



DE BEERS
CANADA
GAHCHO KUÉ PROJECT

December 11, 2007

Our File: L025

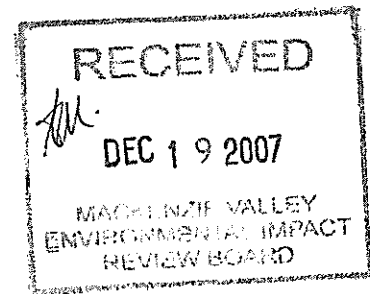
Sent By [Facsimile/Electronic Mail]

Mackenzie Valley Environmental Impact Review Board
Suite 200, Scotia Centre, 5102-50 Avenue
Box 938, Yellowknife, NT
X1A 2N7

Attention: Mr. Vern Christensen
Executive Director

Dear Mr. Christensen:

Re: Gahcho Kué Diamond Mine Project – EIR0607-001
De Beers Canada Mining Inc. (“De Beers”)
Tli Cho Landtran Winter Road Application



We have reviewed a copy of your letter dated December 5, 2007, to Ms. Wanda Anderson of the Mackenzie Valley Land and Water Board (“MVLWB”) concerning the application made by Tli Cho Landtran Transport Ltd. (“Landtran”) respecting a land use permit application for a winter road (the “Landtran Winter Road Project”). We have also recently had discussions with Mr. Ehrlich of your office with respect to the Landtran Winter Road Project. It appears there is a mistaken perception that the Landtran Winter Road Project represents “Project-Splitting” by De Beers and that the Landtran Winter Road Project should be considered within the scope of the Gahcho Kué Diamond Mine Project that is currently the subject of an environmental impact review (the “Gahcho Kué Project”). Accordingly, De Beers would like to provide the following information.

First, and foremost, the Landtran Winter Road Project is not, nor has it ever been, part of the Gahcho Kué Project. It is also De Beers’ understanding that the Landtran Winter Road Project is intended to service exploration activities. The Landtran Winter Road Project is being proposed and applied for by Landtran. De Beers is not an applicant for the Landtran Winter Road Project. At this time De Beers has made no commitment to use any road option to access the proposed mine beyond that described in the Gahcho Kué Project description. Furthermore, successful execution of the Gahcho Kué Project is not dependant in any way on the approval of the Landtran Winter Road Project or any other alternative access routes that may be proposed.

The proposed access to the Gahcho Kué Project site will be on an annual basis via a winter road from the south. Specifically, a 120-km long winter access road spur off the north end of Mackay Lake will be constructed each year to connect the Gahcho Kue site to the winter road at Km 271, just north of the Lake of the Enemy. (Please see section 2.13.8 of the Gahcho Kué Project Description for further details.) In the event that the Gahcho Kué Project proceeds, De Beers' preference would be that there be only one access road in use to the mine in order to minimize the Gahcho Kué Project's footprint.

Current access to the Gahcho Kué Project location for the purpose of our exploration activities has been secured by the MVLWB Land Use Permit No. MV2001C0065, which allows De Beers to build a winter road on this same route from the south to the Gahcho Kué Project site. This winter road route is in use by De Beers on an as needed basis.

In accordance with the Gahcho Kué Project Terms of Reference ("TOR"), De Beers would be required to consider the Landtran Winter Road Project, as well as all other reasonably foreseeable projects, in our cumulative effects assessment for the Gahcho Kué Project Environmental Impact Statement ("EIS"). In addition, and also in accordance with the TOR, to the extent the Landtran Winter Road Project may present a technically and economically feasible alternative means of access to the Gahcho Kué Project site, it will be considered in that context in the EIS as well. This is also in accordance with section 117(3)(b) of the *Mackenzie Valley Resource Management Act*, S.C. 1998, c. 25, which requires a review of "alternative means, if any, of carrying out the development that are technically and economically feasible, and the impact on the environment of such alternative means."

Accordingly, De Beers requests that the Panel provide written confirmation at its earliest convenience that we have provided sufficient information for the Panel to conclude both that the Landtran Winter Road Project and Gahcho Kué Projects are not a case of "project splitting" by De Beers, and that the Landtran Winter Road Project cannot properly be included in the Gahcho Kué Project description. Should you require any further information or wish to discuss the matter further, please contact the undersigned at (867) 766-7322.

Yours truly,



Paul Cobban
Senior EA and Permitting Coordinator

- c. Alan Ehrlich, Mackenzie Valley Environmental Impact Review Board
John Donihee, Mackenzie Valley Environmental Impact Review Board Counsel
Tyree Mullaney, Mackenzie Valley Land and Water Board
David Livingstone, Department of Indian and Northern Affairs Canada
Darnell McCurdy, South Mackenzie District, Department of Indian and Northern Affairs Canada
Shawn Talbot, Tli Cho Landtran Transportation Ltd.
Shawn Denstedt, Osler, Hoskins & Harcourt LLP