



Mackenzie Valley Environmental Impact Review Board Box 938, 5102-50th Avenue, Yellowknife, NT X1A 2N7

Date:

Monday, April 29, 2002

From:

Luciano Azzolini, Environmental Assessment Officer

Pages: 16 including these two cover pages

File:

EA01-004 De Beers Snap Lake Diamond Project

Subject:

Conformity Decision

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|---|----------------|
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| Rachel Crapeau, YDFN, Dettah and N'dilo | 873-5969 |
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| Akaitcho Territory Government, Maurice Boucher | (867) 394-3413 |
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| Brett Hudson, GNWT | 873-0114 |

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| Bill Carpenter, WWF TM , Canada | 920-4999 |
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| Yellowknife Chamber of Commerce | 920-4640 |
| Town of Hay River | (867) 874-3237 |
| Murray Swyripa Diavik [™] Diamond Mines Ltd. | 669-9058 |
| Derek Chubb Ekati TM BHP Mines Diamond Mine Inc. | 669-9293 |
| NWT Chamber of Mines | 920-2145 |
| NWT Chamber of Commerce | 873-4174 |
| Pape & Salter Barristers and Solicitors | 604-681-3050 |

Please see the attached letter.

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Box 938 200 Scotia Centre, (5102-50th Avenue) Yellowknife, NT X1A 2N7 Fax: (867) 920-4761 Email: vchristensen@mveirb.nt.ca

MVEIRB file: EA01-004

April 26, 2002

Robin Johnstone Senior Environmental Manager De Beers Canada Mining Inc. 702 - 5201 50th Avenue Yellowknife, NT S1A 3S9 Fax: (867) 873-3967

RE: Conformity Decision on the Environmental Assessment Report (EAR) for the De Beers Snap Lake Diamond Project

Dear Mr. Johnstone:

Members of the Review Board convened on April 15, 2002, to consider the question of conformity of the De Beers EAR with its Terms of Reference (ToR). The Review Board concluded that there were several non-conforming items, and therefore, the conformity phase will remain open until they are satisfied that conformity has been met. This determination, however, does not preclude work with respect to the technical analysis.

The Review Board considered the non-conforming items and has provided the following views.

1. Communities impacted by increased traffic volumes

ToR lines 246-248 — the scope of the assessment for socio-economic variables should include communities that could reasonably expect to experience impacts because of the development, including but not limited to, increased traffic volumes or employment and business opportunities.

<u>GNWT Conclusion</u>: The EAR does not identify which NWT communities (or residential areas) would be affected by increased traffic volumes. The socio-economic and noise sections seem silent on this ToR item. Table 12.5-2 page 12-90, identifies the distance between a range of communities and the mine site. However, the EAR appears silent on the distances between NWT communities and increased traffic volumes.

2. Effect of closure on mine employees

ToR lines 242-256 — Temporally, De Beers shall assess environmental impacts of the proposed development for all phases of the proposed development including construction, operation, closure and post-closure. Provide sufficient detail to address the relevant impact issues on Valued Ecosystem Components (VECs) over the entire temporal scope of the development. Distinguish between biological, physical, social, cultural and economic parameters.

<u>GNWT Conclusion</u>: The EAR appears silent with regard to the effects of closure on mine employees.

Review Board View: Non-conforming information should be provided

3. Project Components — Employment

ToR lines 488-491 — De Beers shall provide a detailed summary of ... minimum skill requirements for its predicted labour force, including contract and subcontracted employees.

ToR lines 459 – 460 — [the Proponent will describe] ... wage and salary employment by skills category over the life of the proposed development, including estimates of northern participation;

<u>GNWT Conclusion</u>: Page V.3-3 of the EAR refers to skills needed during operations, but the EAR is silent with regard to skills required during the construction phase.

Review Board View: Non-conforming information should be provided.

4. Environmental Impacts — Net Effect on Government

ToR line 472 — this directs the Proponent to examine federal and territorial revenues and costs.

<u>GNWT Conclusion</u>: While revenues are addressed, it is not clear the EAR addresses the issue of costs. For example, at no point in Section 5 of the EAR is there a specific reference to an increased GNWT cost burden related to the socio-economic impacts or opportunities associated with this Project.

Review Board View: Non-conforming information should be provided.

5. Environmental Impacts — Subsistence Economy

ToR line 471 — Directs the Proponent to examine impacts on the subsistence economy.

<u>GNWT Conclusion</u>: The Proponent Conformity Table lists several sections as responding to this ToR request. However:

Section 5.2.2.3 is baseline data;

Section 5.3.1.2.2 identifies community concerns;

Section 5.3.4.3.7 notes De Beers' support for cultural activities.

None of these three sections address assessed impacts.

Section 12.2.7 discusses possible cumulative effects on cultural practices and traditions. However, these are separate from the issue of a subsistence economy and potential impacts to it.

Review Board View: Non-conforming information should be provided.

6. Consideration of Alternatives — Rotation

ToR lines 188-189, line 196 — Include a description of the main development / production / technical alternatives, in particular, those associated with ... employee work schedules

<u>GNWT Conclusion</u>: The Proponent discusses its reasons for considering a 2-2-shift schedule during operations. This is the only operations alternative described. The alternative of a 1-1 rotation, referred to on page 5-85 as the most desirable rotation schedule, is not examined in Section 2, Project Alternatives and Opportunities.

Section 2 states a 3-1 rotation will be used during construction, but does not examine any other alternative for the construction phase.

Review Board View: Non-conforming information should be provided.

7. Cultural Effects

ToR lines 439-441 — Describe potential impacts of the proposed development ... on the cultural well being of the impacted communities [this] should include, for example, anticipated or possible changes on social cohesiveness or language use.

<u>GNWT Conclusion</u>: The Section 5 discussion of project impacts is silent with regard to social cohesiveness or language use. Page 12-33 discussed the importance of social cohesiveness, but not the cumulative impacts to this component.

Review Board View: Non-conforming information should be provided.

8. Sustainable Development

ToR line 198-199 — DeBeers shall discuss the option of sorting and marketing the diamonds mined at the proposed mine. This should include a clear explanation of the options considered and the reason for selecting the preferred option.

<u>GNWT Conclusion</u>: The Proponent has not discussed the sorting and marketing of rough in its report.

9. Infrastructure Effects

ToR lines 508-510 — Assess the impacts of the proposed development on existing social, institutional and community services, transportation facilities, services, infrastructure (e.g., transportation safety), and permanent changes to the infrastructure and services arising from the proposed development.

The Conformity Table (Appendix I.3, page I.3-22) notes this is dealt with in the following sections of the EIS:

5.2.3.2.7, 5.2.3.3.7, 5.2.3.5.7, 5.2.3.6.7, 5.2.3.7.7, 5.2.3.8.7 5.3.1.3.2 5.3.3.4, 5.3.4.2, 5.3.4.3 6.6

However, the GNWT makes the following observation on the above items:

Section 5.2.3 deals with community baseline data, not with impacts;

Section 5.3.1 deals with constituent concerns;

Section 5.3.4 deals with planned mitigation measures;

Section 6.6 deals only with the winter road.

<u>GNWT Conclusion:</u> While some impacts are captured in Table 5.3-7, it is not evident whether the Proponent meant to extrapolate the impacts identified there to the larger potential infrastructure impacts. The EIS does not appear to discuss impacts to services, facilities, and infrastructure.

Review Board View: Non-conforming information should be provided.

If there are any questions regarding the conformity decision please contact Louie Azzolini at 867-873-9348.

Sincerely,

Vern Christensen Executive Director



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RE: Conformity Decision on the Environmental Assessment Report (EAR) for the De Beers Snap

Lake Diamond Project

Dear Mr. Johnstone:

Members of the Review Board convened on April 15, 2002, to consider the question of conformity of the De Beers EAR with its Terms of Reference (ToR). The Review Board concluded that there were several non-conforming items, and therefore, the conformity phase will remain open until they are satisfied that conformity has been met. This determination, however, does not preclude work with respect to the technical analysis.

The Review Board considered the non-conforming items and has provided the following views.

Communities impacted by increased traffic volumes 1.

ToR lines 246-248 — the scope of the assessment for socio-economic variables should include communities that could reasonably expect to experience impacts because of the development, including but not limited to, increased traffic volumes or employment and business opportunities.

GNWT Conclusion: The EAR does not identify which NWT communities (or residential areas) would be affected by increased traffic volumes. The socio-economic and noise sections seem silent on this ToR item. Table 12.5-2 page 12-90, identifies the distance between a range of communities and the mine site. However, the EAR appears silent on the distances between NWT communities and increased traffic volumes.

2. Effect of closure on mine employees

ToR lines 242-256 — Temporally, De Beers shall assess environmental impacts of the proposed development for all phases of the proposed development including construction, operation, closure and post-closure. Provide sufficient detail to address the relevant impact issues on Valued Ecosystem Components (VECs) over the entire temporal scope of the development. Distinguish between biological, physical, social, cultural and economic parameters.

<u>GNWT Conclusion</u>: The EAR appears silent with regard to the effects of closure on mine employees.

Review Board View: Non-conforming information should be provided

3. Project Components — Employment

ToR lines 488-491 — De Beers shall provide a detailed summary of ... minimum skill requirements for its predicted labour force, including contract and subcontracted employees.

ToR lines 459 – 460 — [the Proponent will describe] ... wage and salary employment by skills category over the life of the proposed development, including estimates of northern participation;

<u>GNWT Conclusion</u>: Page V.3-3 of the EAR refers to skills needed during operations, but the EAR is silent with regard to skills required during the construction phase.

Review Board View: Non-conforming information should be provided.

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Review Board View: Non-conforming information should be provided.

6. Consideration of Alternatives — Rotation

ToR lines 188-189, line 196 — Include a description of the main development / production / technical alternatives, in particular, those associated with ... employee work schedules

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