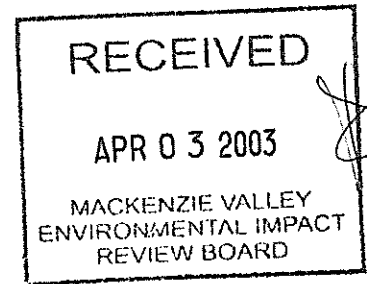


# DE BEERS

April 03, 2003



Mr. Robert Tordiff  
President  
Northwest Territory Metis Nation  
Box 720  
Fort Smith, NT X0E 0P0

## **Re: Snap Lake Diamond Project**

Dear Mr. Tordiff

This is in response to your letter of March 3, 2003. As you raised a number of issues in your letter to both myself and to the Mackenzie Valley Environmental Impact Review Board (MVEIRB), each of these matters will be addressed below.

Firstly, with respect to the grant of directly affected party status by the MVEIRB for the Snap Lake Diamond Mine Project (the Project), we welcome your participation in the environmental assessment of the Project. We are proud of the Project and the efforts we have undertaken to minimize its impact on the environment.

As for the implications of this designation we are uncertain as to what they might be. It appears to be a term defined in the MVEIRB Rules of Procedure that carries with it no particular right or obligation. In conversation with MVEIRB staff we are advised that such a designation is not an admission or conclusion on the part of the MVEIRB of any **actual** impact, rather an acknowledgement that there might potentially be an impact and the granting of an opportunity to participate in the environmental assessment process so that evidence on that point can be brought to the attention of the MVEIRB. De Beers feels that the Snap Lake Environmental Assessment Report submitted to the MVEIRB in February 2002 (the EAR) fully addressed the potential impacts the Project might have and would refer you to that document. We note that both your organization and the Fort Resolution Metis Council have been on the distribution lists of both the Mackenzie Valley Land and Water Board and the MVEIRB for materials filed for the Snap Lake Project dating back to March 2001.

Further, we are advised that the granting of directly affected party status is not intended by the MVEIRB to imply there is a link between the Board's grant of directly affected party status under the *MVRMA* and the basis for a company entering into a private agreement with an aboriginal group whose rights might be affected by their project.



**DE BEERS CANADA MINING INC.  
SNAP LAKE DIAMOND PROJECT**

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

695

# DE BEERS

Secondly, on the issue of lack of consultation, De Beers has been in contact with the people of Fort Resolution and with your organization. While the communication may not have been as exhaustive as you may have wished, De Beers has kept in touch with you and your membership about the Project. In the course of conducting our socio-economic impact assessment, Fort Resolution was not identified as a Primary Community and thus was not accorded the intensity of consultation as was each of the Primary Communities. Nevertheless, De Beers has sent newsletters, held information sessions, and met with aboriginal leaders in the community and the region. At a senior level the following have also taken place:

- A meeting in Fort Resolution June 4, 2001 with Chief Don Balsillie and other representatives from the Deninu Kue Council with Richard Molyneux (President), John McConnell (Vice President – NWT Projects) and Shirley Standafer Pfister (Lands and Government Relations) of De Beers where the Project and the issue of negotiation of an Impact Benefit Agreement were discussed;
- Exchange of correspondence between yourself on behalf of SSMTC / NWT Metis Nation and myself on behalf of De Beers from April – August 15, 2002 where I offered to come to Fort Smith to meet with you;
- A meeting in Yellowknife February 12, 2003 with myself and Chief Robert Sayine, Sub-Chief Diane Giroux, and Tu Nedhe MLA Steve Nitah where the contributions Fort Resolution could make to the Project were very positively presented.

Moreover, De Beers has a lengthy history of working with the people of Fort Resolution in relation to exploration activities carried out near the North Arm of Great Slave Lake. Not only have residents of Fort Resolution been employed in exploration projects, De Beers has worked closely with the aboriginal people of Fort Resolution in discussing and collecting information on their traditional pursuits. Currently, there is a traditional knowledge study taking place at the behest of De Beers with the Dene and Metis of Fort Resolution in relation to the Gahcho Kue exploration program.

Thirdly, with respect to your suggestion that there has been a disregard for the Interim Measures Agreement your organization has entered into with the governments of Canada and the NWT, De Beers is not a signatory to that agreement and can make no comment on its implementation. We would note however, that under section 3.1 a) and b) of that agreement, the responsibility for providing your organization with notification of applications and supporting information is that of government.

# DE BEERS

Fourthly, with respect to the absence of an Impact Benefits Agreement, you are correct. De Beers declined to enter into an Impact Benefit Agreement with the aboriginal people of Fort Resolution or with the NWT Metis Nation. That decision was discussed with the people of Fort Resolution by our president, Richard Molyneux in a meeting with Chief Don Balsillie in June, 2001. It was conveyed to your organization by way of letter from me on August 15, 2002.

De Beers is in the process of negotiating an Impact Benefits Agreement with the communities that are in closest proximity to the Project and whose use of the Regional Study Area (RSA) and/or the region immediately surrounding the RSA has been well documented and acknowledged by the Government of Canada.

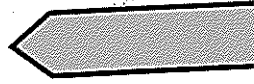
Methods used for collecting information included review of existing historical and anthropological literature, land use maps, data and discussions with local historians and consultants. We also pursued the issue of what considerations should be given to aboriginal customs, traditions and practices concerning the land and the resources that would be taken up by the Project.

With respect to existing treaty rights, the Snap Lake Project lies within the boundary of Treaty 11. While recent agreements between the Dogrib Treaty 11 Council and the Akaitcho Territory Dene First Nations may result in a change to that Treaty boundary, any formal or legal changes to the constitutionally protected Treaty boundary are not likely to come into effect prior to licensing of the Project. Regardless, the location of the treaty boundary does not alter the recorded historical use of the region by First Nations.

With respect to the traditional activities of the aboriginal people of Fort Resolution, the literature indicates a community composed of more than one group of aboriginal people who came together as a result of the fur trade and the establishment of trading posts in the late 1700's. Activities that took individual Chipewyan and Metis north of Great Slave Lake appears to have consisted of guiding for European explorers or traveling through the adjacent area on their way to the barrens to hunt for caribou and to trap, particularly when, during the period from 1915 to 1950 when prices for white fox pelts were strong. There was no indication that Snap Lake had been used collectively by the Dene or the Metis people of Fort Resolution either historically or in modern times.

In correspondence since early 2001 with the Minister of DIAND, The Honourable Robert Nault, De Beers has kept the Minister apprised of the aboriginal groups with whom IBAs were being negotiated and has received no indication that any changes should be made to the groups selected.

# DE BEERS



The aboriginal people of Fort Resolution have suggested to De Beers that they are entitled to an IBA on the basis that they are a member of the Akaitcho Territory Dene First Nations. De Beers' was open to negotiating an IBA with the collective group of Akaitcho Territory Dene First Nations if this was acceptable to that group. However, when the other members of the Akaitcho Territory Dene First Nations were approached on this matter, they declined, preferring to proceed individually. De Beers accepted that the Yellowknives Dene First Nation and that Lutsel K'e and Kache Dene First Nation were the primary users of the lands in the RSA from within the Treaty 8 Akaitcho Territory First Nations but, as stated above, found there was insufficient basis to proceed with Fort Resolution on its own.

Lastly, with respect to discussions on economic and employment opportunities, we have extended an invitation to the aboriginal people of Fort Resolution to continue dialogue so that they can participate in the benefits of the Project with respect to employment and business opportunities. We continue to keep that door open and would welcome the opportunity to work together to realize mutually beneficial opportunities.

In response to correspondence received from you commencing in April 2002 whereby you requested De Beers enter into an Impact Benefit agreement with the NWT Metis Nation, I responded that, while De Beers was not prepared to do that, we would welcome the opportunity to meet with you to outline our management measures to maximize benefits to northerners and to explore ways in which Metis could benefit from participation in our project. That invitation is still open.

Sincerely,

John C. McConnell  
Vice President – NWT Projects

cc. ✓ Vern Christiansen, Executive Director, MVEIRB

Bob Overvold, Regional Director General, DIAND