

De Beers' Snap Lake Project Public Hearings Issue Presentation

GNWT Department of Health
and Social Services
May 2nd, 2003

Positive Opportunity

- Development offers positive business and employment opportunities for northerners
- Also impacts community, social and family dynamics
- Partnerships required to prepare for, and mitigate negative impacts

Potential Impacts

- Family stress
- Relationship problems
- Parenting issues
- Income disparity
- Increased disposable income

Social Health and Wellness

- De Beers' goal is to maximize positive impacts and minimize negative impacts
- De Beers has agreed to mitigate direct, indirect and induced effects of the project through *partnerships* in:
 - Sustainable Social Development
 - Substance Abuse Prevention and Treatment
 - Family Support Services

Social Health and Wellness

- Partnership details not provided by De Beers
- Crucial partnerships for mitigation as stated in the GNWT Technical Report:
 - Employee Family Assistance Programs (EFAA)
 - Community Family Centers
 - Support of existing government programming
- Cannot evaluate effectiveness of proposed mitigation measures without much needed details

De Beers' Snap Lake Project Public Hearings:

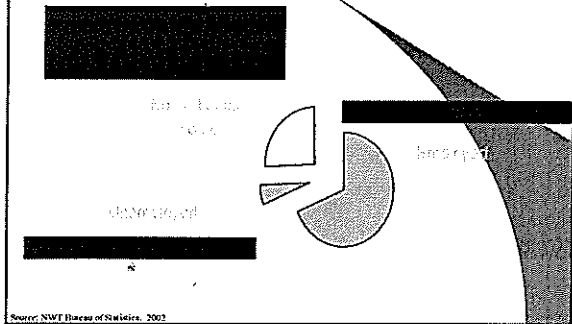
Northern Employment

Education, Culture and Employment
Government of the Northwest Territories

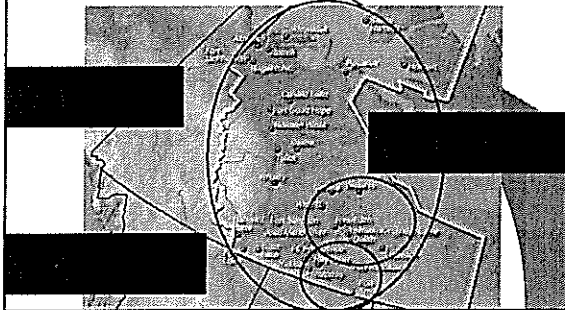
Employment Targets:

- De Beers agrees in principle
- "Hire as many northerners as possible"
- But
- No hiring targets are set
- Conclusion: De Beers must set hiring targets to measure the employment benefit to the NWT

NWT Labour Force



Inclusion of all NWT Communities



Promoting the North

- Training
- Free Transportation provided between the mine site and NWT communities
- Other Benefits and Incentives

What is needed from De Beers?

- Employment Commitments to ensure Northern Benefits
- Inclusion of all NWT Communities
- Training
- Promoting the North as a Place to Live.
- Certainty of Commitments through a Socio-Economic Agreement

Economic Diversification

Diamond Projects, NWED

Economic Diversification

GNWT Goal

- Maximize benefits from mine development
- Mitigate potential negative impacts and uncertainties
- Secondary Diamond Industry
 - Provides concrete opportunity to diversify the NWT economy
 - Creates training, employment, business and investment opportunities for northerners

Examples of Economic Diversification

- Ekati Diamond Mine
 - 100 full time jobs in three factories
 - New export markets for a unique NWT product
 - Annual direct NWT GDP (2001) impact - \$9 million
- Diavik Diamond Mine
 - Add further jobs and economic benefits
 - Tiffany factory has capacity to employ 75 people.

De Beers Commitments

- Environmental Assessment - support the development of the NWT secondary diamond industry.
- Conformity Report - committed to establishing a sorting and valuation facility in the NWT.
- Technical Hearings - clear commitment to supply rough to manufacturers based in the NWT.

Memorandum of Understanding

- GNWT requires confirmation that De Beers will:
 - establish a sorting and valuation facility in the NWT off mine site
 - make a supply of Snap Lake rough diamonds available to NWT based manufacturers.
- Signing a Memorandum of Understanding will provide confirmation that De Beers will follow through on commitments made within socio-economic agreement process.

Energy Sources for the Snap Lake Mine

GNWT Energy Secretariat,
RWED

The Issues

- De Beers proposes utilizing diesel fuel for all energy requirements at the minesite
- De Beers utilized low-sulphur diesel (0.05%) in its air quality models

Energy Use at Snap Lake

- Diesel Generation- 28 million litres/year (80 Gigawatt hours)
- Diesel for Thermal Energy - 8 million liters/year
- Motive Diesel - 4 million litres/year

GNWT Position

- GNWT contends there are economic & environmentally sustainable hydro-electric options for Snap Lake
- GNWT encourages De Beers to purchase low-sulphur diesel for Snap Lake

Rationale for Hydro

- Creates essential legacy infrastructure
- Provides long-term opportunities for NWT Aboriginal and business interests
- Can improve the economic & environmental sustainability of the NWT mining industry
- Reducing greenhouse gases & other air pollutants is a Territorial and National imperative
- Protection from rising cost of fossil fuels

Hydro-Options

- Snare River - 4 new sites can produce additional 213 GWH
- La Martre River - 160 GWH at one site
- Taltson River - existing surplus in system and expansion of Twin Gorges site can produce 270 GWH
- Other Great Slave Lake basin rivers may have potential