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Your file - Votre référence

Our file - Notre référence

September 18th, 2001

7200-26-B1
Mackenzie Valley Land
& Water Board

File

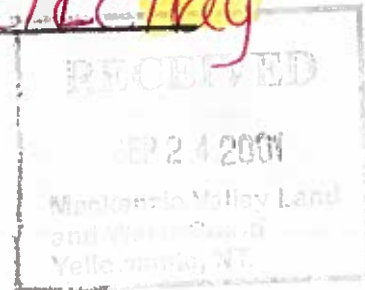
BY FACSIMILE

Mackenzie Valley Land and Water Board
PO Box 2130
Yellowknife, NT X1A 2P6
Attn: Laurie Bruno
Regulatory Officer

SEP 24 2001

Application # MV2001L2-0004
MV2001F0032

Copied To KL/C/Reg



Dear Ms. Bruno:

Land Use Permit Application
BHP Diamonds Inc., Proposed Sable Road, Ekati™ Minesite
Your File No. MV2001L2-0004/MV2001F0032


In response to your letter of August, 13th, 2001, we offer the items on the attached sheet for your consideration in preparation of the land use permit for the noted activity. This letter will further supplement the comments, proposed modifications and observations contained in DIAND's letter dated August 3rd, 2001 to the Land and Water Board's Chairperson, Melody J. McLeod.

As presented, this land use activity will result in an expansion to the existing Ekati™ Mine operation, for which we currently administer six Crown Land Leases. This activity (Sable Road) along with the development of the Pigeon and Sable Pits will see two new land leases be issued, a change to the existing tailings lease to facilitate the Pigeon lease and finally, a license for the Sable road. BHP has applied for these land tenure documents for which we have completed our review and are now awaiting the passage of an Order In Council by the Privy Council of Parliament, for the leasing of land over 640 Ac, pursuant to Section 11 (2) of the Territorial Lands Act. Once the Order in Council has been passed, we will proceed with the preparation of lease documentation. In addition to our leases, there is also an Environmental Agreement between Her Majesty The Queen in Right of Canada, the Government of the NWT and BHP Diamonds Inc., which among other specific instruments, authorizes/regulates the overall mine operation.

We understand that, in addition to providing the terms and conditions of the construction of the Sable road, the issuance of the Land Use Permit may also regulate the long term operation, future renewals, up to and including final abandonment, restoration and the post-monitoring phase of the activity. Given the interrelationship of the Land Use Permit, Environmental Agreement and License document for the road, we would encourage a co-ordinated approach for addressing items common to these and any other such instruments, which share a role in the new development and existing operation. An example of such items, would be the requirement/approval of Abandonment and Reclamation plans, along with adequate security requirements thereof.

Please feel free to contact myself, or Buddy Williams Land Specialist, who is handling the file, should you require any further information, or wish to discuss this matter. His phone number is 669-2697.

Yours truly,



Brenda Becker
A/Manager
Land Administration

cc. South Mackenzie District
Tamara Hamilton, E&C
76 D/15-5

Attachment

- Effects and impacts from this development and possible future developments beyond the already approved Ekati™ mine operation, can be minimized by restricting land use operations to those activities directly required to conduct the land use activity, as put forward and defined in the EAR. This will facilitate the rehabilitation of the site, allowing progressive reclamation to start as soon as the land is no longer required for Sable or Pigeon mining purposes.
- All aspects and phases of the development undertaken, should minimize maintenance and future work required to ensure the integrity and safety of the development.
- As a result of this development and changes to the mine plan (expansion of 3 pipes and the removal of the Leslie Pipe from the mine plan), the existing operating plans (Abandonment and Restoration plans, ongoing restoration) should be reviewed for changes to ensure the impact of the noted changes and development are properly reflected in the regulatory instruments prior to project commencement.
- All traffic use of the Sable access road from the Pigeon Lease area, north to the Sable site should be monitored to ensure it meets the projected traffic uses and volumes as stated in the EAR. Traffic uses should be limited to that as described in the EAR.
- On going monitoring of impacts to wildlife and wildlife habitat needs to continue and be implemented for the new development. Use of this information would be utilized in determining the details of final A&R activities.
- Continuation of monitoring and reviews of abandonment and restoration issues and requirements under the Environmental Agreement and other regulatory instruments is required.
- The road construction/operation activity should be carried out, as outlined in the Environmental Assessment Report for Sable, Pigeon and Beartooth Kimberlite Pipes, dated April 2000, submitted by BHP to the Mackenzie Valley Environmental Impact Review Board. Modifications to the activity should be subject to appropriate review and approval.