April 10, 2006

NRCan File # NWT-080

Mr. Martin Haefele
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
Box 938, 5102-50th Ave.
Yellowknife, NT. X1A 2N7

By email: mhaefele@mveirb.nt.ca

Re: Submission from Natural Resources Canada for the scoping phase of the proposed Gahcho Kué project

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Mr. Haefele;

Natural Resources Canada (NRCan) is likely a Responsible Minister under the *Mackenzie Valley Resource Management Act* (MVRMA) for the Gahcho Kué project with respect to our regulatory role under Section 7(1) of the *Explosives Act*. Therefore, NRCan has requested party status for the proposed project under the Mackenzie Valley Environmental Impact Review Board (MVEIRB) process in its application to the MVEIRB (see email to the MVEIRB dated April 7, 2006).

This letter is being submitted as evidence that will assist the Board in achieving the purpose of the scoping phase identified in the "Work Plan for the Environmental Assessment of the De Beers Gahcho Kué Diamond Project (EA0506-008)".

The following information is intended to inform the MVEIRB of general areas of concern and environmental assessment requirements with respect to NRCan's regulatory jurisdiction and also outline NRCan expertise that may be relevant to the proposed project.

REGULATORY

NRCan's may be involved in the Gahcho Kué project with respect to our regulatory role under Section 7(1) of the *Explosives Act*. If the proposed mine wishes to manufacture any explosive or hire another party to manufacture any explosive, then a factory licence may be required and prior to this licence being issued an environmental assessment must be conducted.

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Our basic needs for assessing a factory in an environmental assessment are as follows:

- Explosives to be manufactured, typically ammonium nitrate fuel oil (ANFO) and or emulsion / watergel. If the proponent initially specifies ANFO and decides to add emulsion, this does not change environmental impact. Although equipment is different, effluents and other aspects pertaining to the assessment do not change.
- Maximum quantity of explosives at each facility
- Specified location, with distances to vulnerable features such as dwellings, roads, camps, etc. The proponent needs to demonstrate that safety distances required by NRCan's Explosives Regulatory Division (ERD) have been considered and met. Explosive magazines and ammonium nitrate storage locations must also be specified
- Fuel and ammonium nitrate storage plans. Storage of ammonium nitrate in conformance with ERD guidelines.
- There will be liquid effluent. What are the disposal plans?
- Evaluation of worst case scenario, i.e. accidental explosion.
- Spill contingency plans.
- Any temporary explosive facilities to be used for starting the project must be included, giving the same information described above. The temporary installations are often required before the other facilities can be put in place and as such are often more problematic for location, containment, etc.

OTHER EXPERTISE

In the context of NRCan's mandate, if requested, NRCan may have expertise in the following areas that may apply to the project:

General Information

- National and international energy, forestry and mining policies

Forestry

- Management of forests on Aboriginal lands;
- Forest ecology;
- Forest biodiversity;
- Forest technologies;
- Pest management;
- Forest biotechnology and genetics;
- Landscape and visual aspect;

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- Forest fires;
- Effects of forestry practices.

Energy

- Energy efficiency, new fuels;
- Energy technologies;
- Economic analysis for energy projects.

Mines and Metals

- Explosives;
- Management of mine wastes (tailings and overburden), protection of surface water and underground water quality, acid mine drainage;
- Economic analysis for mining projects;
- Development of mining sites, mineral transformation technologies;
- Restoration of mining sites;
- Mineral technologies.

Earth Sciences

- Geographic Information Systems;
- Environmental geosciences (natural occurrence and levels of metals and radioactivity in soils and rocks);
- Geological incidents (seismology, landslides, flooding, deep water hazard, geomagnetism);
- Geomatics;
- Geophysics (shallow terrain and deep crustal);
- Geosciences (surface and underground geology, geomorphology, underground water, tsunamis);
- Geotechnics and engineering geology;
- Permafrost occurrence, processes and stability;
- Glaciology;
- Groundwater and hydrogeology (flow, recharge, chemistry and aquifer delineation);
- Landscape process and stability (coastal, fluvial Aeolian slope) and their response to climate change;
- Marine environmental and marine resource geosciences;
- Mineral and hydrocarbon geology and regional resource assessments;
- Remote sensing;
- Surveys on federal lands.

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Any requests for expertise should be made in writing, and the deadline for our response should be specified. In order to help us and avoid unnecessary delays, we invite you to provide us with information such as the scope of project, the scope of the assessment and the subject areas and/or portions of the documents to be reviewed.

Any request for expertise should be made through myself. I can be reached at (613) 995-3153, by fax at (613)995-5719 or by e-mail at Andrew.McAllister@nrcan.gc.ca .

If you have any questions regarding NRCan's submission, please do not hesitate to contact me.

Sincerely,

Andrew McAllister
Senior Environmental Assessment Officer