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ENVIRONMENTAL IMPACT

REVIEW BOARD

04 February 2003

Environment Canada Suite 301, 5204 - 50th Avenue Yellowknife, NT X1A 1E2 Fax: (867) 873-8185

Attention: Anne Wilson

Dear Anne:



During the Mackenzie Valley Environmental Impact Review Boards Technical Sessions for the Snap Lake Diamond Project, Environment Canada had requested clarification from De Beers on the overcapacity of the water treatment plant (WTP). In a subsequent meeting on 23 December 2003, some uncertainty was noted as to whether the plant would be operating at 50% or 100% overcapacity, and confirmation of this remained an issue.

During the Technical Sessions, De Beers had stated that a smaller-scale WTP would initially be installed and upgrades would occur as necessary, based on increasing flow rates. However, as a result of the concerns raised, De Beers will be altering their approach to WTP construction. At the start of plant operations, De Beers will be installing a WTP capable of treating 35 000 m³/day of water, which is two standard deviations above expected flows.

It is projected that flows will continually increase as the mine develops, until reaching predicted steady state flows. During the early period of mine development, two standard deviations above expected flows will yield an overcapacity of greater than 100%. As the mine approaches full development, overcapacity will be 50% above the predicted steady state flows, but the operating experience gained by this stage allows better judgement on the reliability of inflow rates.



DE BEERS CANADA MINING INC.

#300 - 5102 50th AVENUE YELLOWKNIFE NT X1A 3S8 CANADA TEL (867) 766-7300 FAX (867) 766-7347



I hope this information addresses your concerns regarding overçapacity for the water treatment plant at Snap Lake. Please feel free to contact me if you have any questions.

Sincerely,

SNAP LAKE DIAMOND PROJECT

Robin Johnstone

Senior Environmental Manager

cc. Glenda Fratton, Environmental Assessment Coordinator, MVEIRB