

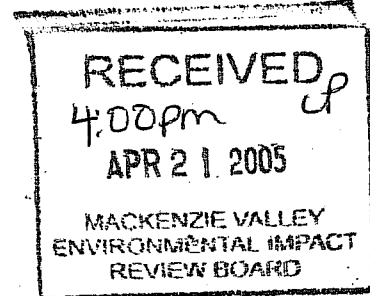
Ministre des Affaires indiennes et
du Nord canadien et interlocuteur fédéral
auprès des Métis et des Indiens non inscrits



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

Ottawa, Canada K1A 0H4

APR 14 2005



Ms. Gabrielle Mackenzie-Scott
Chair
Mackenzie Valley Environmental Impact
Review Board
PO Box 938
YELLOWKNIFE NT X1A 2N7

Dear Ms. Mackenzie-Scott:

As the Minister of Indian Affairs and Northern Development, and on behalf of the Responsible Ministers with jurisdiction for this development (Resources, Wildlife and Economic Development; Government of the Northwest Territories; Fisheries and Oceans; and Environment Canada), I am writing to convey our decision on the Report of Environmental Assessment for the North American General Resources Corporation's Preliminary Diamond Exploration Program. This decision was taken after:

- considering the above-noted Report of Environmental Assessment for the North American General Resources Corporation's Preliminary Diamond Exploration Program;
- undertaking consultation with the Mackenzie Valley Environmental Impact Review Board (Review Board) on measures contained in the Report of Environmental Assessment, pursuant to paragraph 130(1)(b)(ii) of the *Mackenzie Valley Resource Management Act*;
- considering the letters to Indian and Northern Affairs Canada from Fisheries and Oceans (March 29, 2004); and North American General Resources Corporation (February 23, 2004); and
- considering the letter from the Review Board to Indian and Northern Affairs Canada (December 16, 2004).

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Pursuant to section 130(1)(b)(ii) of the *Mackenzie Valley Resource Management Act*, the Responsible Ministers and I have agreed to adopt the recommendation of the Review Board with modifications. The modifications are in regard to two of the seven recommended measures identified by the Review Board as being necessary to prevent a likely significant adverse impact on the environment. The final approved measures are enclosed, and reflect the views expressed by the Review Board in the consultation process and in its letter of December 16, 2004.

I wish to thank the Review Board for discharging its duties under the *Mackenzie Valley Resource Management Act* in this matter.

Yours sincerely,

A handwritten signature in black ink that reads "Andy Scott". The signature is written in a cursive, slightly slanted style.

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
North American General Resources Corporation
Mr. Stephen Nielson
Ms. Susan Weaver
Ms. Monica Kreiger
Ms. Kris Johnson
Mr. Jason Lapine
Chief Peter Liske
Chief Darryl Beaulieu
Mr. Patrick Simon
Mr. Glen Abernethy
His Worship Mayor Gordon Van Tighem
Mr. Mike Vaydik

**Report of Environmental Assessment on the North American
General Resources Corporation's Preliminary
Exploration Program**

Measure No. 1 (as modified)

That North American General Resources Corporation 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 Fisheries and Oceans for verification that sensitive fish spawning and nursery habitat does not occur within the proposed drilling locations.

Measure No. 2 (as modified)

That North American General Resources Corporation confirm the lake depth at all proposed drill locations and in the absence of site-specific habitat data, referred to in the recommended measure 1, conduct drilling only in areas of the lake greater than 11 metres in depth or in areas frozen to the substrate.

Measure No. 3 (not modified)

North American General Resources Corporation will be restricted to operating on lake ice to ensure that direct impact to archaeological sites is minimized or eliminated.

Measure No. 4 (not modified)

North American General Resources Corporation must transport all drill waste water to Yellowknife for proper disposal along with all other wastes generated as a result of the development.

Measure No. 5 (not modified)

North American General Resources Corporation will be provided with precise locations and the extent of recorded archaeological sites within its development area by the Prince of Wales Northern Heritage Centre and other Aboriginal parties.

Measure No. 6 (not modified)

North American General Resources Corporation will seek advice and assistance from the Yellowknives Dene First Nation and the North Slave Métis Alliance in order to undertake the development in a manner that is sensitive to the community and respectful to the families of those buried in the vicinity of the operations. This may involve a visit to the site by a Yellowknife Dene First Nation Elder and a North Slave Métis Alliance Elder and translator, if required, before, during, and after the operation.

Measure No. 7 (not modified)

No part of the proposed development will occur within 100 metres of any known or suspected archaeological, burial or sacred site.