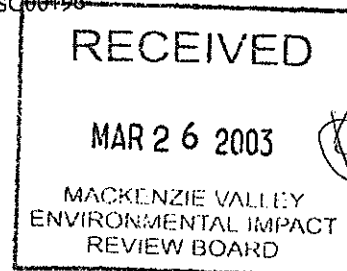


Fisheries
and OceansPêches
et OcéansFish Habitat Management
Suite 101, 5204-50th Avenue
Yellowknife, Northwest
Territories
X1A 1E2Your file *Votre référence*Our file *Notre référence*

SQ00196



March 14, 2003

De Beers Canada Mining Inc.
300 5102-50th Avenue
Yellowknife, NT X1A 2P8**Re: No Net Loss Accounting for the Proposed Snap Lake Diamond Project**

Dear Robin:

The Department of Fisheries and Oceans (DFO) has reviewed the Report entitled, *Fish Habitat Information and Loss Accounting for Waterbodies Situated on the Northwest Peninsula of Snap Lake*, as submitted February 11, 2003.

We are in general agreement with the conclusions as presented however there is an issue concerning the calculation of habitat units (HUs) for S29. The area estimate and the evaluation of the habitat features seem reasonable but the introduction of a time-factor into the final calculation of HUs is unacceptable. Granted fish may only use the area for a few weeks each year but the conditions necessary for that piece of habitat to be present when fish choose to use it must be present all of the time.

Photo 22 in your February 2003 report clearly shows an area of enhanced vegetation growth that is dependent on the drainage from the pond above – closing the hydrological connection will obviously lead to the loss those features. Hence, the calculation of HUs should only consist of the area (20 m²) times the assessed suitability for arctic grayling (0.25) resulting in 5 HUs with no time factor. As such, compensation will be required in the amount of 5 HUs rather than the 0.00002 HUs as concluded by De Beers. This issue is being raised in DFO's Addendum to its February 14, 2003 Technical Report however we believe this matter is best discussed and resolved as soon as possible.

I look forward to our conference call this afternoon to discuss this and other matters raised (D. Balint's March 11, 2003 letter and issues raised to Golder via Email March 12, 2003). Should you have any further questions, please call me at (867) 669-4912.

Sincerely,

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

cb

DFO's Conclusion and Recommendation

The presence and use of spawning, rearing and feeding habitats by all fish species within the vicinity of the proposed diffuser be determined and rationale/analysis provided to support the conclusions that there are no potential for impacts to any life stage of fish, or their habitat in the vicinity of the mine effluent.

As identified in the DFO Technical Report an assessment and documentation of fish habitat for each fish species within Snap Lake needs to be provided specifically for the areas where seepage could potentially occur and within the mixing zone of the mine effluent.

The assessment should provide rationale to support De Beers' conclusions that there are no potential for impacts to any life stage of fish, or their habitat in the vicinity of the mine effluent or potential areas impacted by seepage.

Should you have any further questions, please call at your convenience.

Yours truly,

original signed by

Dave Balint
Fish Habitat Biologist
Department of Fisheries and Oceans- Western Arctic Area

DB

Copy Glenda Fratton, email

Canada