



NIRB File No.: 00MN059

Related to NIRB File No. 16UN058

NWB File No.: 2AM-JER-1119

CIRNAC File No.: IQA-N 5510-5-10

Related to DFO File No.: NU-00-0068

November 1, 2018

Shear Diamonds (Nunavut) Corporation

Sent via email: info@sheardiamonds.com

Re: The Nunavut Impact Review Board's 2017-2018 Annual Monitoring Report for the Jericho Diamond Mine Project and Board's Recommendations

Dear Shear Diamonds (Nunavut) Corporation:

The Nunavut Impact Review Board (NIRB or Board) is hereby releasing its *2017-2018 Annual Monitoring Report for the Jericho Diamond Mine Project* (NIRB File No. 00MN059; Monitoring Report) along with the 2018 Site Visit Report for the NIRB's monitoring of the Jericho Diamond Mine Project (Appendix I within the Monitoring Report). The enclosed Monitoring Report is based on the NIRB's monitoring activities as set out within the Jericho Project Certificate No. 002 and pursuant to Sections 12.7.1 and 12.7.2 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada (Nunavut Agreement)*. This report provides findings that resulted from monitoring of this Project that took place from October 2017 to September 2018.

All materials pertaining to the NIRB's ongoing Monitoring program for the Jericho Diamond Mine Project can be accessed online from the NIRB's online public registry at www.nirb.ca/projects/123035.

By way of a motion carried during its regular meeting held in October 2018, the Board has issued the following recommendations to assist Shear Diamonds (Nunavut) Corporation [Shear or Proponent] in achieving compliance with the Jericho Project Certificate. These recommendations ensure that the NIRB has all the information necessary to adequately discharge its mandate with respect to provisions within Section 12.7 of the *Nunavut Agreement* as they pertain to the Jericho Diamond Mine Project.

Outstanding Reports

The Proponent is required to submit several reports as outlined in Appendix D of the Project Certificate No. 002. Since Shear's purchase of the site in 2010 the NIRB has not received any of

the required reports and, despite the Board's recommendations to Shear since 2011, no additional information has been received to date.

Recommendation 1: The Board continues to remind Shear Diamonds (Nunavut) Corp. that submission of the following outstanding submissions is required to address areas of non-compliance:

- a) 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017 annual reports;
- b) Quarterly reports for 2010 through 2018; and
- c) Wildlife monitoring data from 2010 through 2018.

These outstanding reports are to be provided **within 90 days**.

Fuel, Waste, and Site Management

The Board has previously recommended that the Proponent provide a proposed plan of action to remedy the non-compliance to several terms and conditions in Project Certificate No. 002. To date, the NIRB has not received acknowledgement of, or responses to these previous recommendations from the Proponent.

Recommendation 2: The Board requires the Proponent (Shear Diamonds (Nunavut) Corp.) to provide a proposed plan of action to remedy the overall non-compliance with the Project Certificate No. 002.

The plan of action is to be provided **within 90 days**.

Fish Habitat Compensation

The Board requests that Fisheries and Oceans Canada (DFO) provide the NIRB with an update regarding its revised strategy for undertaking fish habitat compensation works at the Jericho Mine site. DFO should inform the NIRB of its coordination with Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) on the fish habitat compensation plans being proposed as part of the maintenance or stabilization works undertaken by CIRNAC's ongoing site management function.

Recommendation 3: The Board requests that Fisheries and Oceans Canada (DFO)¹ provide the NIRB with an update regarding its revised strategy for undertaking fish habitat compensation works at the Jericho Mine site. DFO should inform the NIRB of its coordination with Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) should their fish habitat compensation plans be proposed as part of other maintenance or stabilization works undertaken by CIRNAC's ongoing site management function.

The fish habitat compensation plans or an update on its progress is requested to be provided **within 90 days**.

¹ Note that the Board plans to invite Fisheries and Oceans Canada to comment via correspondence issued under separate cover, and that Shear is not responsible for a response to this recommendation. It has been included here for information only.

Site Risk Management during Temporary Shutdown

In correspondence received by the NIRB on July 2, 2013 Aboriginal Affairs and Northern Development Canada (now Crown Indigenous Relations and Northern Affairs Canada (CIRNAC)) indicated that the management of site risks would focus on: site water during freshet, tailings and tailings facility management, and fuel and hazardous waste storage and containment.

Although the majority of the stabilization works related to site water management, tailing storage facilities, fuel and hazardous waste storage and waste management have been completed by CIRNAC in 2017 and 2018, the final outcome of the stabilization works, their expected effectiveness, and long-term maintenance and monitoring requirements are not known at this time. Additionally, there are still uncertainties over the long-term plans and stabilization activities regarding the remaining site infrastructure such as roads, airstrip, building and the waste rock piles.

Recommendation 4: The Board request that Crown-Indigenous Relations and Northern Affairs (CIRNAC)² and the Kitikmeot Inuit Association (KIA) each provide a detailed update on their completed reclamation efforts at the Jericho Diamond Mine, including a discussion of the effectiveness of site stabilization efforts to date. The Board also requests CIRNAC and the KIA each provide their long-term plans for dismantling/reclaiming/remediating site infrastructure (e.g. roads, airstrip, buildings, waste rock piles) and restoring the area to natural conditions, with a discussion on any monitoring expected to occur following the completion of site reclamation.

This information should be provided to the Board by **March 31, 2019**.

The Board respectfully requests that for items requiring follow-up action by Shear that a response be provided within the timeline as requested for each of the recommendations.

Should you have any questions or require further clarification regarding this request or related to the NIRB's monitoring program for the Jericho Diamond Mine project, please contact Jaida Ohokannoak at (867) 983-4609 or via email at johokannoak@nirb.ca.

Sincerely,



Jaida Ohokannoak
Technical Advisor II
Nunavut Impact Review Board

² Note that the Board plans to invite Crown-Indigenous Relations and Northern Affairs Canada and the Kitikmeot Inuit Association to comment via correspondence issued under separate cover, and that Shear is not responsible for a response to this recommendation. It has been included here for information only

cc. Charlotte Lamontagne, Contaminated Sites Program, Crown-Indigenous Relations and Northern Affairs
Canada
Mark Yetman, Contaminated Sites Program, Crown-Indigenous Relation and Northern Affairs Canada
Mark D'Aguiar, Fisheries and Oceans Canada
Stanley Anablak, Kitikmeot Inuit Association
Geoff Clark, Kitikmeot Inuit Association
Jericho Distribution List

Enclosure: The Nunavut Impact Review Board's *2017-2018 Annual Monitoring Report for the Jericho
Diamond Mine Project*