

Wildlife, L	ands an	d Environment	Department
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January 17th, 2012

Mackenzie Valley Environmental Impact Review Board #200 Scotia Centre 5102-50th Avenue Yellowknife, NT X1A 2N7

RE: Lutsel K'e Dene First Nation – Information Requests for the DeBeers Canada Inc.'s EIS for the proposed Gahcho Kue Diamond Project.

Lutsel K'e Dene First Nation and its consultants are pleased to provide the following Information Requests to DeBeers for the proposed Gahcho Kue Diamond Project.

If you have any concerns regarding the IRs, please feel free to contact me.

Sincerely,

Mike Tollis Wildlife, Lands and Environment Manager Lutsel K'e Dene First Nation Ikdfnlands@gmail.com P: 867-370-3197 F: 867-370-3143 IR #: LK_01 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Timeline for Engagement EIS Reference: 5.2.2, 5.2.4.1.1

Concern:

The timeline for engagement states "initiation of the community engagement program by De Beers in May 2007, which continued to December 2010." (p.5-8).

"Engagement activities with LKDFN regarding the Project have been ongoing since 1998"

Rationale:

The timeline on page 5-9 indicates the acquisition of Traditional Knowledge was paused in the second half of 2008 and 2009 due to an economic downturn, and engagement efforts 'recommenced' in June 2010. This timeline is supported by Table 5.2-1. This pause affected the ability of LKDFN to provide relevant TK information for consideration in the project assessment and consequently may not have our rights and interests fully considered.

Request:

1) LKDFN requests that DeBeers provide explanation for pause in engagement activities from September 26, 2008 - June 29, 2010, or update Table 5.2-1.

IR #: LK_02 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Release of LKDFN Report and sole use of secondary sources EIS Reference: 5.2.3

Concern:

"Currently, TK specific to this Project is limited. As a result, the EIS has relied on available information from issue scoping and community engagement activities, and secondary sources" (p. 5-10)

Rationale:

The site visit component was completed in August 2006. The EIS states that "The intended use of the TK study was stated in the Detailed Traditional Knowledge Study Plan. It states that although the TK belongs to the individuals and the community that provide it, "De Beers will be given permission to use the data for the Project ... This data will be included in environmental and socio-economic impact assessments, and developing mitigation plans. The TK report will be included as an appendix in the Developers Assessment Report" (p.5-11).

Given the Detailed Traditional Study Plan, why was engagement to finalize TK in the EIS ceased from September 2008 to June 2010, given the Proponent was aware the EIS would be finalized and submitted in December, 2010. This, in part, explains why "currently, TK specific to this Project is Limited" and "at the time of submission of the EIS, the TK study is not available, as it has not been released by the LKDFN" (p.5-11). LKDFN should have had the opportunity to review and verify any information gathered as part of the study process.

Requests:

1) LKDFN request that the proponent should detail how the TK/TLU study process will be completed and how the information will be used.

IR #: LK_03 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Release of LKDFN Report and sole use of secondary sources EIS Reference: 5.2.4.1.1 ToR Reference: 3.2.5

Concern:

"At the time of submission of the EIS [December 2010], the TK study is not available, as it has not been released by the LKDFN." (p. 5-11)

Rationale:

The timeline in Table 5.2-1 indicates the Traditional Knowledge field studies were completed in August 2006 and correspondence to finalize the report concluded between De Beers and LKDFN in September 2008. There is no further engagement recorded until June 30, 2010 when a presentation of the Project was reintroduced to the community. A request for a draft copy of the report was then requested by the LKDFN on September 8, 2010, and permission to release the report to the community was issued September 30, 2010. The Gahcho Kue EIS was completed in December of 2010. The timeline following the report, let alone allow for TK/TLU (traditional land use) information to be adequately incorporated into the EIS.

Request:

1) LKDFN requests that the proponent demonstrate how TK/TLU will be considered in the project moving forward as required by the ToR for the EIS, Section 3.2.5.

IR #: LK_04 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Limitation of secondary sources EIS Reference: 5.3.1

Concern:

The most important cultural sites for the Denesôline are around Artillery Lake and Parry Falls (LKDFN 2005, internet site). (p. 5-18)

Rationale:

The "most important cultural sites" recorded on a website do not adequately reflect all LKDFN cultural sites specific to the Project area. Reliance on secondary sources should be followed up with interviews, fieldwork, or correspondence with the LKDFN.

Request:

 LKDFN requests that the proponent address this very serious concern of the LKDFN regarding the "most important" cultural sites in the project area. It is essential that the LKDFN cultural sites are not only taken into consideration, but have a strong plan to protect them. Further engagement may be required to adequately address this concern. IR #: LK_05 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Limitation of secondary sources EIS Reference: 5.3.7

Concern:

"Based on the review of existing literature, there are no culturally significant sites for the LKDFN". (p.5-21)

Rationale:

Additional engagement to confirm these sources could have been provided between August 2006 and June 2010. Moving forward, engagement with communities should be stronger to adequately reflect TK in the EIS.

Request:

- 1) LKDFN requests that the proponent acknowledge limitations of secondary sources and limited engagement to verify TK secondary sources in the report.
- 2) LKDFN requests that the proponent outline their engagement strategy, past and future.

IR #: LK_06 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Limitation of secondary sources and Project design changes EIS Reference: 5.4.1

Concern:

"...through a thorough review of TK in secondary sources, the development of the Snap Lake Mine and discussions with Elders from the LKDFN during the visit to the proposed site of the Project, De Beers has gained an appreciation of the importance of the land, water, and animals to Aboriginal communities. The concerns raised had consistent themes based on secondary sources. Based upon this understanding, changes to the design and execution of the Project have been made." (p.5-22)

Rationale:

TK information collected for one project should be specific to that project, and in good practice additional TK studies, interviews and feed-back are standard for different projects in different regional contexts. Changes made relative to the Project as inferred from other studies are not representative of LKDFN values and concerns specific to the Project area.

Requests:

- 1) LKDFN requests the proponent provide LKDFN the opportunity to review and verify the secondary information included in the EIS as part of the ongoing engagement process.
- 2) LKDFN requests that the proponent acknowledge limitations of secondary sources to support Project planning specific to the Gahcho Kue Project. Engagement with LKDFN within a year of filing would have strengthened TK relative to this EIS.

IR #: LK_07 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Integration into the Key Line of Inquiry: Pathways Analysis and Effects Analysis EIS Reference: 5.4.2.1.3

Concern:

Regarding the effects of tailings it is stated "The designs are slightly different between Snap Lake Mine and Diavik Diamond Mine, the observations of caribou interactions with these features is similar in that caribou do not interact with these features, or if they do, they interact at a very low frequency." (p.5-32)

Rationale:

What is the source for this statement?

Request:

1) LKDFN requests that the proponent provide a source and note that TK/TLU assessments must still be made by the community.

IR #: LK_08 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Integration into the Subject of Note: Air quality - Baseline EIS Reference: 5.4.2.3.2

Concern:

"Traditional knowledge holders have not commented on the existing (baseline) air quality at the Project site." (p.5-40)

Rationale:

Was this asked of participants during the TK study?

Request:

 LKDFN requests that the proponent qualify whether this information was requested. Given the concerns of air and noise pollution, a baseline could have been defined.

IR #: LK_09 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Integration into the Subject of Note: Moose and Muskoxen EIS Reference: 5.4.2.6.3

Concern:

"The secondary TK sources did not identify any specific concerns related to muskoxen or moose." (p.5-58); While TK interviews did not elicit any concerns about the potential effects of the Project on muskoxen or moose, the subject of note..." (p.5-59)

Rationale:

Was this asked of participants during the TK study?

Request:

1) LKDFN requests the proponent identify limitations of secondary sources and note that project specific TK is required. Also data gathered for other projects is considered for one time use and cannot be used for other purposes without permission.

IR #: LK_10 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Terms of Reference for Traditional Knowledge – Requirement for plan for future cooperation EIS Reference: 3.2.5

Concern:

The environmental impact assessment is required to [Bullet 3] provide a plan for future cooperation between the developer and traditional knowledge holders covering the full temporal scope of the proposed development (p. 17)

Rationale:

Where in Section 5 or the greater EIS is this information provided?

Request:

1) LKDFN requests that the proponent indicate where this information is located within the EIS. If not present, provide detailed plan for the full temporal scope of the Project. IR #: LK_11 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Family and Community Cohesion reporting EIS Reference: 12.6.2 ToR Reference: 4.1.5

Concern:

The developer has concluded that the NWT and in particular Aboriginal communities are in a state of change and that many of the behaviours expressed by the indicators documented in this section may be occurring independent of rotational employment at the diamond mines. Furthermore, Debeers concludes that many of the indicators of family and community cohesion (e.g., income, economic security, participation in harvesting) are improving. Specific mitigations proposed by the developer to address community and family cohesion include support to employees and their families, supporting cultural and language initiatives in the communities, direct flights between the mine site and home communities.

Rationale:

The Terms of Reference for the EIS under section 4.1.5 – Family and Community Cohesion states, "...it is important that the EIS provides a separate analysis for each potentially affected community.... The analysis must address the vulnerability of each community and describe how each community was involved in the assessment of impacts for this Key Line of Inquiry." The analysis would benefit by using more recent data, for example the results presented for the effects of rotational employment on family cohesion were from a study dated 2005, after only 5- 6 years of mining. It would be beneficial to have more recent data on many of the indicators to determine if current or recent conditions are consistent with those reported earlier.

Request:

1) LKDFN requests that the proponent follow the ToR and provide community specific reports rather than report on Family and Community Cohesion on a study area basis.

IR #: LK_12 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Social Disparity Within and Between Communities EIS Reference: 12.6.3 ToR Reference: 4.1.6

Concern:

The cost of living varies considerably across the study area, with fly in communities such as Lutsel K'e, Whati and Gameti having the highest cost of living. Social disparity between communities exists in the study area and across the country and is related to a number of factors including availability of employees, business services and proximity to places of work etc. The economic expansion in the NWT created by the diamond mines has generated significant employment opportunity and income which is not distributed evenly within or across communities. Some people and communities were in a better position to take advantage of such opportunities and are receiving the greater share of the benefits.

Rationale:

The Terms of Reference for the EIS under section 4.1.6 states. "As with the previous Key Line of Inquiry (section 4.1.5) a separate analysis for each potentially affected community addressing vulnerabilities, community engagement, and innovative solutions that may indirectly offset the direct impacts from the proposed development is required."

Request:

1) LKDFN requests that the proponent follow the ToR and provide community specific reports rather than report on Social Disparity within and between Communities on a study area basis.

IR #: LK_13 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Long Term Social, Cultural and Economic Effects EIS Reference: Key Lines of Inquiry Section 12.6.1 ToR Reference: 4.1.7

Concern:

This section discussed the Cumulative Effects and Sustainability of the Project in relation to various economic indicators, to name a few:

- Job creation
- Spending on goods and services
- Northern employment statistics
- Skill development
- Dispersion of benefits

The EIS does not link employment at the diamond mines to in- migration; however, it acknowledges that decreasing populations in the smaller communities present a variety of concerns.

Rationale:

The Terms of Reference for the EIS under section 4.1.7 notes that "...the likely level of inand out-migration as a result of the development, including out-migration of skills, and the likely economic impacts of in- and out-migration among potentially affected communities..." as a long term issue related to the human environment that must be addressed. In the same section, the ToR states, "how the development will contribute to opportunities to diversify the economic base at the local, regional and territorial level. New local and regional economic development associated with the development, including the production and supply of new goods and services, must be included in this assessment."

Requests:

- 1) LKDFN requests that the proponent provide information on the economic impacts of in- and out-migration in small communities and how employment at the diamond mine might be influencing these indicators.
- 2) LKDFN requests that the proponent also explain if and how they development will create opportunities for economic diversification in at the local, regional, and territorial level.

IR #: LK_14 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Subjects of note: Employment, Training and Economic Development EIS Reference: Subjects of Note Section 12.7.1 ToR Reference: 4.1.7

Concern:

The developer has committed to fill as many positions as possible with northern Aboriginal workers; however, it acknowledges that many of the available Aboriginal workers are already employed and that some of the unemployed face challenges due to limited education. Some of the actions proposed to increase Aboriginal and NWT employment at the project include: pick-up points in communities, literacy training, new employee training, supervisory and mentorship training, apprenticeships, considering employees who don't meet the minimum education requirements, monitoring contractors for adherence to DeBeers employment objectives and supporting multi-party training programs. Additionally Debeers has committed to developing a training needs assessment for Aboriginal candidates to track employees' training needs and career advancement. Training will primarily be focused on employment needs for the project; however, recognizing that literacy and education levels in many of the communities are a barrier to employment and employment in skilled positions, the developer has committed to providing literacy training at the project site and support literacy initiatives in the communities.

Rationale:

While the potential benefits from employment and training associated with the project are positive on the whole, there is little analysis of the experience of Aboriginal employment at the developer's Snap Lake mine or the other two operating diamond mines.

Request:

- LKDFN requests that the proponent provide the actual number of Aboriginal employees, positions held, training obtained, career advancement, success of recruitment and retention strategies etc. of Aboriginal employees at all of the diamond mines to provide a clearer picture of the project's employment and training effects.
- 2) LKDFN also requests that the proponent explains why it has not established employment targets for Aboriginal people at the project.

IR #: LK_15 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Subjects of note: Demand on Infrastructure EIS Reference: Subjects of Note Section 12.7.2 ToR Reference: 5.3.3

Concern:

The community socio-economic baseline profiles generally illustrate a decreasing population in the smaller centres since 2000 and slight increases in the regional centres. The percentage of older people is generally increasing in most communities. The proponent has analyzed the NWT population as a whole, noting that only a slight increase is projected over the life of the project; therefore, the project will not contribute to in- migration to the NWT. The developer has stated that the project will have little effect on social services in the study area communities as there will be limited in-migration.

Rationale:

Reporting on the NWT is straightforward but general population trends vary from community to community. If there is even a small quantity of out-migration from one community, this could have a negative impact on the sustainability of infrastructure in smaller communities.

Also, the proponent has failed to discuss two items identified under this Subject of Note in the EIS ToR. Under section 5.3.3 in the ToR, "...shortage of locally available labour for community services;" and "over-extension of human and economic resources by local communities through project and its review process;" related to the project must be addressed.

Requests:

- LKDFN requests that the proponent report if the general reduction in population in the smaller communities is related to mobility resulting from employment at the diamond mines and whether this trend would be expected to continue with the increased employment provided by the project.
- LKDFN requests that the proponent provide information regarding the potential effects of reduced populations on sustainability of infrastructure in the small communities
- 3) LKDFN requests that the proponent report on the two aforementioned ToR points that they failed to address in the EIS.

IR #: LK_16 Source: Lutsel K'e Dene First Nation To: DeBeers Canada Inc. Subject: Subjects of note: Culture, Heritage and Archeology EIS Reference: Subjects of Note Section 12.7.5 ToR Reference: 5.3.4

Concern:

The developer predicts the project will cause a permanent but small impact to the cultural landscape but not result in loss of connection with the land or interrelationship between areas of cultural importance.

Rationale:

Within this Subject of Note, the proponent has neglected to address four areas from the EIS ToR under section 5.3.4:

- reduced involvement in communal activities including communal hunts;
- potential for growing sense of disempowerment;
- reduced harvesting success and loss of traditional skills; and
- hunting restrictions around mine sites.

Request:

1) LKDFN requests that the proponent properly address the four above subjects as required by the EIS ToR.