

Mackenzie Valley Environmental Impact Review Board

Box 938, 5102-50th Avenue, Yellowknife,
NT X1A 2N7

Date: Friday, October 10, 2003
From: Alan Ehrlich
Pages: 4 including these two cover pages
File: EA01-004 De Beers Snap Lake Diamond Project
Subject: Ministerial Sign-Off

Please see the attached letter from DIAND Minister Nault, received today (Oct. 10th, 2004).

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Maurice Boucher, Akaitcho Territory Government	(867) 394-3413
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City Clerk, City of Yellowknife	920-5649

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Derek Chubb Ekati™ BHP Mines Diamond Mine Inc.	669-9293
NWT Chamber of Mines	920-2145
NWT Chamber of Commerce	873-4174
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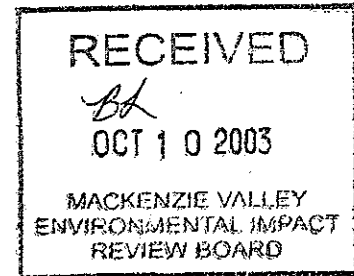
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Ottawa, Canada K1A 0H4

OCT 10 2003

Mr. Todd Burlingame
Chair
Mackenzie Valley Environmental Impact Review Board
PO Box 938
5102-50th Avenue
YELLOWKNIFE NT X1A 2N7



Dear Mr. Burlingame:

Re: Response to the Snap Lake Diamond Project Panel which was chaired by Mr. Gordon Wray

As the Federal Minister and on behalf of the Responsible Ministers with jurisdiction related to this development, I am writing to convey our decision on the recommendation contained in the Report of Environmental Assessment (the "EA Report") for the De Beers Canada Mining Inc. proposed Snap Lake Diamond Project, submitted by the Mackenzie Valley Environmental Impact Review Board (the "Review Board") on July 24, 2003. After reviewing the above noted EA Report and pursuant to subparagraph 130 (1)(b)(i), of the *Mackenzie Valley Resource Management Act* (the "MVRMA"), the Responsible Ministers and I have agreed to adopt the recommendation of the Board made under subparagraph 128 (1)(b)(ii), of the MVRMA.

We agree with the Review Board's determination that the development is likely to have a significant adverse impact on the environment, and that mitigation measures are necessary to prevent such impacts. However, we note that what the Review Board has referred to in the EA Report as recommended measure #30 speaks to future environmental assessments and not the Project proposal that was the subject of this particular assessment. Subsection 128(1) of the MVRMA states:

On completing an environmental assessment of a proposal for a development, the Review Board shall,...

(b) where the development is likely in its opinion to have a significant adverse impact on the environment,...

(ii) recommend that the approval of the proposal be made subject to the imposition of such measures as it considers necessary to prevent the significant adverse impact;

This provision of the MVRMA confines the Review Board to focus on recommending measures necessary to prevent the significant adverse impact of *the development under assessment*. Accordingly, we thank the Review Board for the recommendation

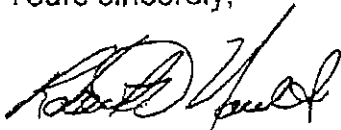
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outlined in measure #30 but we must consider it as a general suggestion only which cannot interfere with the exercise of our discretion when considering future projects.

As you know, subsection 130(5) of the MVRMA provides that a first nation, local government, regulatory authority or department or agency of the federal or territorial government affected by the decision made under section 130 must act in conformity with the decision to the *extent of its authority*. With regard to recommended measure #32, government funding decisions are subject to the annual appropriation of funds by the Parliament of Canada or the Legislative Assembly of the Northwest Territories, as the case may be. That said, we will commit to expending reasonable efforts to meet the intent of this measure.

Finally, I understand the Review Board has planned a Lessons Learned Workshop in the fall of 2003 on the De Beers Environmental Assessment process. We believe this will be an important exercise and my regional staff are available to assist you in its organization and the identification of issues for discussion.

Yours sincerely,



Robert D. Nault, PC, MP

c.c.: The Honourable Robert G. Thibault, Minister of Fisheries and Oceans
The Honourable David Anderson, Minister, Environment Canada
The Honourable Jim Antoine, Minister, RWED, Government of Northwest Territories
The Honourable Herb Dhaliwal, Natural Resources Canada
Melody McLeod, Chairperson, Mackenzie Valley Land and Water Board