

DE BEERS

Closing Statement

RECOGNITION

Mr. Chair and members of the Board, I want to express my thanks for the Board's conduct of the public hearing. We appreciate the Board's careful attention to the presentations and submissions and your patience throughout this long week. And I commend the Board members for your personal contribution to public service. Let me also express my appreciation to the interveners and their specialists and advisors for the respectful tone of the hearing.

In addition, I want to compliment you for achieving the stated purpose of the establishment of the Board, which is, in the words of the MVRMA, "to enable residents of the Mackenzie Valley to participate in the management of its resources for the benefit of the residents and of other Canadians."

Consultation and openness are keystones of the environmental assessment process set up by the MVRMA and conducted under the authority of this Board. These values have been honored in practice.

De Beers has consulted with aboriginal communities. I have personally attended many of the sessions. Some of the details are part of the record. We intend to carry on the consultation as the Project goes forward.

OVERVIEW

In my opening statement, I submitted that we would demonstrate that the Snap Lake Diamond Project is not likely to have a significant adverse impact and that you will have good reason to recommend approval of the development subject to the mitigation measures we have proposed. The proceedings this week re-affirm my confidence. This public hearing should likewise instill in the Board confidence in the merits of the Snap Lake Diamond Project.

Early in the development of the Project, De Beers assembled a world-class team of experts and instructed them to listen and learn, to investigate and innovate.

The result is a sound mining and environmental plan, and a thorough, reliable environmental assessment. De Beers is proud to put its name on the EA and on this Project. I am proud to put my name on both.

Relevant issues have been analyzed from many angles; all initial solutions have been critically reviewed; consultation has never stopped, and solutions have been refined and improved through out the process.

In the collective opinion of our team of experienced and capable scientists and engineers, this is a comprehensive and reliable environmental assessment. The interveners have echoed during the hearings what our team has told us, that we listen and we are responsive.

We have demonstrated that we are prepared to work with others to resolve issues, whether it means making new commitments (as we have done, for example, with air quality monitoring for fine particles) or gathering new data (for example, the dissolved oxygen field study in February 2003). We even have modelled additional scenarios at the request of interveners to help them in their evaluation.

The adaptive management that we plan to use in our environmental management program is not a novel modern concept; it is a way of life. When we emphasize our commitment to monitoring we mean we have developed systems to keep abreast of changes. Recognizing, for instance, that caribou behaviour may change for reasons that nobody can predict, our efforts to mitigate have to respond to unforeseeable changes. That is our plan.

PREAMBLE TO PEOPLE, AIR, LAND AND WATER

Harry Simpson said on Thursday evening something to the effect that no matter who you are, you depend on water and meat and fish and other products of the earth to live. That sentiment is as wise as it is simple. We all share the same resources of this land and the responsibility for its careful stewardship.

The values reiterated to us on every occasion by the elders are the same values by which we live our own lives. We have children; we worry about

their future. All of us share this planet. We have heard the elders speak and we learn from what they say.

During this hearing, and throughout our consultation, the elders have told us to respect the air, land and water because our lives depend on them. We must cause as little adverse impact as possible. Let me remind you very briefly how our plans will contribute to the well being of the people, and how we will protect the air, water and land.

PEOPLE

The health and well-being of people is of primary importance to De Beers. This is true for people who work for De Beers, and for their families, as well as people in the communities.

We spent a lot of time in the communities, listening and learning about social and economic concerns. People told us they are concerned about employment, education and training, life skills, family support and culture, business opportunities, and traditional resource use and ecological integrity. While these are general concerns and are not specific to our Project, we will work in partnership with communities and government to maximize the benefits and opportunities to people in the north, and to manage and mitigate impacts.

De Beers recognizes that our Project will not proceed in isolation. Its effects have to be considered along with the major diamond mine developments and other projects and activities that will influence the social and economic fabric of the region.

Through a long-term commitment to partnership with communities and governments, De Beers will contribute to:

- creation of opportunities and choices at the individual, family and community level;
- creation of wealth through employment, investment and business opportunities;
- generation of tax and fiscal revenue payments for governments; and
- a wider distribution and sharing of these opportunities and wealth across communities.

AIR

The design of the Project greatly reduces concerns about air quality. For example, dust will be reduced because:

- mining will be underground in a wet environment;
- primary ore crushing will also be underground;
- ore will be moved by covered conveyor not trucks;
- ore processing will also be a wet process; and
- roads and the airstrip will be sprayed with water.

In addition, the Project is designed to minimize energy use and therefore, the emission of greenhouse gases. Every stated concern about air quality has now been addressed.

WATER

De Beers recognizes that Snap Lake is a comparatively small headwater lake and that this makes it relatively sensitive to changes in water quality. Through consultation with communities, we have received the message loud and clear that Snap Lake is important to the people. We heard this again last night from the elders, who spoke so eloquently.

The Project has been designed to minimize effects on Snap Lake and downstream water bodies. By confining the main project activities to a small footprint on the northwest peninsula, impacts to aquatic habitat will be negligible.

The Project will include a state of the art water treatment plant using the best available technology that is practical and proven in the north. Most of the water entering the mine comes from Snap Lake, and the water treatment plant will ensure that it is clean and clear when it is returned to the lake.

De Beers has been listening to and interacting with communities since 1999 and we have adapted our design based on concerns that we have heard. As recently as last month, we revised the design of the ditch between the North Pile and Snap Lake to prevent seepage to the lake. This was as a result of recommendations made by interveners. De Beers has been and remains committed to incorporating all practical measures to minimize effects to Snap Lake.

An issue was raised at the hearings about possible concentrations of TDS in connate groundwater. The ideas and data presented were not new to De Beers. They have for some time formed part of the available information and understanding of groundwater flow processes that were considered in preparing the comprehensive environmental assessment. This issue is very important to De Beers.

We are confident that our environmental assessment predictions of changes to water quality in Snap Lake strike the right balance between being conservative enough that effects will not be greater than predicted, yet realistic enough that changes are within the realm of what is possible.

We looked at how the combination of water quality changes may affect aquatic life in Snap Lake. There will be a balance between the lake-wide stimulatory effect of phosphorus and the slight negative effects from lower dissolved oxygen in small parts of the lake in mid-to-late winter. The change in TDS is not high enough to cause an effect on aquatic life in Snap Lake. The total overall effect is expected to be small changes in the relative abundance of some algae, zooplankton and bottom-dwelling organisms, with no elimination of species, and no measurable change in fish populations.

De Beers is committed to effective environmental monitoring in the underground mine, on-site and within Snap Lake, to ensure that Snap Lake is protected. The combination of an effective monitoring program and ongoing modeling will verify the environmental assessment predictions, anticipate changes that will occur, and support adaptive management to protect Snap Lake.

LAND

De Beers has designed the Project to minimize the footprint and to incorporate reclamation. As a result, impacts on the land are minimized.

De Beers has drawn on many sources of information to assess how wildlife may be affected. As the Board heard this week, the focus has been on caribou, wolverine and grizzly bear. We have looked to traditional knowledge, RWED data, new data that we have collected ourselves, monitoring data from other projects, and the general scientific literature.

De Beers has used all these lines of evidence in the environmental assessment.

We appreciate the special place of caribou, as the elders emphasized last night and many times before. Based on the experience at Snap Lake and other projects, we know of many things we can do to mitigate impacts. De Beers' objective is zero wildlife mortality as a result of the Project. While we cannot absolutely guarantee to meet that objective over the 25-year life of the mine, our considered expectation is that we will be very close.

Of course, there are other possible effects on wildlife. Questions have been asked about the potential for the Project to affect how caribou move through the area, and what that means to caribou populations. Based on what we see happening at other mines, we expect that when caribou are within a few kilometers of the Snap Lake Diamond Project, they may spend less time eating. Nevertheless, our careful study has concluded that the effects to caribou populations from the Snap Lake Diamond Project will be undetectable.

The bigger concern, as the Board heard from several sources, is how the cumulative effects of human activities such as mines, hunting camps and hunting, combined with natural factors like insects, harvesting, predation and weather, all act together to influence caribou populations across the Slave Geological Province and beyond. De Beers reiterates our commitment to participate in a fair and reasonable way in monitoring cumulative effects.

Data collected by De Beers about other wildlife populations, notably grizzly bear and wolverine, will likewise contribute to region-wide information that will, in turn, contribute to a broad-scale understanding of cumulative effects on these species in particular and wildlife in general.

COMMITMENT OF DE BEERS

In closing, the rewards of continuous learning and improvement were evident this week. Not a single presentation at this public hearing demanded that the Project be stopped.

The Board has heard that pretty much everyone wants the benefits of development: the jobs and careers, the hope and promise, and the economic spin-offs that resource development has brought to communities throughout the history of Canada. But we all want development in a way that protects water, land and wildlife.

De Beers shares those goals and aspirations. This approval process is not about a choice between building and conserving, it is about doing the two together. We have recognized from the outset that as the developer of the Project it is incumbent on De Beers to achieve the objective of sustainable development.

By not only listening but hearing, we have put together a plan that I personally have every confidence will protect the environment from significant adverse impacts, and will protect the social, cultural and economic well-being of residents and communities in the Mackenzie Valley. Those are the aims of the Resource Management Act and I sincerely believe that through collaboration and consultation they are being achieved.

Our goal with the Snap Lake Diamond Project is economic growth balanced by good stewardship. This goal is consistent with the company's overall mission.

The mission statement of De Beers was articulated many decades ago by Sir Ernest Oppenheimer, and it rings every bit as true today as it did then: to make a profit, but in such a way that we make a real and lasting contribution to the countries and the communities in which we operate.

I respectfully urge the Board to recommend that the Minister of INAC approve of the Snap Lake Diamond Project and refer it to the Land and Water Board for the final stage of regulatory approval.

Thank you very much.