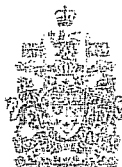


Ministre des Affaires indiennes et  
du Nord canadien et interlocuteur fédéral  
auprès des Métis et des Indiens non inscrits



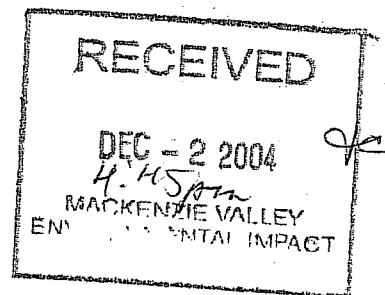
Ottawa, Canada K1A 0H4

Minister of Indian Affairs and  
Northern Development and Federal Interlocutor  
for Métis and Non-Status Indians

LI 103 000  
INAC to MVEIRB  
Re: Initiate Consult  
to Modify Nov  
23

NOV. 23 2004

Mr. Todd Burlingame  
Chair  
Mackenzie Valley Environmental  
Impact Review Board  
PO Box 938  
YELLOWKNIFE NT X1A 2N7



Dear Mr. Burlingame:

**Report of Environmental Assessment and Reasons for Decision on the North American General Resources Corporation's Preliminary Diamond Exploration in Wool Bay**

As the federal Minister, and on behalf of the Responsible Ministers (RMs) with jurisdiction related to this development, I am writing to convey our decision on the recommendation contained in the Report of Environmental Assessment and Reasons for Decision on the North American General Resources Corporation's Preliminary Diamond Exploration Program (the EA Report). This decision was taken after:

- considering the above noted EA Report; and
- considering the letters to Indian and Northern Affairs Canada from Fisheries and Oceans (March 29, 2004); and the North American General Resources Corporation (February 23, 2004).

The RMs and I have agreed to initiate consultation with the Mackenzie Valley Environmental Impact Review Board pursuant to subparagraph 130(1)(b)(ii) of the *Mackenzie Valley Resource Management Act*. We specifically want to discuss recommended measures R1 and R2. In this regard, we have prepared modifications with supporting rationale for your consideration and comment.

.../2

Regional officials, under the direction of Mr. David Livingstone, Director, Renewable Resources and Environment, will be in contact with you to set up a meeting to discuss the proposed modifications.

Yours sincerely,

ORIGINAL SIGNED BY  
ORIGINAL SIGNÉ PAR

The Honourable Andy Scott, PC, MP

Encl.

c.c.: The Honourable Stéphane Dion, PC, MP  
The Honourable Geoff Regan, PC, MP  
The Honourable Brendan Bell, MLA

**ASSESSMENT FOR THE NORTH AMERICAN GENERAL  
RESOURCES CORPORATION'S (NAGRC) PRELIMINARY DIAMOND  
EXPLORATION PROGRAM**

**RECOMMENDED MEASURE 1**

Fisheries and Oceans (F&O) will verify that sensitive fish spawning and nursery habitat does not occur within the NAGRC's proposed program area. Section 4.3.1, page 37.

**Suggested modification:**

That the NAGRC provide site-specific habitat data, for each drilling location that is proposed in less than 11 metres of water and is not frozen to the substrate, to F&O for verification that sensitive fish spawning and nursery habitat does not occur within the proposed drilling locations.

**F&O agrees with the objective of recommended measure R1: To mitigate the potential for significant adverse impact.**

**Rationale:**

F&O has expressed concern that the recommended measure, as currently written to undertake field investigations on behalf of the proponent, is inappropriate and may stem from a misinterpretation of F&O's comments at the November 25, 2003 Public Hearing, as commitment to do so. F&O has committed to verifying fish habitat data provided by the proponent.

**RECOMMENDED MEASURE 2**

The NAGRC will confirm the lake depth at all drill locations. The NAGRC will only drill in lake depth less than 11 metres, if the ice is frozen to the bottom prior to the start of drilling. Section 4.4.1, page 44.

**Suggested modification:**

That the NAGRC confirm the lake depth at all proposed drill locations and in the absence of site-specific habitat data, referred to in the recommended measure R1, conduct drilling only in areas of the lake greater than 11 metres in depth or in areas frozen to the substrate.

**F&O agrees with the objective of recommended measure R2: To mitigate the potential for significant adverse impact.**

**Rationale:**

F&O agrees that the requirement, for both the recommended measures R1 and R2 to be applied to the siting of drill locations simultaneously, appears to be overly restrictive. In the absence of site-specific habitat data, F&O requested that drilling only be undertaken in water greater than 11 metres in depth or in areas frozen to the substrate. Conversely, if site-specific habitat data demonstrate that no sensitive fish habitat is present at a drill site, drilling could be undertaken even if the water depth is less than 11 metres or if the area is not frozen to the substrate.