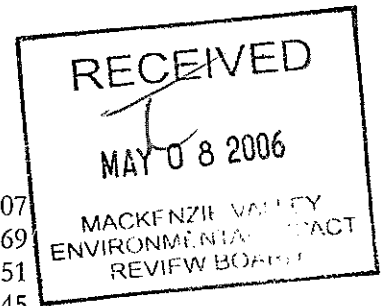


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May 5, 2006

Vern Christensen
Executive Director
Mackenzie Valley Environmental Impact Review Board
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Attention: Vern Christensen, Executive Director,

RE: Proposed Gahcho Kue Diamond Mine Advanced Issues Scoping for the Purposes of Preparing Terms of Reference for an Environmental Assessment (EA), and for Gauging Public Concern for the Purposes of Determining if an Environmental Impact Review (EIR) Pursuant to the Mackenzie Valley Resource Management Act (MVRMA) is Justified.

Thank you to the Mackenzie Valley Environmental Impact Review Board ('MVEIRB' or 'Review Board') for hosting and reporting on the recent Gahcho Kue Diamond Mine ('Proposed Project' or 'Proposal') issues and technical scoping sessions; and, for the recent public and community proceedings. The YKDFN recognizes and appreciates the MVEIRB's efforts and service.

Concerns cited on the public record with the Proposed Project are for the most part general. That is not surprising because it is almost impossible to ask detailed scoping questions about a Project that is only generally described. The information necessary to properly assess the environmental and human changes caused by the Project is significantly greater.

For emphasis, the purpose of the scoping sessions was to determine what communities, scientists and regulators wanted to see in an environmental assessment (EA or EIR), the Board should be cautioned not to limit itself to those concerns raised by the various communities, experts and regulators, but to apply its own expertise and resources to fulfill its mandate in establishing the Terms of Reference for the environmental assessment and we urge further review process. That is, the YKDFN requests that the Review Board to refer the Proposed Project to EIR and to consider including the following in the Terms of Reference (ToR).

1. Socio-economic issues must be included and more specifically:
 - (a) address economic disparity issues brought about by projects of this nature and address issues brought about by the boom/bust cycle;
 - (b) address the issues that arise between the prosperity brought by a project of this nature to those individuals who actively participate in the economic system but which activity widens the gap between those who participate and those who do not.
 - (c) demonstrate how the Proposed Project meets the principles of sustainability with respect to production rates, mine life, and social capacity development and environmental management.
2. We suggest there should be a study of the effects of loss of economic opportunity created by approval of the projects at this time without regard for the ongoing land claim and treaty entitlement process. The Impact and Benefits Agreements (IBAs) are meant to address this issue however there is as of yet no direction that the IBAs must be resolved prior to permitting for the projects.
3. Transportation issues are on a Multi-Project basis should be examined such that the proponent should be prepared to discuss alternative methods available for transportation to and from the mine site particularly as it concerns the transportation of fuel over the ice road and the potential for spills and other hazards that could result.
4. Provide objective and defensible rationale for the preferred winter road spur to the Gahcho Kue using where possible quantifiable or risk based safety, environmental, economic, and social considerations.

5. Alternatives to the creation of a power source via diesel fuel should be examined.
6. As this is an open pit project, dust issues will arise. The dust issues should be examined specifically as it relates to the contamination of the food source for caribou and other ungulates and over a significant range. This is also a Multi-Project and cumulative issue.
7. The issue of the over extension of human and economic resources by the local Communities and Peoples need to be addressed. Each of the Projects brings its own specific concerns and those concerns need be addressed by the local Communities who have neither the people nor economic resources to effectively deal with the volume and complexity of them.
8. From a social standpoint, the influx of outside workers continues to put strain on the social fabric of the North and the facilities available to Northerners without a corresponding benefit.
9. All issues of a Multi-Project nature, and this particular Project, will represent the fifth major diamond mine impacting upon Northern Communities. No one of these Projects can be examined standing on its own but the projects as they come on stream must be examined on a Multi-Project basis.
10. Caribou and other land mammal issues must be examined and conclusions reached respecting not only this project but the broader Multi-Project issues that arise, particularly given the current observations suggesting a significant depletion in herd size.
11. Water issues to be examined should include:
 - (a) water quality;
 - (b) surface water issues;
 - (c) water use and management;
 - (d) perma frost issues;
 - (e) ground water issues;
 - (f) mine water inflow issues;

(g) water rights

12. Discussion of the purpose of the watershed diversion including methods, alternatives, impacts and feasibility.
13. Explain and quantify the impacts expected from the waste rock, processed Kimberlite, Kimberlite fines, and tailings.
14. Suggest having De Beers explain the feasibility and long term structural and environmental stability of the PKC facility within the context of a risk management framework.
15. Fisheries issues such as effects of dewatering and loss of habitat need be examined.
16. Suggest including the following statement in the Terms of Reference.
 - (a) "The Mackenzie Valley Environmental Impact Review Board ('MVEIRB' or 'Board') will gauge and define the extent of the impacts of the Proposed Project, including a review of the [impacts on the environment] ecosystemic¹ and socio-economic impacts of the proposed Development to determine whether it should proceed, and if so, under what terms and conditions. That is, the Board must be satisfied that the impact assessment for the proposed Development as a whole is complete before the project can be divided into its various components for regulatory approval."²
17. With respect to assessing the conformity and technical adequacy of the Developer's Impact Review Report (IRR) the Yellowknives Dene recommends using NIRB's "outstanding information" test as way of fairly and consistently making findings on matters of conformance and adequacy.

¹ Interdependency between the different parts of the environment: air, land, water, wildlife and people.

² Nunavut Impact Review Board, (2004). Final Hearing Report for the Doris North Gold Mine Project File # 02MN134. Miramar Hope Bay Ltd. Doris North Gold Mine Application.

- (a) The MVEIRB will consider the IRR in light of the Terms of Reference and outstanding information needs and issues brought forward to the Hearing by the parties and ask a series of questions, including:
- (b) Did the Proponent's response to the information requirements adhere to the intent of the ToR?
- (c) Did the Proponent respond to the specific information requirements set out in the IRR ToR?
- (d) Did the Proponent develop a reasonable range of alternatives to evaluate and were the appropriate techniques and methodologies used for evaluating alternatives?
- (e) Did the Proponent show evidence that they considered and responded to environmental concerns of the parties?
- (f) Is critical technical data which would assist the MVEIRB in the review process missing?³
- (g) Do the IRR and related supplementary documents serve as a sufficient tool for MVEIRB to make an informed decision?

18. The Yellowknives Dene recommends including the following statement in the Terms of Reference.

- (a) "Environmental assessment is intended to avoid problems through foresight, not to delegate impact decision making requirements to other agencies."
- (b) "Only once the determination is made as to whether the project as a whole should proceed is it appropriate to divide the various components of the project out for approval by the multitude of regulatory agencies and organizations that will make detailed permitting and other authorizing decisions within the scope of their particular mandate."⁴
- (c) The rationale for including the above statements is that the MVEIRB "would fail in its mandate if it chose to delegate a matter that has the potential to significantly effect the ecosystemic integrity and well-being of the Yellowknives Dene to one, or even several,

³ Ibid.

⁴ Ibid.

regulatory bodies or organizations on the basis that the organization had sufficient power to “halt” the proposed project.”⁵

19. The Yellowknives Dene therefore requests the Board require the following of the Proponent.
 - (a) The Proponent will submit digital files of all its maps and figures in a format suitable for importing into an ESRI ArcView Geographic Information System (GIS), or other more generally practicable digital mapping and analysis software.

De Beers is has assembled what looks to be an elegant project designed with ultimate site closure and reclamation as a principal design consideration. It is important to acknowledge the YKDFN supported. De Beers’ proposed design for closure and the benefits it will bring. The design approach may require some innovative thinking and cooperation among fisheries and water regulators as well as the affected public and First Nations. The YKDFN recognizes this and is willing to help make the approach taken by De Beers successful.

Regulators, the public and First Nations have participated in up to four diamond mine environmental assessments in the last 8 years and by now should be considered national leaders in the assessment of diamond mines. With that in mind, the we hope the developed ToR are sufficiently focused, rigorous and reasonable to ensure a speedy water licencing and permitting process should the Project be acceptable. To that end, the YKDFN suggests the MVEIRB ensure it focuses on water, waste, fisheries, wildlife especially caribou; and their capacity to respond to cumulative impacts and their individual and collective resilience to cumulative impacts.

De Beers is proposing what appears to be a creative and innovative design that expands the boundaries of mine engineering for closure. There remain significant environmental and socio-economic effects tests that the Proposed Project will need to pass; not including the ultimate capital allocation decision by De Beers. The Project is not simple; in fact, it is complicated. Its impacts

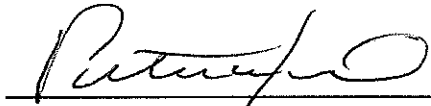
⁵ Ibid.

are multi-generational, and the scopes of possible impacts extend to Great Slave Lake, although the actual impact on the Lake remains unknown.

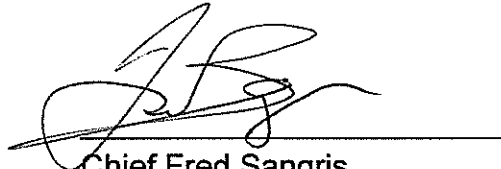
In conclusion, the Yellowknives Dene respectfully request the MVEIRB send the Gahcho Kue project to Environmental Impact Review pursuant to ss 128. (3)(b)(c) of the MVRMA, and that reasonable measures be taken to focus the ToR and to assist participating parties through some form of Impact Review Participation fund.

The YKDFN submission to the Review Board is without prejudice to the current Treaty implementation process underway with the GNWT and Canada.

Sincerely,
Chiefs of the Yellowknives Dene First Nation



Chief Peter Liske
Deftah



Chief Fred Sangris
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