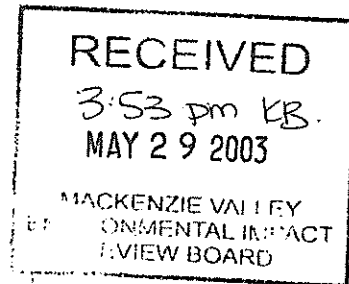


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May 29, 2003

Mackenzie Valley Environmental Impact Review Board
Attn: Mr. Vern Christiansen
PO Box 938 - 5102-50th Avenue
Yellowknife, NWT
X1A 3S8

Re: NWT Metis Nation

Dear Mr. Christensen

This is in response to the Board's e-mail of May 26, 2003 regarding the May 22nd letter from the NWT Metis Nation. De Beers would like to respond to two matters raised by the NWTMN: the status of the NWTMN before this Board and inclusion of a portion of a document that was appended to the NWTMN May 26th letter.

1. Status of the NWTMN

Firstly, we would like to comment on the NWTMN's assertion that Fort Resolution has been 'excluded' as a Primary Community. Under the MVEIRB Terms of Reference, De Beers was required to include a number of communities, including residents of Fort Resolution, in public consultation for the purpose of providing "those who could be affected by the proposed development the opportunity to participate in the environmental assessment." Fort Resolution has been on the distribution list for receipt of all materials filed with both the MVLWB and the MVEIRB since the first applications were made in relation to the Snap Lake Diamond Mine Project. Fort Resolution has never been removed from that list. As a consequence they have received all of the information that has been made to each and every party that has expressed an interest in receiving information on the Project from either the MVLWB or the MVEIRB. Further detail on the contact persons who were sent this information and the dates of meetings between De Beers executives and the aboriginal leaders of Fort Resolution are set out in my April 3, 2003 letter to Mr. Tordiff, a copy of which was sent to you and is, we assume, on the Public Registry.

Primary Community

The designation of "Primary Community" is not an MVEIRB term. It is a term that was developed and used in De Beers' socio-economic impact assessment to



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include only those communities and aboriginal groups predicted to be the most intensely impacted from the Project. Primary Communities were selected in part based on their proximity to the Project. Reference was made by the NWTMN to the comparable distance from Snap Lake of Fort Resolution and Wha Ti. Physical distance was not the only factor in discerning proximity to the project site. In the case of the Dogrib communities, Wekweti is one of the communities closest to Snap Lake (Lutsel K'e is about 20 km closer) and the Dogrib people resident in four communities consider themselves a single people - a collective group - culturally and with respect to their traditional pattern of land use. The communities within the Akaitcho territory do not self identify as a single group in that same way.

Primary Communities were also selected in part based on their demonstrated ties, as a community, to the land and resources in the Snap Lake area. We understand that an accommodation has been reached between the Dogrib and the Akaitcho Dene on the location of the boundary for the Tlicho Claim and that the Snap Lake area will not be within the Dogrib comprehensive land claim area. We are told that there is acknowledgement by way of a written agreement, that the Yellowknives Dene First Nation and the Lutsel K'e Dene First Nation are the primary users of that portion of Treaty 11 encompassing Snap Lake. We are not aware of any formal recognition by any of these aboriginal groups or by the Government of Canada that Treaty 11 lands are within the lands subject to negotiations between Canada and the NWTMN.

For these reasons, Fort Resolution was not identified as a Primary Community that would be directly affected by the Snap Lake Project.

Directly Affected Party Status

Prior to the MVEIRB hearings and subsequent to a significant portion of the environmental assessment proceedings, the Board granted 'directly affected party status' to the NWTMN. It was De Beers' understanding that this 'status' has no legal tender *per se*. Rather than amounting to a declaration that a party would in fact be affected by a proposed development, the recognition afforded by the Board assured such a party had the opportunity to come forward to identify the specific Projected-related impacts they might incur.

In the course of preparing the Snap Lake EA, De Beers examined heritage resources and traditional land use (See Section 6.0 Resource Uses) and concluded no traditionally significant areas were identified within the RSA. Little fishing was identified and although the area had been used in the past for trapping activities, no existing traplines were identified. Although people had traveled through the area to hunt wolves and caribou, no permanent or seasonal camps in the RSA were identified. With respect to heritage resources, the EA concluded that almost all of the recorded sites occur outside Project activity

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direct impact zones and the probability that direct impacts to heritage resources would occur was negligible.

During the period leading up to the hearings and during the hearings themselves, the NWTMN were provided the opportunity to review this information. Although their submissions broadly alleged general use of the area, they did not offer information to supplement or contradict the findings of De Beers in any of the environmental assessment studies.

2. New 'evidence'

De Beers objects to the attempt by the NWTMN to introduce new 'evidence' and requests that the Board does not allow its incorporation to the public record. It was De Beers' understanding that the purpose of keeping the Public Registry open after termination of the public hearings was to allow parties to the proceedings to file those documents for which they had given, during the course of the hearings, an undertaking to provide. It was not to be a forum for filing new evidence.

The document attached to the NWTMN May 22nd letter is in relation to an application unrelated to the Project application that is before this Board. While De Beers Canada Exploration Inc is separate from the Snap Lake Project, we are aware that the exploration group has had a long history with the people of Fort Resolution in relation to the exploration activities at Kennady Lake.

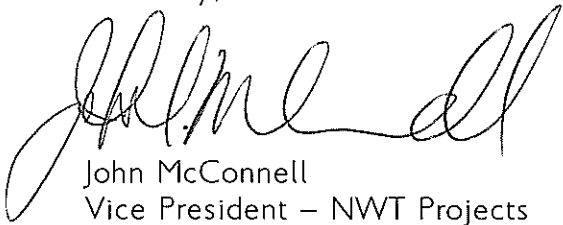
This long standing relationship and the traditional land use project referenced by the NWTMN are also described in my April 3, 2003 letter referred to above. Far from constituting "evidence that the NWTMN's claim to traditional knowledge and traditional land use to the Snap Lake area is justified and acknowledged by De Beers" as claimed in the NWTMN May 22nd letter, the traditional land use studies were an attempt to obtain information from the Dene and Metis of Fort Resolution of their use of the area in and around Kennady lake in the event the Gahcho Kué exploration project proceeded to development. The scope of the project included documentation of traplines; usual travel routes of hunters, including any route variations; caribou crossings; known caribou trails and timings of usage by caribou and hunters; preferred fishing spots; preferred game harvesting locations; cabins, heritage sites (including spiritual and cultural) and historical sites; burial sites; berry-picking and medicinal herb harvesting areas; known den sites (for example, of wolves); known bird nesting sites; listing of species which use the area and period/timing of their use; habitat types; water quality of/physical characteristics of waterbodies in study area; data on fish populations, their abundance and health; traditional place names; and traditional stories.

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It is important to note that the traditional knowledge project for which De Beers provided funds to the Deninu Ku'e in early 2002, was primarily in relation to Gacho Kué; that it followed several community meetings and interviews with Dene and Metis elders; and that the emerging conclusion from those meetings was that Fort Resolution was a secondary community for the Kennady Lake area. To date no information arising from the Deninu Ku'e land use project has been presented to De Beers.

In closing, I would just like to restate my personal and written invitations to the NWTMN and to the Deninu Ku'e to discuss ways their members can participate in the benefits of the Project with respect to employment and business opportunities. De Beers continues to keep the door open to meet with their leadership and welcomes the opportunity to work together to realize mutually beneficial opportunities.

Sincerely,

A handwritten signature in black ink, appearing to read 'John McConnell', with a stylized, flowing script.

John McConnell
Vice President – NWT Projects