

Minister of Indian Affairs  
and Northern Development



Ministre des Affaires  
indiennes et du Nord canadien

CABINET DU MINISTRE  
OFFICE OF THE MINISTER  
NOV 30 7 26 AM '94

NOV 29 1994

The Honourable Brian Tobin, P.C., M.P.  
Minister of Fisheries and Oceans  
Room 807, Confederation Building  
House of Commons  
OTTAWA ON K1A 0A6

95-06-62649

NOV 29 1994

6 (Halt)  
cc DM  
Policy

*John  
Laur  
Francis  
Gary*

*Brian*

Dear Colleague:

I am writing to you regarding our government's commitment to sustainable development and how this concept can be applied in a practical sense to potential mining developments in the Slave Geological Province of the Northwest Territories.

The Slave Geological Province includes the region from Great Slave Lake to Coronation Gulf on the Arctic coast, covering an area about half the size of Alberta (see attached map). Since 1991, with the discovery of what may be a commercial diamond deposit at Lac de Gras, this region has experienced unprecedented exploration activity for diamonds. During this same period, exploration for base and precious metal deposits has also expanded. For example, a potential large copper/zinc project (Izok Lake) was brought forward by Metall Mining Corporation for government environmental approval but, for economic reasons, was withdrawn this year.

However, despite the intense mineral staking and exploration activity and an existing gold mine, this area still remains largely undeveloped and little studied. It is this lack of information that has raised concerns about the potential for widespread social and cultural impacts of possible multiple developments on Aboriginal people in particular and Northerners in general. In addition, there are serious concerns about the potential impact on renewable resources such as caribou and bears and on wildlife habitat. At the same time there are obvious and significant economic benefits that development could provide to the North and to Canada. The challenge will be to ensure that development proceeds in a manner which is environmentally, socially and economically sustainable.

.../2

Recently BHP Minerals Canada Ltd. (BHP) submitted a proposal to develop a diamond mine to DIAND for environmental review and approval. If BHP proceeds with its plans, the company will invest about \$600 million and create 600 new jobs. Because of concerns about possible environmental impacts and the amount of public interest generated by the proposal, I asked the Minister of Environment to create a panel that would carry out a public environmental assessment review. The review should be completed by the end of 1995 or early 1996.

While the public review will deal with the BHP proposal, I am proposing to initiate a collaborative regional study to gather the baseline data needed to assess the potential impacts from other economic developments and related infrastructure requirements in the Slave Geological Province. This regional study will be separate from the panel review and will focus on the additional information needed to meet federal regulatory and management responsibilities.

Without the regional study, it is anticipated that the panel will be instructed to undertake some of the work that would have been done in the regional study. As a result, the panel review will require much more time to complete. If this happens, the panel's decision could be delayed for two to three years. BHP has indicated that such a delay would likely result in the company investing its money elsewhere in the world. Canada cannot afford to miss this investment opportunity.

My proposed regional study for the Slave Geological Province will allow the panel to complete its work as planned and at the same time would meet our needs and the needs of other federal departments such as yours. As well, the expressed needs of the territorial government, the Aboriginal community, the mining industry and non-governmental organizations would be addressed.

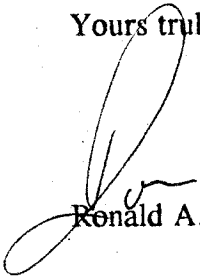
In order to develop a credible database, the regional study is expected to take five years to complete. As conceived, the study is estimated to cost \$2 million per year to be shared equally by the federal government, the Government of the Northwest Territories and the mining industry.

Given the government's present financial situation, the federal portion is beyond the scope of any single department. My department is prepared to initiate the process and, I am now seeking your commitment to share the federal portion.

.../3

Given your department's interest in mining and sustainable development, I believe that you will have an interest in supporting this study. I feel quite strongly that this is an important initiative which should be given priority even in today's climate of fiscal constraint. This project can and should be a model of sustainable development, and a demonstration that mining can proceed without harming the environment. I trust that I can count on your support, and that of your officials, on this initiative. In anticipation of your response, I have instructed my officials to contact officials from your department in order to discuss all aspects of the regional study, including funding.

Yours truly,



Ronald A. Irwin, P.C., M.P.

Encl.