

Ministre des Affaires indiennes et
du Nord canadien et interlocuteur fédéral
auprès des Métis et des Indiens non inscrits



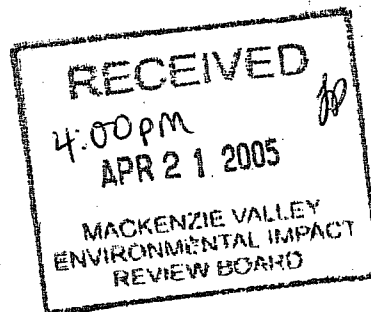
Minister of Indian Affairs and
Northern Development and Federal Interlocutor
for Métis and Non-Status Indians

Ottawa, Canada K1A 0H4

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APR 13 2005

Ms. Gabrielle Mackenzie-Scott
Chair
Mackenzie Valley Environmental Impact Review Board
PO Box 938
YELLOWKNIFE NT X1A 2N7



Dear Ms. Mackenzie-Scott:

As the federal Minister, and on behalf of the Responsible Ministers with jurisdiction for this development (Resources, Wildlife and Economic Development, Government of the Northwest Territories; Fisheries and Oceans; and Environment Canada), I am writing to convey our decision on the recommendation that was made by the Mackenzie Valley Environmental Impact Review Board ("Review Board") pursuant to section 128 (1)(d) of the *Mackenzie Valley Resource Management Act* ("Act"). The Review Board's recommendation "that the proposal be rejected without an environmental impact review" was presented in the Report of Environmental Assessment for the New Shoshoni Ventures Incorporated's Preliminary Diamond Exploration in Drybones Bay, submitted on February 10, 2004 ("Report").

After considering the Report, as well as the following documents: a) the letter from New Shoshoni Ventures Incorporated to the Minister on February 13, 2004, and b) Environmental Assessment Reports for Consolidated Goldwin Ventures, North American General Resources Corporation, and Snowfield Development Corporation, the Responsible Ministers and I have agreed to refer the recommendation back to the Review Board for further consideration, pursuant to section 130(1)(b)(i) of the Act. In our review of the Report, we have determined that the Review Board did not fully and clearly outline its analysis that led to the recommendation to reject this proposed development.

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In order for us to make our section 130 determination, we need to be clear on how the Review Board arrived at its recommendation under section 128(1)(d). In our view, the following information and analysis should be evident in the Report so that the basis of the recommendation can be discerned. Accordingly, we request that the Review Board explain fully and clearly how this proposed development is likely to cause an adverse impact, so significant, that it cannot be justified by specifically addressing the following:

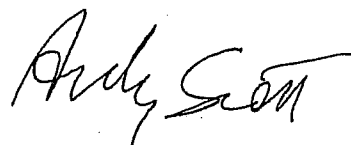
1. if cumulative cultural impact forms the basis of the Review Board's recommendation, then please provide clear analysis of the cumulative impact that is likely to result from the proposed development in combination with other developments (section 117(2)(a)). In this analysis, it may be helpful if the Review Board can specifically identify and describe what the impact is likely to be and whether the impact relates to the location, operational activities, timing, order of magnitude, footprint impacts, etc.;
2. fully consider mitigative measures for this proposed development and provide an explanation as to why such measures will not assist to prevent the significant adverse impact so that a conclusion can be drawn that the impact is unjustifiable (i.e. why would measures for this specific proposed development or measures for the other developments assessed together with this one, not work in this instance); and
3. reference and explain how ordering an environmental impact review will serve no further benefit or purpose (this will further substantiate the conclusion that rejection is appropriate).

As a final note, in our review of the Report, it was apparent in certain instances that evidence referred to was the same or similar to the evidence in the reports of the proposed developments – Consolidated Goldwin Ventures, North American General Resources Corporation and Snowfield Development Corporation. As a result, distinguishing the evidence for this proposed development proved difficult since these other proposed developments were recommended for approval subject to mitigative measures. In order for us to distinguish this proposed development and assess it on its own merits, we need to be clear what evidence the Review Board is relying upon in making its recommendation to reject in this instance.

We trust that our decision, explanation and requests of the Review Board are sufficiently clear for the Review Board's further consideration of the recommendation. Please note that if this is not the case, regional officials under the direction of Mr. David Livingstone, Director of Renewable Resources and Environment, are

available to meet for further discussion should the Review Board have any questions or require further clarification of the matters set out above.

Yours sincerely,

A handwritten signature in black ink that reads "Andy Scott". The signature is written in a cursive, slightly slanted style.

The Honourable Andy Scott, PC, MP

c.c.: The Honourable Stéphane Dion, PC, MP
The Honourable Geoff Regan, PC, MP
The Honourable Brendan Bell, MLA