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**DIAND**

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Mackenzie Valley Land  
& Water Board

File

FEB - 2 2005

Date: February 2, 2005

To: Stephen Nielsen  
Steve Mathyuk  
Mackenzie Valley Land & Water Board

Application # MV2004C0032

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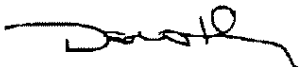
Fax: (867) 873-6610

Pages: 4, including cover

Comments:

Attached please find correspondence from Mr. David Livingstone from January 19<sup>th</sup>. I apologize for the delay in sending this to you as I was away on vacation and my replacement missed sending this along.

Thank you.



Dorothy Morrison



Indian and Northern Affairs Canada  
Affaires indiennes et du Nord Canada

January 19, 2005

Your file Votre référence

Our file Notre référence

Mr. Stephen Nielsen,  
Interim Chair  
Mackenzie Valley Land and Water Board  
7<sup>th</sup> Floor - 4910 50<sup>th</sup> Avenue  
P.O. Box 2130  
YELLOWKNIFE, NT X1A 2P6

Dear Mr. Nielsen:

**Re: Drybones Bay Area - Request for Clarification "Shoreline Zone" and Direction as to How to Proceed with Applications for Development - Land Use Permit Application for Mineral Exploration - Garnet Resources Ltd.**

Thank you for your letter dated October 2, 2004, in which you request clarification from Indian and Northern Affairs Canada (INAC) on a clear definition of the Shoreline Zone as noted in the Report of Environmental Assessment for Consolidated Goldwin Ventures Inc. (CGV Report), and direction as to how to proceed with applications for development within the Shoreline Zone, specifically in respect of the Garnet Resources Ltd. application for a land use permit at Matonabee Point in Great Slave Lake. My personal apologies for the delay in responding.

While the federal Minister (INAC) and the responsible ministers considered the entire CGV Report, which included some non-binding suggestions, their s.130 determination under the *Mackenzie Valley Resource Management Act* (MVRMA) adopted only the Mackenzie Valley Environmental Impact Review Board (MVEIRB) recommendation. The latter includes approval of the final recommended mitigative 'measures' intended to prevent significant adverse impacts but does not include suggestions listed in the CGV Report. Board suggestions are intended for the consideration of the respective agencies and are not adopted or accepted by the federal Minister and responsible ministers pursuant to s.130.

Consequently, your correspondence dated October 20, 2004, to Garnet Resources Ltd. is incorrect regarding the last paragraph on page 1 where you state:

"As discussed in advance of your application, the MVEIRB has made the suggestion which was accepted by the Minister of the Department of Indian Affairs and Northern Development (DIAND), that no new land use permits be issued within the Shoreline Zone".

Neither suggestion 5, nor any other suggestion in the CGV Report, was "accepted" by the Minister of INAC. With the exception of our Minister's correspondence to you dated September 13, 2004, the suggestions in the CGV Report have not been commented on to date, nor do they

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form part of the regulating guidance contained in the CGV Report.

For a further explanation as to the purpose of suggestions and their status in an environmental assessment report, please refer to the second paragraph of section 2.6 in the CGV Report.

As for the significance of the "Shoreline Zone", as I understand it, the MVEIRB's intention was to emphasize the particular sensitivities (archaeological, cultural and spiritual) identified by interveners at the Drybones Bay and Wool Bay hearings in the area extending **three kilometres** inland from the actual shoreline of the mainland. In that context, the Yellowknives Dene First Nation has now formally indicated its interest in protecting and preserving the Great Slave Lake shoreline lands from Dettah to Gros Cap and beyond to the Taltheilei Narrows (see attached memo, dated June 30, 2004).

In terms of Garnet Resources Ltd., or any other proposed development in the area within the "Shoreline Zone", developers with mineral rights on Crown lands continue to be bound by legislative/regulatory requirements. The notion of a "Shoreline Zone" highlights sensitivities that should be considered, but it does not create a bar to development and it does not change the legal requirements that developers must fulfil. Developers are bound by the Canada Mining Regulations which require that representation (assessment) work must be done to maintain mineral claims in good standing and if there is an application for a land use permit to conduct the necessary representation work, the requirements of the MVRMA and other applicable legislation will apply.

Should you or your staff wish to meet to discuss this issue further, please feel free to call me (669-2647). Again, my apologies for the tardiness of this reply.

Sincerely,



David Livingstone  
Director,  
Renewable Resources and Environment

c.c. Steve Mathyk  
Regulatory Officer  
Mackenzie Valley Land and Water Board



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