



P.O. Box 1500
Yellowknife, NT X1A 2R3

April 6, 1999



Your file Votre référence

Our file Notre référence

N7L2-1736

Mr. Gordon Wray
Chairman
Northwest Territories Water Board
P.O. Box 1500
Yellowknife, NT X1A 2R3

Dear Mr. Wray:

Re: Preliminary Screening - BHP Diamonds Inc.
Development of Beartooth, Pigeon and Sable Kimberlite Pipes

The above referenced project has undergone a Preliminary Screening pursuant to the *Mackenzie Valley Resource Management Act (MVRMA)*, Sections 124 and 125, by DIAND/Water Resources Division with advice from DIAND/Land Administration, the Department of Fisheries and Oceans and the Department of Environment.

The proponent submitted a Water Licence Application to the Northwest Territories Water Board on November 20, 1998. The Water Board considered the applications complete as prescribed in the *Northwest Territories Waters Act and Regulations*, however, DIAND required additional information from the applicant before preliminary screening could begin. The Land Administration Division returned the lease applications to the applicant until a complete application could be submitted. The complete Project Description and large format maps were received by DIAND and the preliminary screening was initiated on February 19, 1999. As the proposed project will also require a Fisheries Authorization, the project description was distributed to DFO for review. BHP Diamonds Inc. has advised DFO that an application for Fisheries Authorization will be forthcoming.

It is the opinion of the Preliminary Screeners that the development might have a significant adverse impact on the environment and/or might be a cause of public concern. It is therefore recommended that the proposed project be referred to the Mackenzie Valley Environmental Review Board (MVEIRB) for Environmental Assessment (EA). This opinion is based on the fact that both the Pigeon and Sable pipes are located in a drainage basin where water-related environmental baseline data has not been done (Pigeon) or done but not reviewed by panel (Beartooth and Sable). Further, - and ... <

cumulative effects have not been considered with respect to the existing BHP mining operations and