



DENINU KUE FIRST NATION

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September 25, 2006

Patrick Duxbury, Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
Box 938, 200 Scotia Centre
5120-50th Avenue
Yellowknife NT.

RE: Draft Terms of Reference for Tamerlane Ventures Inc, Pine Point Pilot Project.

Dear Mr. Duxbury,

In response to the Draft Terms of Reference for Tamerlane Ventures Inc. Deninu Kue First Nation would like to take this opportunity to thank the Mackenzie Valley Environmental Impact Review Board (MVEIRB) for accommodating our issues and concerns for the scoping sessions held in Hay River and Fort Resolution NT on August 16-17, 2006.

Deninu Kue First Nations are primary users in the proposed project area and need to ensure our traditional land use area is conserved for future generations. Tamerlane Ventures Inc. and Deninu Kue First Nation are working collectively towards responsible development within our traditional land use area. ***Deninu Kue First Nation supports responsible development.***

It is stated in the Pine Point Pilot Project Draft Terms of Reference Summary and Technical Gap Analysis document that there are some minor gaps in the terms of reference. This analysis is broken down according to the Draft terms of reference sections more specific to Deninu Kue First Nations concerns and issues. This document is attached for review.

If you require further information, please feel free to contact Rosy Bjornson, IMA Coordinator or Myself @ (867)394-4335/5407.

Sincerely,



Robert Sayine
Chief DKFN

Cc: Akaitcho IMA Regional Office
NWT Treaty # 8 Tribal Corporation
Tamerlane Ventures Inc.
Cross Currents Associates Ltd.

**Pine Point Pilot Project
Draft Terms of Reference Summary
and Technical Gap Analysis**

**Prepared by Crosscurrent Associates Ltd.
for the Deninu Kue First Nation**

General Comments

The draft Terms of Reference (ToR) for the Pine Point Pilot Project (PPPP) is quite comprehensive and all the primary concerns raised by the Deninu Kue First Nation (DKFN) are addressed to varying degrees.

In several instances, the Mackenzie Valley Environmental Impact Review Board (MVEIRB) notes that detailed discussions of some issues (i.e. Closure and Reclamation, parts of the Cumulative Effects section and emergency response under the Accidents and Malfunctions section) are normally left to the regulatory phase. The MVEIRB does, however, require some aspects of these issues to be addressed in the Developer's Assessment Report (DAR). Given that this ToR incorporates all of the primary concerns raised by DKFN, it would be unreasonable to recommend major additions to the Draft ToR. Many of the remaining issues (such as the need for independent environmental monitors) are more appropriately addressed during the hearing phase, if they have not been explicitly addressed in the DAR when it is made public.

Minor gaps in the ToR include:

- The explicit requirement for identification of personnel responsible for environmental management, monitoring and mitigation (at all times) during operations.
- The requirement for Tamerlane to provide clear evidence of its environmental performance and commitment to localized socio-economic benefits.

This Gap Analysis is broken down according to the Draft ToR sections. Those points from the Draft ToR that reflect DKFN concerns, as identified in the technical project review (TPR) carried out by Crosscurrent Associates Ltd. during the scoping phase, are listed below in point form. Any gaps / points requiring further clarification in the ToR are noted in italics.

Comments on Draft Terms of Reference Sections

4.1 General Considerations

- The MVEIRB expects Tamerlane to “make all reasonable efforts to collect and facilitate the collection” of relevant TK.
- Tamerlane should share materials such as GIS data in an appropriate format.
- Special consideration is to be given to water-related issues, impacts of increased truck traffic, the “freeze-wall curtain”, species at risk, and local employment / business opportunities.

4.2 Specific Considerations

A - Summary

- Requires the translation of non-technical summaries of the DAR into appropriate languages.
- The MVEIRB places the onus on Tamerlane to explain how scientific and TK information is incorporated into the assessment, to demonstrate efforts to collect relevant TK, and to provide justification when TK is deemed ‘not applicable’.

B – Developer

- Tamerlane shall discuss “likely stipulations in the project reclamation deposit commitment, and provide evidence that it has the capacity to provide the necessary financial security”.
- Tamerlane will describe “corporate and individual responsibilities regarding the PPPP and associated operations...”.

The TPR stressed a concern regarding the individual(s) responsible for environmental management, monitoring and mitigation. Specific environmental responsibilities should be explicit in the Developer's Assessment Report (DAR).

- Tamerlane shall provide a “detailed record of the environmental performance of the company and its contractors during exploratory work in support of the PPPP”.

Preliminary work on a single project may not provide an accurate picture of corporate behaviour; other Tamerlane projects in the NWT should also be considered. If none exist, a cautionary approach might be appropriate.

C – Description of the Existing Environment

- Tamerlane shall provide a textual and graphic depiction of the existing environment. The existing environment includes contemporary / past land use and occupancy, which shall be depicted on maps of areas with special sensitivity such as heritage resources, recreational values, traditional harvesting sites, trap lines and trails.
- Other topics to be covered in this section include: ambient air quality, noise levels, and climate; site hydrology; surface and ground water quality; aquatic habitat; wildlife habitat; bedrock geology (including particularities of the karst environment); physical infrastructure (including Hwy 5); regional power infrastructure; and cultural and heritage resources.

D – Development Description

- The use of detailed maps and other visual tools is encouraged.
- Reference to research identifying the successful use of the specific technologies proposed. (*ie. Tamerlane must justify its choice of technology.*)
- Tamerlane shall provide a description of transportation route for the ore, truck types, load weights, and volume of traffic estimated.
- Other topics to be covered include: the freeze wall technology; ore stockpile, waste rock and aggregate storage; hazardous materials; aggregate amounts and sources; waste facilities; the infiltration basin (including all environmental considerations and any infrastructure additions); backfilling methods used in underground works; the DMS facility and support infrastructure; explosives storage, handling and application; and worker housing situations and transportation to work site.

E – Alternatives

- The MVEIRB requires a discussion of alternatives regarding several aspects of the project.
- The discussion of alternatives will include: methods and locations of waste-water releases; transporting ore from the PPPP; power generation methods (including consideration of the capacity of the Taltson Dam); possible on-site worker camp; sewage treatment; mining methods; freezing system components; waste disposal; and the types of explosives used.

F – Public Consultation

- Tamerlane will identify all commitments and agreements made in response to public concerns raised during consultation and will identify unresolved issues and any follow-up actions envisioned.
- Tamerlane will discuss how it intends to engage TK holders.

G – Assessment Boundaries

- The developer will “provide both a description and rationale for all of the chosen geographic and temporal boundaries” selected during its EIA.

H – Human Environment

- For all topics under this section, Tamerlane must consider the ‘impact assessment steps’ indicated in the box on page 16 of the Draft ToR, including a prediction of the likelihood of each effect occurring. The MVEIRB lists 8 criteria that the proponent shall use as the basis of its “opinions on the significant of impacts” on the human environment.
- Topics to be covered in this section include public safety and increased traffic on Hwy 5; assessment of heritage resources (including consultation with TK holders and other experts); traditional / contemporary land use and wildlife harvesting; protected areas; visual resources and wilderness values; human environment monitoring; and commitments to negotiating socio-economic agreements with communities.

I – Biophysical Environment

- The MVEIRB notes concerns about the inadequacy of Tamerlane’s Biophysical Baseline Studies and expects the proponent to augment their analysis with further primary and secondary research.
- Water resources has been identified as a major topic area and specific consideration shall be given to: any components of waste rock or ore that may pose a concern for wastewater discharge into the environment; characterization of ground and surface water flow throughout the study area (before, during and after the freeze-wall); likelihood of success of the freeze-wall technology (including consideration of karst environment and natural salt levels); an examination of the potential effects on water quality / quantity throughout the area; potential effects on the quantity, quality and behaviour of subsurface flows; effects to GSL near shore water quality; effluent monitoring and treatment; a conceptual water quality monitoring plan (including how TK was used); implementation of an adaptive management strategy; and possible involvement of local residents in monitoring activities.
- The fish and aquatic habitat topic will include identification of fish bearing water bodies; potential downstream effects of effluents; and the potential for bioaccumulation in fish.
- The vegetation topic will cover: removal and disposal plans for cover over the footprint; potential for long term impacts from soil compaction; culturally significant species (to be identified through TK); impacts from emissions; impacts from dust; and invasive species.

- Wildlife and wildlife habitat requires further study. The rationale and methodology for the selection of species as VCs must be provided. Each VC species will include mapping of known distribution, their likely and preferred range within the area, habitat usage intensity (on a seasonal basis), migration corridors and any particularly important habitat areas. Other issues to be considered in the discussion include: vehicle traffic; dust; odours; noise (including comparison of background, average PPPP and maximum PPPP decibel level ranges); physical barriers; and a conceptual wildlife management plan.
- The DAR will have a section on terrain that includes the identification of and potential impacts to any permafrost in the area, and an adaptive management plan including a conceptual outline of the back fill and capping technology proposed.
- Tamerlane will also discuss air quality and climate issues and report on any discussions with communities or other parties regarding biophysical environmental monitoring.

J – Closure and Reclamation

- The MVIERB notes that public concern demands that this issue be appropriately considered during the EA. This section shall include a conceptual closure and reclamation plan that includes consideration of various reclamation scenarios, rationale for selecting the proposed activities from among alternatives, a cost estimate, a conceptual post-closure monitoring plan, and a visual and textual depiction of the entire work site at several stages of post-mining regeneration under the proposed plan.
- Under this topic, Tamerlane must also identify how the plan would change depending upon a successful pilot project and opening of new ore bodies, and what potential impacts might occur when the freeze wall thaws after closure.

K – Cumulative Effects

- This section shall include consideration of: cumulative biophysical effects from historic and current industrial development and future impacts from development related to the PPPP.

L – Accidents and Malfunctions

- In this section, Tamerlane shall discuss: predictions of the risks and effects of accident and malfunctions (particularly failure of the freeze wall, rupture of the freeze pipes and pressures on the infiltration basin); storage, transportation and handling system failures of process chemicals or other hazardous compounds; responses to vehicle and industrial accidents; and a conceptual discussion of adaptive management measures.

Recommendations

Based on our review, Crosscurrent Associates Ltd. makes the following recommendations to DKFN regarding the draft ToR:

- 1) DKFN should recommend to the MVEIRB that the ToR require Tamerlane to provide a detailed description of the environmental monitoring procedures and personnel to be used during all phases of the PPPP.
- 2) DKFN should recommend to the MVEIRB that the ToR require Tamerlane to provide evidence of its environmental performance on other, similar mining projects, not just on its PPPP exploratory work.
- 3) Except for those two recommended revisions, DKFN should make a clear statement of support for the ToR.

Once Tamerlane has completed its Developer's Assessment Report (DAR), DKFN will have the time and opportunity to make further comments on the proposed project.

September 13th 2006

Crosscurrent Associates Ltd.

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Company: MUEIRB	Date: Sept 25, 2006
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Fax Number: 766 7074	# of Pages: 9
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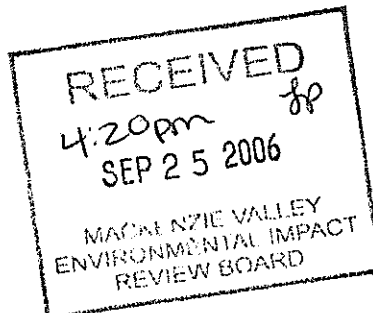
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RE: DRAFT TERMS OF REFERENCE

Urgent:	For Review:	Please Comment:
Please Reply:	As per Request:	Confidential:

NOTES/COMMENTS: _____



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