

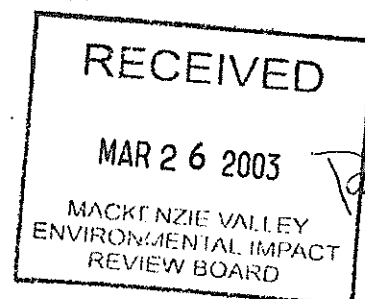
Fisheries
and OceansPêches
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Fish Habitat Management
Suite 101, 5204-50th Avenue
Yellowknife, Northwest
Territories
X1A 1E2

Your file Votre référence

Our file Notre référence

SC00196



March 18, 2003

Robin Johnstone
De Beers Canada Mining Inc.
300 5102-50th Avenue
Yellowknife, NT X1A 2P8

**Re: Clarification to No Net Loss Accounting for the Proposed Snap Lake Diamond
Project S29**

Dear Robin:

Further to my letter on March 14th, regarding habitat units (HUs) for Stream 29, I would like to correct my statement with respect to DFO's requirements for compensation. In my letter, I said 5 HUs would need to be compensated. Upon further review of your report for inland lakes, we calculate 6 HUs will need to be compensated which is further discussed in our March 14th Addendum Report submitted to the MVEIRB.

I would like to add that the 6 HUs have to be compensated at a ratio of 2:1 therefore requiring the development of 12 HUs. A ratio of 2:1 gain to loss is required to account for things such as interim losses (time between habitat loss and the establishment of new habitat, and time to get new habitat up to desired productivity) and risk (of not meeting productivity level).

Once I receive your letter regarding the issues we discussed in our teleconference on March 14th, DFO will determine what issues remain outstanding. I also understand DeBeers may be interested in discussing this matter with Charles K. Minns and if that is necessary, we will arrange for a meeting (via teleconference). You may contact me at 669-4912 if you have any questions.

Sincerely,

Elaine Blais

Area Habitat Biologist – Western Arctic Area
Department of Fisheries and Oceans

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