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MACKENZIE VALLEY  
REVIEW BOARD

FACSIMILE TRANSMITTAL SHEET

TO:

*Ms. Joanne Demson*  
COMPANY:

FROM:

*Chief Louis Balsellie*  
DATE:

*R July 4 2014*

FAX NUMBER:

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JoAnne Deneron  
Chair  
Mackenzie Valley Review Board  
200 Scotia Centre  
Box 938, 5102-50<sup>th</sup> Avenue  
Yellowknife, NT X1A 2N7

July 3, 2014

**Re: Snap Lake Water License Amendment (EA1314-02)**

Dear Ms. Deneron,

The Deninu Kue First Nation (DKFN) is pleased to provide the following closing statement regarding the Snap Lake Water License Amendment review. As was discussed at the Public Hearings, the Snap Lake Mine is within the current and traditional socio-economic use areas as identified in the Deninu K'ue Ethno-history Report prepared by Vanden Berg and Associates. Members of DKFN have participated in several community engagement initiatives since 2012 led by De Beers, with the most recent being on May 27, 2014 when De Beers came to Fort Resolution and provided updates on both the Snap Lake Mine and the Gahcho Kue Project. During the Public Hearing, De Beers gave the perception that it relies on the outcomes of these engagement activities as an indication that there are no concerns from the communities with regards to its projects. De Beers repeatedly mentioned that at some of these meetings "*no comments whatsoever were raised.*" (Page 72, lines 7-8 of the hearing transcript from June 5, 2014). To be clear, the DKFN has concerns with the current proposal to raise the effluent quality criterion (EQC) for total dissolved solids (TDS), as is documented in our technical report, hearing presentation and these closing arguments.

As mentioned previously, the effect of increasing levels of TDS on the aquatic environment was originally raised during the environment review for the project and the Mackenzie Valley Review Board, in its 2003 *Report of Environmental Assessment and Reasons for Decision on the De Beers Canada Mining Inc. Snap Lake Diamond Project*, concluded that potential for significant adverse impacts on aquatic life remain if TDS levels in Snap Lake exceed concentrations predicted by De Beers, despite the implementation of mitigation measures proposed at that time. Further, emphasis was placed on developing an adaptive management plan during the original review in 2003, the water licensing process in 2004 and the water license renewal in 2011.

Given this history of the issue, we made a request to De Beers during the Public Hearing, that it document management and/or operational practices that have been conducted in the attempt to stay within the compliance limits of the current water license EQC for TDS. This was an opportunity for De Beers to show the effectiveness of its adaptive management plan; however, it has declined to provide this information at this point stating that it was discussed at the

technical sessions in June 2014. Based on the information submitted for those sessions De Beers has stated that "management efforts to reduce the amount of TDS in mine effluent being released into Snap Lake are focused on studies DeBeers started in 2012 on water treatment options." (Snap Lake Mine Water License Amendment Plain Language Summary of Key Proposed Amendments April 2014, page 3). Further, in its TDS Response Plan (dated December 2013), De Beers has identified the sources of TDS and the current and ongoing management practices to reduce TDS. As mentioned above, ongoing management efforts are focused on a phased study initiated in 2012 on water treatment technologies and a pilot scale treatment study to reduce concentrations of TDS. Unfortunately, modeling predictions show that TDS concentrations will continue to exceed current and proposed site specific water quality objectives for Snap Lake. Further, in its Evaluation of Effluent Quality Criteria Report (dated December 2013), De Beers continues to identify uncertainties, particularly in regard to the mixing zone and use of a second diffuser, despite ongoing monitoring at the site for more than a decade. In response to this De Beers will implement a plume study in the summer of 2014.

In addition, much uncertainty remains around the toxicity testing results. There appears to be differences of professional opinion, particularly between Environment Canada and De Beers (and its consultant Golder Associates) on the adequacy of the toxicity testing and we fear that these differences will continue to be debated for some time. So in light of the ongoing concerns and uncertainties about elevated levels of TDS in Snap Lake and downstream, the phased and pilots studies that are underway and the planned studies for 2014, we recommend the following for consideration in the environmental assessment (EA1314-02) and water license amendment (MV2011L2-0004) review process:

- Suspension of the environmental review decision phase until after the results of the above noted studies are completed and results are presented by De Beers. It is expected that these results should shed some light on the effectiveness of the water treatment options and will provide some clarity and certainty around the mitigation measures to be employed. It is only at this point that we may feel confident on the determination of significant impacts on the environment.

We continue to be disappointed that over a decade of monitoring has been conducted at Snap Lake and the issue of increased levels of TDS continues to be forefront. De Beers has had multiple opportunities to demonstrate effective environmental stewardship but has failed to do so. We are concerned that based on the current actions and commitments by De Beers that this issue will continue for the life of the mine. We thank the Mackenzie Valley Review Board for the opportunity to participate in this process and look forward to an amenable results from this environmental assessment.

Sincerely,



Chief Louis Balsillie

cc. Linda Vanden Berg, LVB Strategic Negotiations and Research  
Marc d'Entremont, LGL Limited