

Agence canadienne de développement économique du Nord

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June 4, 2013

Chief Edward Sangris Yellowknives Dene First Nation PO BOX 2514 YELLOWKNIFE NT X1A 2P8

Chief Roy Erasmus Sr. Yellowknives Dene First Nation PO BOX 2514 YELLOWKNIFE NT X1A 2P8

Dear Chiefs:

Re: Federal Minister and Responsible Ministers' Response to Yellowknives Dene First Nation comments on the NICO Project (EA0809-004)

I am writing, on behalf of the Federal Minister (FM) and Responsible Ministers (RMs), in response to your May 17, 2013 letter to the Northern Projects Management Office regarding Yellowknives Dene First Nation (YKDFN) comments on the proposed modification to Measure #8 of the Report of Environmental Assessment and Reasons for Decision (the "Report") for the Fortune Minerals Limited ("Fortune") NICO Project (the "Project") (EA0809-004).

In the letter, YKDFN noted that the modification may soften responsible authorities' obligation to carry out the measure. The modified measure maintains the intent of the original measure in that the individual Project contributions to cumulative effects on the Bathurst barren ground caribou herd and range should be mitigated and managed. Furthermore, the RMs and the Tlicho Government would be required to carry out the modified measure to the extent of their respective authorities pursuant to Section 130(5) and 131.1(2) of the *Mackenzie Valley Resource Management Act*.

The mandatory implementation of the Wildlife Effects Monitoring Program (WEMP) and Wildlife & Wildlife Habitat Protection Plan (WWHPP) for the Project was another point raised by the YKDFN. The WEMP and WWHPP are key components in the proposed response frameworks. For the Project, the WEMP and WWHPP are required as the

result of a combination of commitments made by Fortune and measures made by the Mackenzie Valley Environmental Impact Review Board. It is also the view of the Government of the Northwest Territories that the WWHPP falls within the authority of land and water boards for inclusion during the potential licensing and permitting phase of the Project when considering the protection of wildlife habitat under section 26(1)(h) of the Mackenzie Valley Land Use Regulations.

YKDFN noted the absence of prescribed timelines in the modified measure, but agreed that timelines can be developed collaboratively. The RMs also maintain that since there are multiple contributors to cumulative effects, therefore cumulative effects assessment and management should be addressed collaboratively and as a shared multi-party responsibility among the contributors. The Government of the Northwest Territories has agreed to take a lead role in facilitating this task and will develop appropriate work plans and timelines collaboratively with partners, as appropriate.

The RMs support and encourage the continued participation of the YKDFN in the development and implementation of the proposed response frameworks. As currently proposed, the YKDFN, as a traditional harvester of the herd, will have a participatory role in developing recommendations to management authorities and cumulative effects assessment practitioners through the proposed Cumulative Effects Assessment and Management Working Group for the herd.

The FM and RMs have now concluded their engagement and consultation process with Aboriginal groups, and the GNWT believes that its modified Measure #8 substantially addresses the concerns which the YKDFN has raised with respect to potential significant adverse cumulative impacts to barren ground caribou. However, if the RMs accept the Review Board's recommendation that the project advance to the regulatory phase, there will be further opportunities available to the YKDFN to engage and comment on the Project.

Sincerely.

Matthew Spence Director General

Northern Projects Management Office

cc: Grand Chief Eddie Erasmus, Tłjcho Government

Bill Enge, President, North Slave Métis Alliance

Kathryn Bruce, Regional Director General, Aboriginal Affairs & Northern

Development Canada

Paula Isaak, Director General, Aboriginal Affairs & Northern Development Canada

Caroline Caza, Acting Director General, Environmental Sustainability Branch, Environmental Protection Operations Division, Environment Canada

Dale Nicholson, Regional Director, Central and Arctic Region, Fisheries and Oceans Canada

Sharon Ashley, Director General, Ecosystems Management, Fisheries and Oceans Canada

Patrick O'Neill, Director General, Minerals, Metals and Materials Policy Branch, Natural Resources Canada

Catherine Higgens, Director General, Stewardship and Sustainable Transportation Programs, Transport Canada

Ray Case, Assistant Deputy Minister, Department of Environment and Natural Resources, Government of the Northwest Territories.

Robin E. Goad, President & CEO, Fortune Minerals Limited

Mark Cliffe-Phillips, Executive Director, Wek'èezhìi Land and Water Board

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