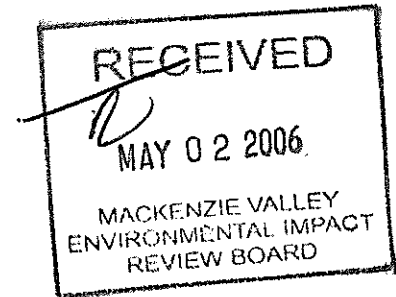




**NWT & NUNAVUT
CHAMBER OF MINES**

February 17, 2006

Ms. Gabrielle Scott
Chair
Mackenzie Valley Environmental Impact Review Board
Box 938
Yellowknife NT X1A 2N7



Gahcho Kue Diamond Project

The NWT & Nunavut Chamber of Mines wishes to express its support for an expeditious environmental assessment of the Gahcho Kue diamond project.

We believe that much has been learned about the technology, terminology, techniques and effects of diamond mining over the past ten years and the three major environmental reviews of diamond projects. We further believe that little new knowledge will result from an exhaustive and extremely detailed review of the fourth diamond project in a decade.

The NWT & Nunavut Chamber of Mines represents members engaged in mining and exploration in Canada's north and the many businesses and individuals who make their living from the mining industry.

Mining is the north's number one industry and, in 2004, diamond mining activity contributed over 42% of the NWT's Gross Domestic Product. In the same year, diamond mining and related construction provided approximately 2200 person years of employment, about 61 % of this number were NWT residents. Since the start of construction of the Ekati diamond mine in 1997, mining and mine construction have contributed almost \$ 7billion to the NWT GDP. The diamond mines have paid over \$50 million in property and fuel taxes to the Government of the Northwest Territories since 1998.

By any measure, diamond mining has made a significant contribution to the well-being of the people of the NWT and to Canada as a whole. This activity has provided jobs, business and training opportunities, reduced social assistance payments, reduced the requirement for some federal transfer payments, and has provided tax revenues to governments. The NWT now boasts the lowest unemployment rate in Canada.

Diamond mines have also supported many worthwhile community initiatives. The mining companies have shown financial and other support for development of community infrastructure

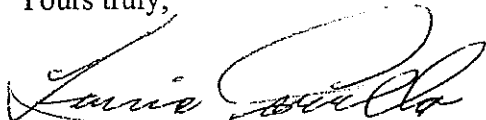
and recreation facilities, education and training programs and facilities and sponsor many cultural events.

Diamond mining has also changed the way in which aboriginal people have participated in the northern mining industry. Prior to the establishment of Ekati, about 10% of the mining industry workforce was aboriginal. Currently, it is estimated that over 31% of persons employed in the mines and related industries are aboriginal northerners. With continued training programs, we have every expectation that this number can be increased over time.

Diamond mines have demonstrated an unprecedented degree of environmental concern, operating to internationally recognised standards, and have shown a new degree of social and community concern and have monitoring agencies and financial bonding in place to ensure continued compliance with agreements and eventual reclamation.

Because of the positive contribution to the NWT's economy and lifestyle made by diamond mining and because it has been proved that diamond mines can operate in an environmentally sensitive and socially acceptable manner, we recommend that the Mackenzie Valley Environmental Impact Review Board conduct an environmental assessment at a much smaller scale than that carried out on the three previous diamond mines. We believe that another full-fledged review at this time will tend to ignore lessons already learned and simply be repetitious and represent an unnecessary cost to the tax payer and an unnecessary delay to the developer.

Yours truly,



Lou Covello
President

Attachment:

NWT Diamonds: The Economic Impact of the Diamond Industry on the Economy of the NWT
1991-2004

Sustainable Economies: Aboriginal Participation in the Northwest Territories Mining Industry
1990-2004

- c Hon. Jim Prentice, Minister, Indian Affairs and Northern Development
- Hon. Rona Ambrose, Minister of the Environment,
- Hon. Brendan Bell, Minister, Industry, Tourism and Investment, GNWT
- Hon. Michael Miltenberger, Minister, Environment and Natural Resources, GNWT
- President, NWT Chamber of Commerce
- President, NWT Construction Association
- President, Yellowknife Chamber of Commerce
- Mayor, City of Yellowknife
- President, Mining Association of Canada
- President, Prospectors & Developers Association of Canada