



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

December 5, 2023

Shear Diamonds (Nunavut) Corporation

Sent via email: info@sheardiamonds.com

Re: The Nunavut Impact Review Board's 2022-2023 Board Recommendations for the Jericho Diamond Mine Project

Dear Shear Diamonds (Nunavut) Corporation:

The Nunavut Impact Review Board (NIRB or Board) is hereby releasing its 2022-2023 Board Recommendations for the NIRB's Assessment of Shear Diamonds (Nunavut) Corporation's Compliance Status with the Jericho Diamond Mine Project Certificate No. 002. The Recommendations are based on the NIRB's monitoring activities as set out within the Jericho Diamond Mine Project Certificate No. 002 (NIRB File No. 00MN059) 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 letter provides the findings and next steps that resulted from monitoring the Jericho Diamond Mine Project (Jericho or the Project) that took place from October 2022 to September 2023.

All materials pertaining to the NIRB's ongoing Monitoring Program for the Jericho Project can be accessed from the NIRB's Public Registry at www.nirb.ca/projects/123035.

As the site is no longer active by the Proponent and Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) has taken over the site, the Board is making the following observations and recommendations:

1. The Jericho Site is stable at this time and until either sold or permanently remediated, the NIRB's role is limited at site.
2. The Jericho Site is managed by two (2) landowners which requires NIRB to coordinate on the site being considered for a future development by one (1) of the landowners; however,

it is unknown how long before the Grays Bay Port and Road proposal would enter back into the regulatory process.

As such, the Board is recommending the following Project management plan until the site status decisions are made:

1. As the site is low risk for any environmental impacts, and site contact water is being monitored, the Board Recommendations in the next section are issued to Shear and the Kitikmeot Inuit Association to ensure that the Board has advanced notice of either organization starting activities again at site, whatever the decision would be. The NIRB staff will continue to work with CIRNAC and the Kitikmeot Inuit Association but not as intensively as previous years.
2. The previous recommendations be continued to ensure obligations of the Jericho project are summarized for parties.

By way of a motion carried out during its regular meeting held in November 2023, the Board has issued the following recommendation to assist Shear Diamonds (Nunavut) Corporation (Shear or the 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.

Non-compliance with Project Certificate No. 002 and Outstanding Reports

Since Shear Diamonds (Nunavut) Corp'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.

Since the proposal approval and undertaking of CIRNAC's more substantial stabilization works under NIRB File No. 16UN058, the NIRB has not received a plan of action from Shear to remedy its non-compliance to the Project Certificate No. 002 Terms and Conditions and the Post-Environmental Monitoring Program established for the Jericho Diamonds Mine Project (Appendix D).

Recommendation 1: The Board requires the Proponent (Shear Diamonds (Nunavut) Corp.) or any subsequent owner/operator of the site to provide a proposed Action Plan to remedy the overall non-compliance with Project Certificate No. 002 (including the Post-Environmental Management Program) issued for the Jericho Diamond Project Proposal and issued to Shear Diamonds (Nunavut) Corp. in 2010.

The Action Plan shall be provided 90 days in advance of commencing activities* at the Jericho Project site, and shall include, without limitation, the following:

- A timeline for the submission of the outstanding Annual Reports, quarterly reports, and wildlife monitoring data (since 2010 to date) to the extent that the information is available.

*Note: “activities” do not include a party undertaking an initial site visit, or other due diligence activities by a party associated with becoming the site owner/operator.

Jericho Diamond Project Proposal on Inuit-Owned Land

The Jericho Diamond Project Proposal is located on both Inuit-Owned and Crown Land. Most of the stabilization works completed by CIRNAC related to site water management, tailing storage facilities, fuel and hazardous waste storage, and waste management was completed on Crown land.

The Board has made various recommendations since 2018 for information regarding the Waste Rock Piles regarding their long-term plans for dismantling/reclaiming/remediating site infrastructure (e.g., roads, 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.

The Board acknowledges the cost of stabilization or reclamation of the portion of the site on Inuit-Owned Land; however, there is significant uncertainty around monitoring and managing annual water movement and potential risk around seeps and contact water from the waste rock piles. Further, the Grays Bay Port and Road Project Proposal put forth by the Kitikmeot Inuit Association was terminated in February 2022 which leaves the long-term plans and stabilization activities regarding the existing site infrastructure and the waste rock piles on Inuit Owned Land remaining uncertain.

Recommendation 2: The Board requests that the Kitikmeot Inuit Association provide the following:

- an update on their site stabilization activities including monitoring of the waste rock pile, waste rock seeps, and contact water on or before March 30, 2024; or
- if the Kitikmeot Inuit Association intends to include the use of the Jericho Project infrastructure in a future application, such as the Grays Bay Port and Road Proposal, the Kitikmeot Inuit Association shall provide the information listed above at least 90 days prior to submitting the application; or
- if the Kitikmeot Inuit Association makes the decision to close, reclaim and/or remediate the components of the Project on Inuit Owned Lands

the Kitikmeot Inuit Association will provide the NIRB with notice of these activities at least six (6) months prior to undertaken the activities.

The Board respectfully requests Shear provide information within the timeline as requested.

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 the undersigned at (867) 983-4619 or kgillard@nirb.ca.

Sincerely,



Kelli Gillard PAg, CTAJ
Manager, Project Monitoring
Nunavut Impact Review Board

cc. Charlotte Lamontagne, Contaminated Sites Program, Crown-Indigenous Relations and Northern Affairs Canada
Mark Yetman, Contaminated Sites Program, Crown-Indigenous Relations and Northern Affairs Canada
Robert Greenley, Kitikmeot Inuit Association
Wynter Kuliktana, Kitikmeot Inuit Association
Jericho Distribution List