



P.O. Box 1500
Yellowknife NT X1A 2R3

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April 9, 2009

Mr. Richard Edjericon
Chairperson
Mackenzie Valley Environmental Impact Review Board
PO Box 938, 200 Scotia Centre
5102-50th Avenue
Yellowknife NT X2A 2N7

Dear Mr. Edjericon:

**Re: Environmental Assessment of the Giant Mine Remediation Plan (EA0809-001)
– Response to Draft Terms of Reference**

Indian and Northern Affairs Canada (INAC) is pleased to provide the following comments on the draft Terms of Reference (TOR) released on March 16, 2009 by the Mackenzie Valley Environmental Impact Review Board (the Review Board) for the Environmental Assessment of the Giant Mine Remediation Plan.

General Comments

INAC wishes to reiterate its view that the contaminated nature of the site and the nature of the proposed development, being a Remediation Plan, are important factors that should be taken into account throughout the environmental assessment, and INAC intends to account for these factors in the preparation of the Developer's Assessment Report. While INAC acknowledges that the main focus of the environmental assessment is to assess whether the development is likely to cause significant adverse impacts on the environment, INAC's intent is to include the beneficial as well as the adverse impacts in its Developer's Assessment Report.

Definition of Baseline Condition

INAC believes that the appropriate baseline for the environmental assessment should be the existing environmental conditions as of the date INAC took over care and maintenance of the site, December 13, 1999, following Royal Oak Mines being placed into receivership and the mine being effectively abandoned. The baseline should not be previous historical or pre-mining conditions. Considering this as the baseline will allow the environmental benefits and impacts of the project to be properly assessed.

Generally, the TOR seems to reflect a similar preference but there are some points of confusion. For example, Section 5.2 C "Description of the Existing Environment" asks for "historic and current information on water quality" (Item 3, p. 12) and "ambient air quality and climate history" (Item 11, p. 13). INAC agrees that, in some cases, historical information will help reviewers to understand current conditions, but INAC would like some assurance that the baseline of record is indeed intended to be the state of the site as at the time of effective abandonment.

Historic Tailings

INAC would like clarification from the Review Board with respect to item 5 on page 20 of the TOR as it appears the Review Board is asking INAC to provide information on the impact to fish caused by the ongoing movement of historical tailings within the offshore environment.

In INAC's view, the development as proposed is what is presently before the Review Board. When it was designed, INAC determined that certain historical off-site contaminants which originated from the Giant Mine site would not or could not form part of the Remediation Plan. This includes the removal of existing historical offshore tailings.

With respect to historical offshore tailings, the Remediation Plan is limited to proposing certain actions to minimize any further releases of tailings from the site and tailings beach. INAC believes, therefore, that the already existing impacts caused by the migration of historically released tailings are outside the scope of the development's impact assessment. These are not impacts that are caused by INAC's development. Item 5 on page 20 of the draft TOR appears however to request this information.

In INAC's view the relevance of the existence and impact of historical tailings for this part of the DAR is confined to assessing the impacts of the remediation proposed by the Remediation Plan. INAC is happy to provide the impact information necessary to canvass this particular aspect of the issue, and would like item 5 adjusted to reflect this.

In addition, INAC would also like the Review Board to consider removing the sentence "The re-distribution of fine tailings, deposited in the area could result in degradation to adjacent fish habitat and a reduction in benthic invertebrates" as we see this as a pre-determined conclusion which is premature.

Wildlife and Wildlife Habitat

Section I-4, item 1 on page 21, states that the Peregrine falcon, black bear, moose and other fur-bearing mammals that frequent the area must be considered by the developer while conducting an impact assessment on wildlife valued components. This requirement appears to predetermine the utility of these species as effective valued components for the assessment of impacts or benefits of the proposed development.

INAC requests that the selection of wildlife and wildlife habitat valued components and the detail of the assessment of these components be based upon a comprehensive review of potential wildlife and wildlife habitat valued components; including those listed. INAC would provide details on the rationale and methodology for selected valued components.

Opportunity to Provide Further Comment

We request that an opportunity to respond to other party submissions be afforded to INAC, should INAC feel that further comment is necessary once it has had an opportunity to review the other submissions.

Thank you for the opportunity to provide our comments on the draft TOR. We look forward to working with the Review Board on this environmental assessment.

Sincerely,



Martin Gavin P.Eng
Manager, Giant Mine Remediation Project