



**Environment Environnement  
Canada Canada**

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Our file: 4704 004

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Via email at [licensing@nwb.nunavut.ca](mailto:licensing@nwb.nunavut.ca)

**RE: Diamonds North Resources – Tahoe Lake Project Water License Renewal**

On behalf of Environment Canada (EC), I have reviewed the information submitted with the above-mentioned application. The following specialist advice has been provided pursuant to Environment Canada's mandated responsibilities for the enforcement of the *Canadian Environmental Protection Act*, Section 36(3) of the *Fisheries Act*, the *Migratory Birds Convention Act*, and the *Species at Risk Act*.

Diamonds North Resources Ltd. is proposing to renew their current water license to allow for a continuation of their diamond exploration on Victoria Island, NU. This proposed exploration program is a direct continuation of the programs already conducted during the 2002-2003 field seasons and no changes to their exploration plans or conduct of operations are being considered. The proposed program involves limited airborne and ground magnetic surveying, till sampling, prospecting, small scale trenching and shallow diamond drilling (approximately 20 holes). A 15-20 person camp will be located on the west shore of the Tuktu River. Both the land use permits and the spill contingency plan for the site are still valid.

Environment Canada recommends that the following conditions be applied throughout all stages of the project:

- The proponent shall not deposit, nor permit the deposit of chemicals, sediment, wastes, or fuels associated with the project into any water body. According to the Fisheries Act, Section 36(3), the deposition 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, is prohibited.
- Drilling additives or muds shall not be used in connection with holes drilled through lake ice unless they are re-circulated or contained such that they do not enter the water, or demonstrated to be non-toxic.
- No land-based drilling is to be done within 30 metres of the high water mark of any water body. Drill waste from land-based drilling shall be disposed of in a sump such that it does not enter any water body.
- For "on-ice" drilling, 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 Guidelines for the Protection of Freshwater

Aquatic Life (i.e. 10mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100mg/L).

- If CaCl is to be used as a drilling additive during the course of the drilling, EC would like to inform the proponent that the *Canadian Environmental Protection Act* has recently listed CaCl as a toxic substance. The proponent shall therefore ensure that if CaCl is used as a drill additive, all sumps containing CaCl are properly constructed and located in such a manner as to ensure that the contents will not enter any water body.
- If an artesian flow is encountered, drill holes shall be immediately plugged and permanently sealed.
- All sumps and fuel caches shall be located above the high water mark of any water body and in such a manner as to prevent the contents from entering any water body frequented by fish. Further, all sumps shall be backfilled upon completion of the project and recontoured to match the existing landscape.
- EC encourages proponents, when storing barrelled fuel at a location, to use secondary containment such as self-supporting insta-berms, rather than relying on natural depressions.
- The proponent shall not store materials or erect camps on the surface ice of lakes or streams.
- Drip pans, or other such preventative measures, should be used when refuelling equipment on site.
- Environment Canada recommends the use of an approved incinerator for the disposal of combustible camp wastes.
- Hazardous wastes, including any hazardous drill waste sludge and waste oil, are to be segregated and sent to appropriate facilities for treatment and/or disposal.
- All spills are to be documented and reported to the NWT Spill Response Line at (867) 920-8130.

If there are any changes in the proposed project, EC should be notified, as further review may be necessary. Please do not hesitate to contact me with any questions or comments with regards to the foregoing at (867) 975-4639 or by email at [colette.meloche@ec.gc.ca](mailto:colette.meloche@ec.gc.ca).

Yours truly,

***Original signed by***

Colette Meloche  
Environmental Assessment Specialist

cc: (Mike Fournier, Northern Environmental Assessment Coordinator, Environment Canada, Yellowknife)  
(D. Graham Gill, Exploration Manager, Diamonds North Resources Ltd., Vancouver)