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Organization: *- Tina Markovic - BHP*
- Louie Azzolini - MUEIRB

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Fax:

Phone: *669-9293 / 920-4761*Date: *Oct 7/99*Subject: *Koala North Pipe*Pages: *3*, including cover

Hi Tina / Louie.

*The attached represents DIAND's position
 on the issue with respect to the authorisation
 it administers.*

Please call if you have questions

Shari Adams

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October 7, 1999

Your file Votre référence

Our file Notre référence

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RE: Koala North Pipe :

The following represents the considerations which DIAND has taken into account in assessing whether or not the Koala North Pipe should be included in the current environmental assessment being undertaken by the Mackenzie Valley Environmental Impact Review Board (Review Board). This analysis is provided in response to BHP's request to clarify the issues surrounding the existing water licences and surface leases with respect to the mining of the Koala North pipe. It is also provided to the Review Board who have identified the Koala North pipe on a listing of project components included in its environmental assessment and who have requested DIAND clarify its position on the issue. The discussion which follows is limited to the regulatory authorities currently administered by DIAND and the extent of those authorities with respect to environmental screening or assessment under the MVRMA.

The role of the NWT Water Board has to be recognized and the purpose of a Water Licence needs to be understood in order to consider this issue. It is DIAND's position that the Minister approved the dewatering of Koala Lake for mining purposes. There were no restrictions placed on the number of pipes that were allowed to be mined or the method of mining the pipes. The project was assessed by the EARP Panel with the rest of the project and it was determined that it was not likely to cause significant affects. The water licence does not need amending in order to mine the Koala North pipe. The Water Licence also does not specify nor restrict the number of pipes or the method of mining once the lake is dewatered. Therefore, mining Koala North would not require an amendment to the licence.

Potential increases to the waste rock storage capacity or potential changes in the chemical composition of the stock and waste piles are already covered under existing water licence conditions. Monitoring programs are already in place and the Waste Rock Plan and Abandonment and Restoration Plan are updated on an annual basis or at the request of the NWT Water Board. It is expected that the additional waste rock and lake bed sediments generated will not add significantly to the footprint of the dumps. Modifications to these plans required under the Water Licence require the approval of the Water Board and do not involve assessment by the Review Board.

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From a lands perspective, the site is within the existing lease boundaries and it will not require an amendment to the lease or an approval under the lease to mine. However, the lease in itself is not a trigger for preliminary screening under the MVRMA

Under the Environmental Agreement signed by BHP, Canada and the GNWT, specific management plans are noted including Environmental Management Plans which deal with environmental matters of particular concern for the project. The mining of the Koala North pipe may result in changes to some of the plans including the Quarry management plan, Aquatic Effects Monitoring Program, the Surveillance Network Program and various other plans. For the most part these plans are reviewed under the Water Licence requirements, the requirements of other authorizations for the project and annually, under the Environmental Agreement itself. Protocols for addressing deficiencies are included in the Environmental Agreement.

It is DIAND's position that any cumulative effects associated with mining of the Koala North pipe have been evaluated by the EARP panel who reviewed the impacts and effects of dewatering of Koala Lake and the mining of the (much larger) Koala pipe in the same lake.

In summary, it is expected that mining of the Koala North pipe will not need additional regulatory approvals which will trigger a preliminary screening requirement under the MVRMA. It is expected that any changes in environmental management plans will be submitted to the regulatory authorities for approval outside of the environmental assessment process.

Sincerely



Marie Adams
Environmental Specialist