

Acquisition

Exploration

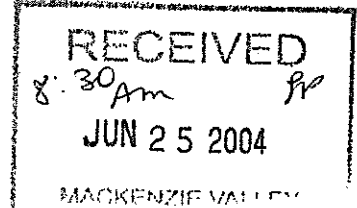
Development

Snowfield Development Corp. 100 - 1009 Expo Boulevard, Vancouver, B. C. V6Z 2V9
Tel: 604-681-5720 • Fax: 604-681-6937 • paterson@snowfield.com

EA 03-006

June 24, 2004

Mr. Todd Burlingame, Chair
Mackenzie Valley Environmental Impact Review Board
200 Scotia Centre, (5102-50th Avenue)
YELLOWKNIFE, NT X1A 2N7



**RE: Assessment For Snowfield Development Corp's (SDC)
Diamond Exploration Program, by the Honorable Andy Mitchell, Minister of Indian
Affairs and Northern Development, July 17, 2004**

Per Snowfield Development Corp.'s Land Use Application MV2003C0023

Dear Mr. Burlingame,

It has been almost one year since the MVL&WB referred Snowfield's Development Corp.'s Land Use Application MV2003C0023 for Environmental Review on June 30, 2003 and 120 days since the MVEIRB released its Decision with five recommendations on Feb 25, 2004. The wording of the recommendations has caused considerable delay since that time, despite a return to your office by the Company seeking a letter of clarification as to the intent of the Board.

Hopefully, we are finally at a point where this matter of clarification of the Board's recommendations is resolved. Following my telephone conversation with Mr. Vern Christensen today, I take this opportunity to thank the Board in advance for its review, tomorrow, June 25th, of the Minister's proposed modifications of the Board's recommendations. I also take this opportunity to request that your review insures that no opportunity remains for further errors with respect to the specifics of the recommendations.

It is my observation that the framework of regulations, under which the mineral exploration industry operates, still does not appear to be fully engaged. I refer to the land use regulations of the Canada Mining Act and the Mackenzie Valley Resource Management Act. From the beginning, the Company has been embarked upon acquiring a Class A Land Use Permit for a fairly standard mineral exploration program in the Northwest Territories.

Somehow, instead of being engaged towards a Land Use Permit, the process has become the entire "diamond exploration program" as suggested by the titles of the Board's report and the Minister's directive to consult concerning the recommendations from that report. To the best of our understanding, any individual or company holding a

valid prospector's permit is free to explore open Crown Land or mining claims they have staked and recorded. Such exploration does not require a permit until certain thresholds of work are anticipated, for instance, as defined by the number of man days at one campsite, amount of fuel, weight of equipment, width of cut lines, etc. All Land Use Permits have their own built-in checks and balances in the form of notification, inspections and reporting throughout their duration.

In this regard, I would suggest that the words "any developmental activity" in the Minister's proposed modification to Recommendation 1 should in fact refer to "activities that rise above threshold limits for a Class A (Mineral Exploration) Land Use Permit".

Additionally, the words "archaeological impact assessment report" in the suggested modifications to Recommendations 1 and 5 are also a concern of future possible delay and regulatory confusion. A Territorial Archaeological Permit is applied for through a community consultative process and, when granted, the survey is performed at 1:50,000 scale. The consultant archaeologist must submit a formal report by the end of the one-year permit process. Based on information from the Territorial Archaeologist, Mr. Tom Andrews, it is Snowfield's understanding that a qualified archaeologist's interim report showing the areas examined and sites identified will suffice. This would allow a company optioning a mineral claim block in a culturally sensitive area to proceed with an exploration program in a timely manner under a straightforward condition attached to its Land Use Permit. In this regard, Snowfield is proceeding with a duly permitted archaeological survey of its Ticho Project, that is, access trails, proposed campsite, proposed drill-sites and operational areas, as well as areas of potential aboriginal concern, to be conducted from July 2 to July 9.

It is submitted that Snowfield has been fully co-operative with the Environmental Review process and has responded positively with regards to all concerns brought forward. It is further submitted that the lack of timely resolution of the Environmental Assessment is becoming financially onerous upon Snowfield. Without a Land Use Permit for its exploration activities, Snowfield Development Corp, an Exchange listed public company, has been restricted in its fund-raising activities, its means of livelihood. Further delay would result in Snowfield incurring additional economic burdens with respect to significantly increased exploration and operating costs.

With these factors in mind, Snowfield Development Corp respectfully requests that the MVEIRB and other regulatory parties come to the table and provide a clear, concise and speedy resolution of the recommendations.

Yours very truly

"Robert T. Paterson"

President & C.E.O.
Snowfield Development Corp.