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January 10, 2006

Your file - Votre référence

Our file - Notre référence

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Mr. Martin Haefele
Environmental Assessment Officer
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Dear Mr. Haefele:

RE: EA 05406-007 Paramount SDL 8 2D Geophysical Program - Request for Ruling

Thank you for your letter, dated December 23, 2005, asking for comments on the Request for Ruling from the Ka'a Gee Tu First Nation for the suspension of the environmental assessment of the proposed Paramount Significant Discovery Licence (SDL) 8 2D Geophysical Program until such time as legal proceedings involving government decisions concerning other developments proposed by Paramount are completed.

The Paramount SDL 8 2D Geophysical Program falls outside the terms of reference and geographical scope of the previous environmental assessments conducted for the Paramount Cameron Hills Project, including EA01-005, Cameron Hills Exploration Drilling, and EA03-005, Cameron Hills Extension Project. Because the proposed Geophysical Program is not related to Paramount's Cameron Hills Project and is located in a different geographical area, the proposed Program should be considered as a stand-alone project and the environmental assessment of it should be distinct from previous assessments of unrelated projects by the same company.

The Ka'a Gee Tu First Nation is essentially requesting a stay of the Mackenzie Valley Environmental Impact Review Board's (the "Review Board") proceedings relating to the environmental assessment of the proposed Geophysical Program. The Ka'a Gee Tu First Nation's legal proceedings involving government decisions concerning a different environmental assessment may take up to several years to complete. At a minimum, it will take four to five months to obtain any rulings from the courts (excluding any appeals) in these legal proceedings. In that context, it is important to note that s. 115 of the *Mackenzie Valley Resource Management Act* (the "Act") states that the Review Board's environmental assessment process must be carried

out in "a timely and expeditious manner". The Review Board's processes under the Act are time sensitive both statutorily and practically because of the short working seasons available to proponents.

The fact that the Ka'a Gee Tu First Nation has initiated judicial review of a separate and distinct environmental assessment decision relating to a different geographical area does not mean that the current process with respect to the proposed Geophysical Program should be suspended. The Review Board's environmental assessment process encourages participation by affected First Nations. Therefore, it is not apparent what irreparable harm the Ka'a Gee Tu First Nation would suffer should its Request be denied and the environmental assessment of the proposed development proceed. The Review Board may also need to assess the relative harm to the Ka'a Gee Tu First Nation and the proponent that may result from the granting or refusal of the Request given the timelines involved in this particular situation.

In conclusion, INAC respectfully submits that it is not in the interest of the proper fulfilment of the Review Board's mandate to grant the requested Ruling.

Sincerely,



David Livingstone,
Director,
Renewable Resources and Environment
Indian and Northern Affairs
NWT Region