

August 26, 2011

EA 0506-005 Consolidated Goldwin Ventures

Dear Parties,

Re: CGV Hearing expectations

This letter clarifies the Review Board's expectations for the upcoming Consolidated Goldwin Ventures (now called Encore Renaissance Resources Corporation) hearing.

Most hearings in environmental assessments occur before the Board's Report of Environmental Assessment has been released, and are intended to determine whether a proposed development is likely to cause significant adverse environmental impacts or public concern. That is not the purpose of the upcoming hearing.

The Board has already released its conclusions in its 2007 Report of Environmental Assessment. The Responsible Ministers have asked it to further consider some of the measures contained in that report (see attached letter and summary of the measures and suggestions).

The purpose of the hearing is for the Board members to hear directly from parties regarding the further consideration of those measures, rather than to make determinations about the significance of impacts. The hearing also gives Board members who were not involved in this environmental assessment prior to 2011 the opportunity to hear evidence directly.

This hearing is primarily an opportunity for the Board to hear from Aboriginal parties, community members and the developer. It gives parties an opportunity to help the Board understand their views of the impacts which the measures are intended to mitigate. It also gives parties an opportunity to provide any new relevant information about any changes since the public record closed in 2007.

Other parties, such as expert government departments, are encouraged to attend so they can respond to questions if necessary. No parties are required to make a presentation. Like all Review Board hearings, the hearing will be open to the public.

The hearing will be held in the Ndilo gym (next to the Kalemi Dene School) on Sept. 12th and 13th 2011. It will begin at 1:00 pm. It is scheduled to end at 5:00 pm or later if necessary. A shuttle service from Dettah will be provided. If the hearing runs later than 5:00 pm, an additional shuttle back to Dettah will be available at the end of the day.

Please call me with any questions at (867) 766-7056, or reach me by e-mail at aehlich@reviewboard.ca.

Sincerely,



Alan Ehrlich
Senior Environmental Assessment Officer

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

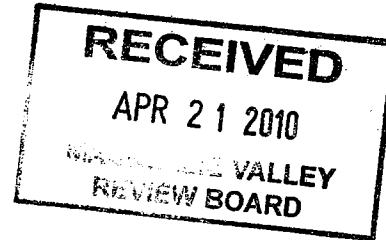


Minister of Indian Affairs and
Northern Development and Federal Interlocutor
for Métis and Non-Status Indians

Ottawa, Canada K1A 0H4

AVR 13 2010
APR 13 2010

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



Dear Mr. Edjericon:

As the federal Minister, and on behalf of the other Responsible Ministers with jurisdiction related to this development (Fisheries and Oceans Canada, Environment Canada, and the Government of the Northwest Territories), I am writing to convey our decision on the recommendation that was made by the Mackenzie Valley Environmental Impact Review Board pursuant to sub-paragraph 128(1)(b)(ii) of the *Mackenzie Valley Resource Management Act*. As presented in the *Report of Environmental Assessment and Reasons for Decision for Consolidated Goldwin Ventures Incorporated Mineral Exploration Program EA0506-005* submitted on November 30, 2007, the Review Board recommended, "the proposal be allowed to proceed subject to implementation of the measures specified to prevent predicted significant impacts to the environment."

The Responsible Ministers have carefully reviewed the Report and the six measures and have determined that the Report should be returned to the Review Board for further consideration pursuant to sub-paragraph 130(1)(b)(i) of the *Mackenzie Valley Resource Management Act*.

The Responsible Ministers support Measure 1 in principle, but request that the Review Board reconsider the use of non-standard terms such as "scout out" and "non-intrusive" and instead use terms which will be less open to misinterpretation and conform to standard terminology in heritage resource and environmental assessment. The Government of the Northwest Territories – Prince of Wales Northern Heritage Centre has published *Guidelines for Developers for the Protection of Archaeological Resources in the Northwest Territories* which use standard cultural resource management terminology. The Responsible Ministers request that the Review Board clarify its intentions and terminology with respect to Measure 1 in the context of these guidelines.

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The Responsible Ministers regard Measure 2 as acceptable.

The Responsible Ministers recognize the need for planning in the Drybones Bay area and appreciate the intent behind Measures 3 and 4. However, the proposed "Plan of Action" and long-term monitoring program are considered excessive for a proposed small-scale exploration project. The Responsible Ministers intend to proceed with a planning exercise for the Drybones Bay area which will consider the processes used to develop other plans in the Northwest Territories, such as the Great Bear Lake Management Plan and the Inuvialuit Community Conservation Plans. This planning initiative will be conducted in a collaborative fashion with key parties, outside the specific context of the environmental assessment for the Consolidated Goldwin Ventures Inc. project. It is more appropriate for this work to be carried out under Indian and Northern Affairs Canada's co-ordination given the Department's involvement in land and self-government negotiations. Furthermore, Canada has the recognized authority over this area until a land claim is settled and the acceptance of Measure 3 would indicate otherwise. While the Responsible Ministers appreciate the Review Board's desire for certainty of a short time line, we cannot at this time commit to the time lines proposed by the Review Board. Such a collaborative stakeholder-driven planning process needs sufficient flexibility in order to be most effective. Finally, the Responsible Ministers consider the statement included in Measure 3, directing the Minister of Indian Affairs and Northern Development to provide a policy directive to the Mackenzie Valley Land and Water Board, to be inappropriate as a mitigation measure. We request that the Review Board reconsider these measures accordingly.

With respect to Measure 5, the Responsible Ministers do not consider the proposed development to be of a scale that warrants a "thorough heritage resources assessment of the Shoreline Zone." The Responsible Ministers agree that project-specific measures directed to the developer with respect to heritage resources, are warranted in this case and ask the Review Board to reconsider Measure 5 in this context.

Finally, the Responsible Ministers recognize that Measure 6 is designed to limit public access to the Drybones Bay area resulting from project access and that it is also intended to limit the extent of the development footprint. However, camps are not permitted on ice and are kept a minimum of 30 metres from the water's edge due to safety and waste disposal issues. Further, the measure as written appears to put limits on the regulatory review process that is the responsibility of the Mackenzie Valley Land and Water Board. It is requested that this measure be reconsidered.

The Responsible Ministers look forward to your response. If the Review Board would like any additional information, please contact Ms. Teresa Joudrie, Director, Renewable Resources and Environment at 867-669-2647 or at Teresa.Joudrie@ainc-inac.gc.ca.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chuck Strahl', written in a cursive style.

Chuck Strahl

c.c.: The Honourable Jim Prentice, QC, PC, MP
The Honourable Gail Shea, PC, MP
The Honourable J. Michael Miltenberger, MLA

9 Summary of Measures and Suggestions

Measure #1: (section 6.1.3)

CGV must identify drill sites by conducting non-intrusive geophysical activities which do not require a land use permit. Once drill sites are identified, CGV must be accompanied by an Aboriginal Elder, translator and a qualified archaeologist to scout out archaeological, burial and cultural sites on any access routes and drill locations before on-land operations at any drill location proceeds. The archaeologist involved must be acceptable to the PWNHC following consultation with YKDFN.

Measure #2: (section 6.1.3)

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

Measure #3: (section 6.2.10)

The federal and territorial governments will work with the YKDFN and other Aboriginal land users of the subject area to produce a local Plan of Action for the Shoreline Zone. This will be similar in nature to a regional Plan of Action, but focused on a smaller area. This Plan of Action, at a minimum, will:

- 1. be drafted and implemented with substantive input from Aboriginal parties;**
- 2. identify the vision, objectives, and management goals based on the resource and cultural values for the area;**
- 3. specifically address future development in the Shoreline Zone and include provisions for protecting sensitive environmental, cultural, and spiritual sites; and**
- 4. provide clear recommendations for managing development and recreational activity in the Shoreline Zone.**

The Plan will be produced within one year from the date of Ministerial acceptance of this report, and will be implemented within two years of Ministerial acceptance of this report.

The Minister of INAC will provide a policy directive to the Mackenzie Valley Land and Water Board requiring it to consider the results of this Plan of Action and its implementation before reaching any determinations regarding preliminary screenings of all new applications for developments in the Shoreline Zone.

Measure #4: (section 6.2.10)

A long-term monitoring program will be developed as part of the Plan of Action described in Measure #3 to track and evaluate the effects of cumulative changes in the Shoreline Zone, on the culture and well-being of the YKDFN. This program will:

- 1. Identify the priority biophysical and cultural valued components;**
- 2. Determine the full range of human activities in the shoreline zone that potentially affect those components;**
- 3. Evaluate the cumulative effects of those human activities on the identified components; and,**
- 4. Provide recommendations for management of those impacts in the Plan of Action.**

Design and implementation of this program shall take place in cooperation with relevant federal and territorial government departments, the YKDFN and other Aboriginal land users.

Measure #5: (section 6.2.11)

The PWNHC, with funding from the federal and territorial governments, will conduct a thorough heritage resources assessment encompassing the Shoreline Zone. The YKDFN and other land users shall have substantial input on the design of this assessment, and shall participate in the assessment. This shall be completed within two years of ministerial acceptance of this report.

Measure #6: (section 6.3.3)

To prevent impacts on traditional harvesting resulting from increased access to the area, the developer shall access any proposed drill areas by helicopter only, so that no new access from Great Slave Lake is created. Small camps near drill sites may be created to facilitate access by helicopter. Travel by snowmobile from the camps to the nearby drill sites will be the only exception to the requirement for helicopter access. These camps will be located inland of the Shoreline Zone in the vicinity of drill sites on frozen water bodies selected by the YKDFN in consultation with the developer.

If no agreement between the YKDFN and the developer can be reached regarding the locations of these camps within one year of Ministerial acceptance of this report, the decision on camp locations will be made by the Mackenzie Valley Land and Water Board, following its consideration of the views of the developer, the YKDFN and the Land Use Inspector.

Suggestion #1: (section 7)

To reduce the potential for conflict between the duty to consult when aboriginal rights are infringed by mineral exploration and development and the free-entry system set out in the *Canada Mining Regulations*, the Government of Canada should adapt and apply the prospecting permit process to areas in the Akaitcho Territory, in order to provide notice and ensure opportunities for consultation with aboriginal users of that area, before mineral interests are granted.