 983-2594**

If you have any questions or concerns, feel free to contact NIRB's Technical Advisor, Sophia Granchinho at 867-983-4607 or via email at sgranchinho@nirb.ca.

Sincerely,



Sophia Granchinho
Technical Advisor
Nunavut Impact Review Board

cc: Distribution List
Spencer Dewar, Manager, Land Administration, INAC

Attachments:
Comment Form
Appendix A – NIRB Screening Decision Report, NIRB File No.: 05EN097 (July 21, 2005)

Appendix A – NIRB Screening Decision Report, NIRB File No.: 05EN097

SCREENING DECISION

July 21, 2005

Hon. Andy Scott
Minister Indian and Northern Affairs Canada
Ottawa, ON

Dear Minister:

**RE: Screening Decision of the Nunavut Impact Review Board(NIRB):
NIRB: # 05EN097 DIAND: # 2005C0026
Mining Exploration, Campsite – Diamonds North Resources Ltd.**

Authority:

Section 12.4.4 of the Nunavut Land Claim Agreement states:

Upon receipt of a project proposal, NIRB shall screen the proposal and indicate to the Minister in writing that:

- a) the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5;
- b) the proposal requires review under Part 5 or 6; NIRB shall identify particular issues or concerns which should be considered in such a review;
- c) the proposal is insufficiently developed to permit proper screening, and should be returned to the proponent for clarification; or
- d) the potential adverse impacts of the proposal are so unacceptable that it should be modified or abandoned.

Primary Objectives:

The primary objectives of the Nunavut Land Claims Agreement is referenced in the screening section 12.4.4 (a) are set out in section 12.2.5 of the Land Claims Agreement. This section reads:

In carrying out its functions, the primary objectives of NIRB shall be at all times to protect and promote the existing and future well-being of the residents and communities of the Nunavut Settlement Area, and to protect the ecosystemic integrity of the Nunavut Settlement Area. NIRB shall take into account the well-being of the residents of Canada outside the Nunavut Settlement Area.

The decision of the Board in this case is 12.4.4 (a) **the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5;**

Reasons for Decision

NIRB's decision is based on specific considerations that reflect the primary objectives of the Land Claims Agreement. Our considerations in making this decision included:

- the impact of exploration activities on the ecosystem;
- impact to water quality, aquatic habitat and wildlife and fish populations from chemicals, drill waste, drill fluids and potential fuel spills;
- storage and disposal of chemicals, fuel, garbage, sewage, and gray water, and impact of these on the ecosystem;
- the impact of noise from exploration activities and their disturbance to wildlife and traditional users of area;
- the potential impact of aircraft/helicopter on wildlife;
- the impact of campsite and equipment on terrain;
- the impact of exploration activities on archaeological sites or cultural landmarks in the area; and
- clean up/restoration of the camp site and sample locations upon abandonment.

Terms and Conditions:

That the terms and conditions attached to this screening report will apply.

General

1. The Permittee shall maintain a copy of the Project Terms and Conditions at the sites of operation at all times.
2. The Permittee shall immediately report **all** spills of petroleum and hazardous chemicals to the twenty-four (24) hour spill report line at (867) 920-8130.
3. The NIRB shall be notified of any changes in operating plans or conditions associated with this project prior to any such change.
4. The Permittee shall submit to Board, at the end of the field season, a map showing the approximate location of drill sites.
5. The Permittee shall file a report with the Board no later than March 31 of the year following the year the work was completed, which shall contain but not be limited to the following information:
 - a. A summary of activities undertaken for the year, including but not limited to the amount of drilling;
 - b. A work plan for the following year;
 - c. The results of environmental studies undertaken (if undertaken) and plans for future studies;
 - d. Wildlife encounters and actions/mitigation taken;

- e. A summary of local hires and initiatives;
 - f. A summary of community consultations undertaken and the results;
 - g. A summary of site-visits by inspectors with results and follow-up actions;
 - h. A summary of site-visits with community members (if conducted);
 - i. The number of take-offs & landings from an airstrip with approved flight path with date and location;
 - j. The number of helicopter touch-downs on the land with date, location and reason (provide reason unless confidential);
 - k. Site photos;
 - l. Revisions to the Abandonment and Restoration Plan;
 - m. Progressive reclamation work undertaken; and
 - n. A summary of how it has complied with all project terms and conditions and how the terms and conditions are achieving their purpose.
6. The Permittee shall submit to the Board a report, as mentioned above, each year until the complete abandonment and reclamation of the site.

Drill Sites

- 1. The Permittee shall not conduct any land based drilling within thirty (30) metres of the normal high water mark of a water body.
- 2. The Permittee shall conduct lake-based winter drilling, in accordance with the Interim Guidelines for On-Ice drilling.
- 3. The Permittee shall ensure that all drill cuttings are removed from ice surfaces.
- 4. The Permittee shall not use drilling muds or additives in connection with drill holes unless they are recirculated or contained such that they do not enter the water, or are certified to be non-toxic. Further, the Permittee is hereby informed that the Canadian Environmental Protection Act has recently listed CaCl as a toxic substance. If CaCl is to be used as a drill additive, the proponent shall ensure that all sumps containing CaCl are properly constructed and located in such a manner as to ensure that the contents will not enter any waterbody.
- 5. The Permittee shall ensure that when “on-ice drilling”, the return water released must be non-toxic, and not result in an increase in total suspended solids in the immediate receiving waters above the Canadian Council of Ministers for the Environment (CCME) Guidelines for the Protection of Freshwater Aquatic Life (ie. 10 mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100 mg/L).
- 6. The Permittee shall ensure that any drill cuttings and waste water that cannot be re-circulated be disposed of in a properly constructed sump or an appropriate natural depression that does not drain into a waterbody.
- 7. The Permittee shall ensure that drilling wastes do not enter any water body. The use of biodegradable, salt free drill additives is encouraged over non-biodegradable types.
- 8. The Permittee shall ensure that the sump/depression capacity is sufficient to accommodate the volume of waste water and any fines that are produced so that there will be no additional impacts.
- 9. The Permittee shall not locate any sump within thirty (30) metres of the normal high water mark of any water body.

10. The Permittee shall ensure that disturbance of vegetation from deposit of drill fluids/cuttings is restricted to the area of the sump and the ground prepared for revegetation upon abandonment.
11. The Permittee shall not use mechanized clearing within 30 meters of the normal high water mark of a watercourse in order to maintain a vegetative mat for bank stabilization.
12. The Permittee shall, where flowing water from bore holes is encountered, plug the bore hole in such a manner as to permanently prevent any further outflow of water. The occurrence shall be reported to the Nunavut Water Board and Land Use Inspector within 48 hours.

Water

1. The Permittee shall ensure that all water intake hoses are equipped with a screen with an appropriate mesh size to ensure that there is no entrapment of fish.
2. The Permittee shall only use water from sources approved by the Nunavut Water Board.

Fuel and Chemical Storage

1. The Permittee shall have an Emergency Response & Spill Contingency Plan approved by the Nunavut Water Board prior to commencing on-site activities. The approved plan shall be submitted to NIRB.
2. The Permittee shall locate fuel caches and other hazardous materials in such a manner as to prevent their release into the environment.
3. The Permittee shall ensure that fuel storage containers are not located below, or within thirty (30) metres of the ordinary high water mark of any body of water. Further, secondary containment such as self supporting insta-berms shall be used when storing barrel fuel on location, rather than relying on natural depressions.
4. Fuel storage containers in excess of 4,000 litres capacity shall either be double-walled, self bermed construction, or diked with adequate storage capacity. An impermeable liner shall be used to ensure that no fuel escapes. The Permittee shall take all reasonable precautions to prevent the possibility of migration of spilled petroleum fuel or chemicals over the ground surface.
5. The Permittee shall examine all fuel and chemical storage containers daily for leaks. All leaks should be repaired immediately.
6. The Permittee shall seal all container outlets except the outlet currently in use.
7. The Permittee shall mark all fuel containers with the Permittee's name.
8. The Permittee shall dispose of all combustible waste petroleum products by incineration and removal from the site.
9. The Permittee shall ensure that all activities, including maintenance procedures and refueling, are controlled to prevent the entry of petroleum products or other deleterious substances into the water or onto the land.
10. The Permittee shall ensure that all on site personnel are properly trained in fuel and hazardous waste handling procedures as well as spill response procedures.
11. The Permittee shall maintain a supply of spill kits, shovels, barrels, sorbents, and pumps on-site.
12. The Permittee shall use drip pans when refueling equipment.

13. Chemicals containing salts, which may attract wildlife to the site, should be stored so that they are inaccessible to wildlife.

Wildlife

1. The Permittee shall ensure that there is no damage to wildlife habitat in conducting this operation.
2. The Permittee shall ensure that there is minimal disturbance to any nesting birds and wildlife in the area. Harassment of wildlife is prohibited. This includes persistently worrying or chasing animals, or disturbing large groups of animals.
3. Pursuant to the Migratory Bird Convention Act Regulations the Permittee shall not disturb or destroy the nests or eggs of migratory birds. The period from **June 1 to August 15** is the general migratory bird breeding season. If nests containing eggs or young are encountered, the Permittee shall avoid these areas until nesting is complete and the young have left the nest.
4. The Permittee shall ensure that aircraft pilots adhere to flight altitudes of greater than 300 m above ground level, unless there is a specific need for low-level-flying which does not to disturb wildlife.
5. The Permittee shall ensure that aircraft maintain a vertical distance of 1000m and a horizontal distance of 1500m from groups/flocks of birds.
6. The Permittee shall not feed wildlife.
7. The Permittee shall not cause disturbance to the following species of Special Concern under Schedule 3 of the Species at Risk Act: Peregrine falcon (subspecies tundrius), Grizzly bear, Wolverine, and the Short-eared owl.
8. The Permittee shall follow procedures outlined in the "Safety in Bear Country Manual", and should contact the Kitikmeot Regional Biologist (Mathieu Dumond 867-982-7444) or the Wildlife manager for information and advice on measures which should be taken to minimize the possibility of conflicts/interactions with bears.
9. The Permittee shall ensure that the drill sites avoid known environmentally sensitive areas (denning, nesting etc.) by a minimum of 250 metres.
10. The Permittee shall not locate any operation so as to block or cause substantial diversion to migration of caribou.
11. The Permittee shall not construct any camp, cache any fuel or conduct blasting within 10 km, or conduct any drilling operation within 5 km, of any "designated caribou crossing". The Regional/Area Biologist should be contacted for known crossings.
12. From **May 15 to July 15**, the Permittee shall cease activities that interfere with caribou migration or calving, such as the movement of equipment, drilling activities and ATV or snowmobile use until the caribou and their calves have vacated the area.
13. From **May 15 to July 15**, the Permittee shall not conduct flights below 300m and airborne geophysics surveys if caribou are present in the area. These activities may interfere with migration and/or calving.
14. The Permittee shall ensure that during the presence of caribou and muskox within sight and sound of a camp that all personnel will remain quietly in camp.
15. The Permittee shall not conduct any activity associated with the land use operation if critical periods of wildlife cycles are observed (eg. caribou migration, calving, fish spawning or raptor nesting).

16. That the Permittee shall ensure that there is no hunting by employees of the company or any contractors hired unless proper Nunavut authorizations have been obtained.
17. The Permittee shall ensure that there is no fishing by employees of the company or any contractors hired unless proper permits are obtained.
18. The Permittee shall contact the Kitikmeot Regional Biologist (Mathieu Dumond 867-982-7444) to identify areas which should be avoided. Raptor nesting sites and concentrations of nesting or molting waterfowl should be avoided by aircraft at all times.
19. The Permittee shall avoid cliffs and bluffs as they are likely to contain nesting Peregrine Falcons and Rough-legged hawks.
20. The Permittee shall ensure compliance with Section 36 of the Fisheries Act which requires that no person shall deposit or permit the deposit of a deleterious substance on any type in water frequented by fish or in any place under any conditions where the deleterious substance may enter such a water body.
21. The harmful alteration, disruption or destruction of fish habitat is prohibited under Section 35 of the Fisheries Act. No construction or disturbance of any stream/lake bed or banks of any definable watercourse, is permitted unless authorized by DFO.
22. The Permittee shall not detonate explosives within fifteen (15) metres of any body of water which is not completely frozen to the bottom.

Waste Disposal

1. The Permittee shall not discharge or deposit any refuse substances or other waste materials in any body of water, or on the banks thereof, which will impair the quality of the waters of the natural environment.
2. The Permittee shall not locate any sumps or areas designated for waste disposal within thirty (30) metres of the ordinary high water mark of any body of water. Sumps and areas designated for waste disposal shall be sufficiently bermed or otherwise contained to ensure that substances do not enter a waterway unless otherwise authorized.
3. The Permittee shall backfill and recontour all sumps to match the natural environment prior to the expiry date of the license.
4. The Permittee shall use an approved incinerator for the disposal of combustible camp wastes. Non-combustible wastes shall be disposed of properly at an approved facility.
5. The Permittee shall incinerate all combustible and food wastes daily.
6. The Permittee shall keep all ash in a covered metal container until it is disposed of at an approved facility.
7. The Permittee shall keep all non-combustible garbage and debris in a covered metal container until disposed of at an approved facility.
8. The Permittee shall deposit all scrap metal, discarded machinery and parts, barrels and kegs, at an approved disposal site.
9. The Permittee shall ensure that any hazardous materials, including waste fuel and oil, receive proper treatment and are backhauled for disposal at an approved facility.

Physical Environmental

1. The Permittee shall ensure that the land use area is kept clean and tidy at all times.

2. The Permittee shall maintain the site in such a manner as to prevent rutting of the ground surface.
3. The Permittee shall not do anything that will cause erosion of the banks of any body of water on or adjacent to the land and shall provide necessary controls to prevent such erosion.
4. The Permittee shall be required to undertake corrective measures in the event of any damage to the land or water as a result of the Permittee's operation.
5. The Permittee shall not remove any material from below the ordinary high water mark of any waterbody.
6. The Permittee shall adopt such measures as required to control erosion by surface disturbance. Sediment and erosion control measures should be implemented prior to, and maintained during the work to prevent sediment entry into the water during a spring thaw.
7. The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.
8. The Permittee shall suspend overland travel of equipment or vehicles if rutting occurs.

Structure & Storage Facilities

1. The Permittee shall not erect structures or store material on the surface ice of lakes or streams.
2. The Permittee shall locate all structures and storage facilities on gravel, sand or other durable land.

Camps

1. The Permittee shall locate all camps on gravel, sand, or other durable land.
2. The Permittee shall not erect camps on the surface ice of lakes or streams.
3. The Permittee shall keep the camp clean and tidy at all times so as not to attract carnivores.

Archaeological Sites

1. The Permittee shall not disturb any archaeological or palaeontological site.
2. The Permittee shall immediately contact the Government of Nunavut Department of Culture, Language, Elders and Youths (CLEY) if any archaeological or palaeontological site is encountered or disturbed.

Reclamation

1. The Permittee shall advise NIRB and the Land Use Inspector in writing at least 15 days prior to the completion of activities.
2. The Permittee shall remove all scrap metal, discarded machinery and parts, barrels and kegs, buildings and building material upon abandonment.
3. The Permittee shall remove all empty barrels from its exploration sites as soon as possible in a progressive manner and shall ensure that all barrels are removed from the land by the end of each field season. Empty barrels shall be disposed of at an approved facility.
4. The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of the permit.

5. The Permittee shall undertake ongoing restoration for any land which is no longer required for the Permittee's operation on the land.
6. The Permittee shall plug or cap all bore holes and cut off any drill casings that remain above ground to ground level upon abandonment of the operation.

Other Recommendations

1. NIRB would like to encourage the proponent to hire local people and services, to the extent possible.
2. NIRB strongly advises proponents to consult with local residents regarding their activities in the region, and to keep the communities informed.
3. NIRB would like to encourage the proponent to continue baseline monitoring.
4. Any amendment requests deemed by NIRB to be outside the original scope of the project will be considered a new project.

Validity of Land Claims Agreement

Section 2.12.2

Where there is any inconsistency or conflict between any federal, territorial and local government laws, and the Agreement, the Agreement shall prevail to the extent of the inconsistency or conflict.

Dated _____ at Cambridge Bay, NU

Albert Ehaloak, A/Chairperson