

Our File EA01-004

March 21, 2003

The Honourable Robert D. Nault
Minister of Indian Affairs and Northern Development
MINISTER'S OFFICE
10 Wellington Street North Tower
Hull, P.Q. K1A 0H4

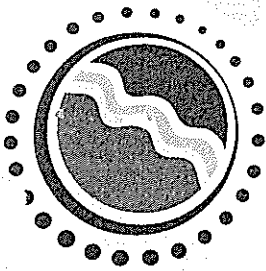
Dear Minister Nault:

RE: Participation of Lutsel K'e Dene First Nation in De Beers Canada Mining Inc. Environmental Assessment Process for the Snap Lake Diamond Project

Thank you for the copy of your letter of February 21st, 2003 to Chief Archie Catholique of Lutsel K'e Dene First Nation (LKDFN) in which you encourage the LKDFN to work with the Mackenzie Valley Environmental Impact Review Board (Review Board) in order to develop a process which will satisfy the Band's needs for participation in the De Beers Canada Mining Inc. (De Beers) Snap Lake Diamond Project Environmental Assessment (EA). The Review Board is committed to doing everything it can to ensure that the De Beers EA process is both inclusive and fair. There are currently 16 registered parties to the De Beers EA. The Review Board regularly updates and provides information to all parties to the EA, including the LKDFN.

The Review Board has adjusted the timelines on the De Beers EA project four times since the EA was initiated, and recently adjusted the timelines to postpone the public hearing by one month, in order to allow additional time for the review of technical submissions, and the resolution of outstanding issues. We intend to bring the EA to a close in the near future and are committed to submitting our Report of Environmental Assessment to you and other Responsible Ministers at the end of June.

It is the responsibility of a developer, in this case De Beers, to explain their project to community groups and First Nations. Our office has nonetheless contacted LKDFN on a number of occasions to respond to the community's questions about the De Beers EA. We are aware of the community's concerns about its capacity to participate fully in this EA process and we have encouraged De Beers to respond directly to the LKDFN. Community capacity is, of course, also a matter your Department addresses directly, outside the purview of the Review Board.

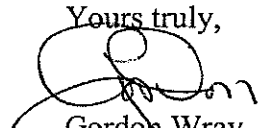


Mackenzie Valley Environmental Impact Review Board

The Review Board notes that Chief Catholique's January 24th letter to you also included a reference to the fiduciary relationship between Canada and the LKDFN. His letter then addressed the Band's concerns about the need for consultation in the De Beers EA process. The Review Board is, of course, an administrative tribunal with a legal obligation to be fair to all participants in its environmental impact assessment processes. Given the need for the Review Board to remain independent, neutral and fair, it is not in a position to act in a fiduciary capacity in relation to any party to its proceedings.

We trust that all parties to the De Beers EA will understand that this limitation is inherent in the functions which must be discharged by the Review Board pursuant to the *Mackenzie Valley Resource Management Act*.

Yours truly,


Gordon Wray
Alternate Chair
MVEIRB



cc. Chief Archie Catholique, Lutsel K'e Dene First Nation
Mr. John McConnell, De Beers Canada Mining Inc.