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September 22, 2014

Re: Report of Environmental Assessment and Reasons for Decision for the Proposed Amendment to Snap Lake Diamond Mine Water License MV2011I2-0004 (File: EA1314-02)

Dear Ms. Henry,

The Deninu Kue First Nation (DKFN) is pleased to provide the following response to your letter, dated September 5, 2014, advising whether potential adverse impacts of the development on DKFN asserted or established Aboriginal and/or treaty rights have been fully addressed in the Report of Environmental Assessment and Reasons for Decision (REA). As was discussed at the Public Hearings in June 2014, the Snap Lake Mine is within the current and traditional socio-economic use areas as identified in the Deninu K'ue Ethno-history Report prepared by Vanden Berg and Associates. The DKFN is concerned that the effect of increasing levels of total dissolved solids (TDS) on the aquatic environment will affect our traditional use of the lands and waters around Snap Lake.

Concerns regarding this effects were originally raised during the environment review for the project and the Mackenzie Valley Review Board, in its 2003 *Report of Environmental Assessment and Reasons for Decision on the De Beers Canada Mining Inc. Snap Lake Diamond Project*, concluded that potential for significant adverse impacts on aquatic life remain if TDS levels in Snap Lake exceed concentrations predicted by De Beers, despite the implementation of mitigation measures proposed at that time. Further, emphasis was placed on developing an adaptive management plan during the original review in 2003, the water licensing process in 2004 and the water license renewal in 2011. Given this history of the issue, we made a request to De Beers during the Public Hearing , that it document management and/or operational practices that have been conducted in the attempt to stay within the compliance limits of the current water license Effluent Quality Criteria for TDS. This was an opportunity for De Beers to show the effectiveness of its adaptive management plan; however, it declined to provide this information stating that this information was discussed at the technical sessions held prior to the hearings. Based on the information submitted for those sessions De Beers has stated that “management efforts to reduce the amount of TDS in mine effluent being released into Snap Lake are focused on studies DeBeers started in 2012 on water treatment options.” (Snap Lake Mine Water License Amendment Plain Language Summary of Key Proposed Amendments April 2014, page 3).

Further, in its TDS Response Plan (dated December 2013), De Beers has identified the sources of TDS and the current and ongoing management practices to reduce TDS. As mentioned above, ongoing management efforts are focused on a phased study initiated in 2012 on water treatment technologies and a pilot scale treatment study to reduce concentrations of TDS. Unfortunately, modeling predictions developed by De Beers show that TDS concentrations will continue to exceed current and proposed site specific water quality objectives for Snap Lake. Further, in its Evaluation of Effluent Quality Criteria Report (dated December 2013), De Beers continues to identify uncertainties, particularly in regard to the mixing zone and use of a second diffuser, despite ongoing monitoring at the site for more than a decade. In response to this De Beers was to implement a plume study in the summer of 2014.

In this recent REA (File: EA1314-02), the Review Board has again determined that the project, and TDS in particular, has the potential to cause significant impacts to the environment, primarily related to effects on the aquatic environment. The Review Board has had to base this determination on an unmitigated scenario since De Beers has not specified what mitigation measures it is proposing. As we wait for the results of the phased and pilots studies that are underway and the planned studies that were to be implemented in 2014, the ongoing concerns and uncertainties about elevated levels of TDS in Snap Lake and downstream remain. Adequate and effective mitigation must be in place for this project, which is why we recommended to the Review Board to suspend the environmental review decision phase until after the results of the above noted studies are completed and results are presented by De Beers. It is expected that these results should shed some light on the effectiveness of the water treatment options and will provide some clarity and certainty around the mitigation measures to be employed. It is only at this point that we may feel confident on the determination of significant impacts on the environment.

Proceeding with the project without a clear understanding of the mitigation to be in place does not fully address our Aboriginal and treaty rights as the uncertainty to impacts to the aquatic environment remain present. We continue to be disappointed that over a decade of monitoring has been conducted at Snap Lake and the issue of increased levels of TDS continues to be forefront. De Beers has had multiple opportunities to demonstrate effective environmental stewardship but has failed to do so. We are concerned that based on the current actions and commitments by De Beers that this issue will continue for the life of the mine. In its decision, we ask that the Minister provide specific direction to De Beers and the Mackenzie Valley Land and Water Board that the measures and suggestions identified in the REA must be implemented. For this, De Beers must provide adequate information prior to the permitting phase to show that it will have effective mitigation in place to ensure protection of the aquatic environment and the preservation of our Aboriginal and treaty rights.

We thank the GNWT for the opportunity to participate in this decision of this project and look forward to an amenable results from this environmental assessment.

Sincerely,



Chief Louis Balsillie

cc. Linda Vanden Berg, LVB Strategic Negotiations and Research
Marc d'Entremont, LGL Limited
Mr. Bernard Valcourt, Minister of Aboriginal Affairs Canada
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