

DEZÉ ENERGY CORPORATION LTD.

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August 20, 2010

To: Distribution List Via Fax and Email	From: Dan Grabke Fax: 867-669-3395
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Applications: MV2007I0033, MV2007L4-0029

DEZE ENERGY CORPORATION TALTSOON HYDRO EXPANSION PROJECT ADVISORY ROUTING COMMITTEE DIST LIST

Yellowknives Dene First Nation (Dettah) - Chief Eddie Sangris	873- 5969	tslack@ykdene.com ; environment@ykdene.com
Yellowknives Dene First Nation (Ndilo) - Chief Ted Tsetta	873- 8545	
Lutselk'e Dene First Nation - Chief Antoine Michel	867-370- 3010	
Deninu K'ue First Nation - Chief Louis Balsillie	867-394- 5122	
GNWT, Prince of Wales Heritage Center - Glen Mackay	873- 0205	Glen_Mackay@gov.nt.ca
Western and Northern Service Center Parks Canada – Wendy Botkin	(204) 983- 0031	
INAC, Environment and Conservation - Lorraine Seale	669- 2720	sealel@inac-ainc.gc.ca
Dave Olesen		hfrost@netkaster.ca
Roger Catling		roger-catling@hotmail.com
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Mackenzie Valley Environmental Impact Review Board - Martin Haefele	867-766- 7074	MHaefele@reviewboard.ca
Mackenzie Valley Land and Water Board - Kathleen Graham	867- 873- 6610	kgraham@mvlwb.com

Regards,

Dan Grabke, Managing Director
Dezé Energy



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August 20, 2010

To: Taltson Advisory Committee Distribution List

**Draft Terms of Reference - Taltson Hydro Expansion Project
Transmission Line Advisory Routing Committee**

On August 6, 2010, the Mackenzie Valley Environmental Impact Review Board (**MVEIRB**) recommended that the Taltson Expansion Project (**Project**) be allowed to proceed subject to implementation of the measures specified in the Report of Environmental Assessment (**REA**). Measure 5 requires the creation of an advisory routing committee (**'the committee'**) as outlined below:

"Measure 5 - In order to mitigate significant adverse impacts related to routing details, Dézé will create an advisory routing committee to identify specific areas of heritage resources and other local sensitivities that should be avoided by careful routing of the transmission line. This committee will also provide input on other mitigative options such as pole design, height and configuration."

Dézé Energy (**'Déze'**) has reviewed this measure and has written draft Terms of Reference (TOR) to help guide the committee in its work. At this time, Dézé is asking committee members to review the draft TOR and provide comments by **September 3, 2010**. Once comments are received, Dézé will finalize the TOR in advance of holding committee meetings. Dézé anticipates that a meeting of the committee will be held the week of **September 20-24, 2010** and further details will be provided as arrangements are finalized.

Please contact Peter Lennie-Misgeld at 867-766-5084 or email: plennie-misgeld@ntpc.com if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dan Grabke'.

Dan Grabke,
Managing Director,
Dézé Energy





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Draft Terms of Reference

Taltson Hydro Expansion Project - Transmission Line Advisory Routing Committee

1. Introduction

On August 6, 2010, the Mackenzie Valley Environmental Impact Review Board (**MVEIRB**) recommended that the Taltson Expansion Project (**Project**) be allowed to proceed subject to implementation of the measures specified in the Report of Environmental Assessment (**REA**). Below are Measures 4 and 5 of the REA:

“Measure 4 - In order to prevent a significant cultural impact on LKDFN from a diminished cultural value of the Old Lady of the Falls sacred site due to the presence of industrial development, the transmission line will not cross the Lockhart River at any point, from the river mouth at Fort Reliance, including the spiritual gathering site to Artillery Lake.”

“Measure 5 - In order to mitigate significant adverse impacts related to routing details, Dézé will create an advisory routing committee to identify specific areas of heritage resources and other local sensitivities that should be avoided by careful routing of the transmission line. This committee will also provide input on other mitigative options such as pole design, height and configuration.”

These terms of reference (**TOR**) provide clarity about the committee’s role, composition, funding and timing.

2. Goals and Principles

The committee will help Dézé with the routing of the transmission line in the Reliance area of Great Slave Lake. The committee will also help identify specific areas of heritage resources and other local sensitivities that should be avoided by careful routing of the transmission line, and provide input on other mitigative options such as pole design, height and configuration.



Advisory Routing Committee Principles

The committee agrees to adopt the following principles when providing Dezé with advice as to the best place to locate the transmission line in the Reliance area; and, how to best avoid or otherwise mitigate impacts of transmission tower location and design on heritage resources and local sensitivities.

Transparency - Dezé will share all relevant information pertaining to the routing of the transmission line with the committee.

Discussion - Meetings will be conducted in an open and informal manner. Members of the committee will represent the interests of their respective organization and present views and listen to other members in a respectful manner.

Funding - Dezé will fund the Transmission Line Advisory Routing Committee.

3. Membership

The Transmission Line Routing Advisory Committee seeks the participation of the following parties:

- Dezé Energy
- Lutsel K'e Dene First Nation
- Deninu Kue First Nation
- Yellowknives Dene First Nation
- Parks Canada
- Indian and Northern Affairs Canada
- Environment Canada
- Prince of Wales Northern Heritage Center
- Roger Catling
- Spencer Decorby
- Wallace Finlayson (Trophy Lodge)
- Dave Olesen

Each party will appoint a representative and an alternate representative to attend committee meetings. Each Aboriginal group may have an elder attend committee meetings. Dezé sincerely hopes that all members will attend committee meetings but it is not essential that all participants attend in order for meetings to proceed.

3.1 Remuneration

Committee representatives or their alternate will attend working group meetings as representatives of their respective parties and will not be paid honoraria; elders will be paid honoraria at a rate of \$400/day or \$200/half-day. Dezé will pay per Diems, travel and accommodation costs (where required) associated with attending advisory committee meetings.

4. Scope

The scope of the advisory committee's work includes advice on heritage/archaeological resources and local sensitivities in the Reliance area, and on the following values in the immediate vicinity of the transmission line:

- areas with heritage resources;
- areas of sensitive wildlife habitat;
- areas used for subsistence harvesting and use;
- areas that have unsuitable conditions for transmission line routing (e.g. muskeg, permafrost);
- other Advisory Routing Committee considerations.

Dezé will help the Transmission Line Advisory Routing Committee by:

- providing maps and other visual resources when reviewing routing options;
- providing meeting facilities in Yellowknife;
- providing the services of an independent facilitator to advance the committee's work;
- recording minutes of the committee meetings for representatives to review;
- transmitting final committee minutes to the MVEIRB and MVLWB for posting on their respective public registries;
- responding to any committee questions or concerns in a timely way.

Information provided by the Committee will be used by Dézé to finalize the routing for the transmission line through the Reliance area that seeks to minimize the impact to heritage resources and the environment.

4.1 Administration

Timeliness is critical. With construction of the project scheduled to begin in 2011, the committee's advice is urgently required to finalize the routing of the transmission line. Receiving the committee's advice on proposed transmission line routes near the Fort Reliance area is the focus of this committee.

4.2 Transmission Line Construction

Transmission line construction conditions, and the approaches applied, will vary across all three sections (southern, middle and northern). For this reason, construction will proceed in a phased approach involving a variety of construction methods, depending on the sector terrain, access availability, environmental constraints, and requirements of the Project schedule. Construction will occur in segments, and is not likely to be completed in a linear manner from Twin Gorges to the mine sites.