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April 4, 2006

Martin Haefele Environmental Assessment Officer Mackenzie Valley Environmental Impact Review Board P.O. Box 938 5102 - 50th Avenue YELLOWKNIFE, NT X1A 2N7

Dear Mr. Haefele:

Re: EA0506-008 Gahcho Kue - Technical Scoping Workshop Prioritized Issues List

Indian and Northern Affairs Canada (INAC) would like to thank the Mackenzie Valley Environmental Impact Review Board (the "Review Board") for the opportunity to participate in the technical scoping workshop that was held March 21-23, 2006, in Yellowknife. We understand that the objective of the scoping exercise and follow-up is to identify priority issues, in order to focus the Review Board's attention on those issues which are new and/or key to the assessment of the development.

INAC has reviewed the information compiled by the Review Board from the technical scoping workshop and the attached document identifies INAC's prioritized issues. INAC also concurs that all of the issues presented at the technical scoping workshop should be assessed by the developer through this environmental assessment process. We do not want to see any issues 'drop off' the table before adequate information is provided.

INAC has identified four (4) aspects of this development which have not been previously dealt with in other diamond mine environmental assessments in the Northwest Territories. These concerns are:

- the 80% dewatering of Kennady Lake;
- the rewatering of Kennady Lake during reclamation;
- the co-disposal of waste rock and processed kimberlite in the mined out open pits which are to be covered by the rewatered lake surface; and,
- the cumulative effects associated with a fourth large diamond mine in this area of the Northwest Territories.



INAC would like to commend De Beers Canada Mining Inc. on its commitment to backfill two of the three mined out pits. This plan likely represents one of the best strategies for reducing the impacts associated with this type of mining development.

We have prioritized and ranked our issues as follows: three points for a very high priority issue, two points for a high priority issue and one point for a medium priority issue. This is a preliminary identification and ranking of important issues and INAC will continue to consider additional information on the project as it becomes available. Issues not specifically identified or ranked by INAC in the attached document will continue to be tracked by INAC staff through the environmental assessment process.

INAC looks forward to participating in the technical scoping hearing set for April 10, 2006, and all stages of the environmental assessment process. Dr. Kathleen Racher will be presenting the prioritized issues list from the attached chart at the technical scoping hearing.

If you have any concerns or comments on our submission, please contact Mr. Fraser Fairman, Environmental Scientist at 867-669-2587.

Sincerely,

David Livingstone,

Director, Renewable Resources and Environment

cc: Kathleen Racher, Manager - Water Resources Division

Annette Hopkins, Director - Operations

Malcolm Robb, Manager - Mineral Development Division

Teresa Joudrie, Manager - Environment and Conservation