



June 11, 2001

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Mr. Gordon Lennie
Chair
Mackenzie Valley Environmental Impact Review Board
PO Box 938
Yellowknife, NT X1A 2N7

Dear Mr. Lennie:

RE: PROJECT DESCRIPTION: SNAP LAKE DIAMOND PROJECT
MV2001C0012, MV2001L2-0002

De Beers Canada Mining Incorporated (De Beers) is pleased to submit 12 copies of the Snap Lake Diamond Project Scoping and Technical Support Documents to the Mackenzie Valley Environmental Impact Review Board. These documents form the basis of the Project Description for the Snap Lake Diamond Project and can be used by the Board while developing the Work Plan and Terms of Reference for the environmental assessment of the project. The documents were previously submitted to the Mackenzie Valley Land and Water Board to support the Preliminary Screening of the project and have received wide distribution. De Beers will build upon these documents to develop the environmental assessment.

The Snap Lake Diamond Project is located on the northwest shore of Snap Lake, about 220km northeast of Yellowknife. The currently identified resource is 22.8 million tonnes of kimberlite contained in a shallow-dipping dyke averaging 2.5m in thickness. A pre-feasibility study completed in April, 2000 confirmed the viability of an underground mining operation. The main elements of the Snap Lake Diamond Project are as follows:

- Development of a underground diamond mine with an operating life of 22 years.
- Construction of support facilities, including a camp complex, process plant, paste plant, cement plant, processed kimberlite containment area (North Pile), explosives factory, storage buildings, waste disposal systems, stockpiles and power plant.
- Expansion of existing facilities including tank farm, airstrip, explosives storage.

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

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- Establishment of annual winter access and esker access roads along existing routes.
- Quarrying of material as required for construction and operational purposes.

The Snap Lake Diamond Project Scoping Document presents the project description; biophysical and socio-economic settings; issues identified during community consultations and De Beers' responses; identification of potential impacts with the proposed project, their mitigation and residual effects that would remain after mitigation; framework for cumulative effects assessment; and De Beers' corporate commitments.

The Technical Support Document presents the complete methods used in obtaining baseline environmental data, the raw data collected and technical reports referenced in the Scoping Document.

In all phases of the project, from development through closure, De Beers is committed to the underlying principles of integrated environmental management and sustainable development. Integrated environmental management recognizes the need for finding and maintaining the correct balance between biophysical and socio-economic impacts. Sustainable development addresses the intergenerational aspects of project impacts and aims at ensuring that resource development by current generations does not significantly limit or diminish the opportunities for future generations.

We trust this information meets your requirements and look forward to continuing to work with the Board and your staff during the environmental assessment process.

Sincerely,

SNAP LAKE DIAMOND PROJECT



John C. McConnell
Vice President - NWT Projects

hb/LG/JCM
Encl.