



MAR 23 2017

MR. KEVIN O'REILLY
MLA, FRAME LAKE

Oral Question 676-18(2): Diamond Mine Environmental Agreements

This letter is in follow-up to the Oral Question you raised on March 2, 2017 regarding the status of Diamond Mine Environmental Agreements.

The Government of the Northwest Territories (GNWT) Department of Environment and Natural Resources (ENR) and Indigenous and Northern Affairs Canada (INAC) are working together to amend the Environmental Agreements for the Ekati, Diavik and Snap Lake diamond mines in order to reflect the GNWT's role as the manager of land and water as a result of devolution.

Prior to devolution the GNWT and INAC proposed to amend the Environmental Agreements by removing INAC as a signatory. This approach has not been supported by the mines' oversight boards and Aboriginal governments and organizations. The GNWT and INAC now propose that INAC remain a signatory to the Environmental Agreements, but with changes to reflect INAC's post-devolution role in land and water management in the Northwest Territories. In addition to remaining a signatory to the Environmental Agreements, the federal government will continue to carry out its mandate for its responsibilities such as fish, toxic substances, migratory wildlife and transboundary issues.

The GNWT and INAC have proposed a staged approach to amending the Environmental Agreements, starting with the Ekati Environmental Agreement. A staged approach was taken as the consultation requirements for the Ekati Environmental Agreement are different from those of the Diavik and Snap Lake Environmental Agreements. A staged approach will also be beneficial because it may also be difficult to obtain participation from all parties to the Snap Lake Environmental Agreement, as the mine is currently under care and maintenance. Although the approach is staged the proposed amendments will be consistent between the three environmental agreements. It is intended that all proposed changes will be devolution related, and will not otherwise alter the intent or substance of the Environmental Agreement.

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GNWT and INAC staff, including legal counsel, have drafted an Addendum and Release Agreement that documents the devolution-related changes that are being proposed to the Ekati Environmental Agreement. A black-lined version of the Ekati Environmental Agreement is also being prepared to help parties understand the changes that are being proposed. These documents, as well as the letters explaining the proposed approach to amending the Environmental Agreement, are undergoing a final review before distribution. Once approved, the Addendum and Release Agreement for the Ekati Environmental Agreement will be sent to Dominion Diamond Ekati Corporation (Dominion), a signatory to the Ekati Environmental Agreement, and the Independent Environmental Monitoring Agency (IEMA). The GNWT and INAC will request a meeting with Dominion and IEMA to discuss any concerns with the proposed changes.

Although Aboriginal Peoples are not signatories to the Ekati Environmental Agreement and consultation is not always required unless IEMA does not unanimously agree to proposed changes, the GNWT and INAC will distribute the proposed Addendum and Release Agreement and black-lined version of the Ekati Environmental Agreement for feedback. The changes being proposed to the Ekati Environmental Agreements are similar in nature to the expected changes to the Diavik and Snap Lake Environmental Agreements. The Aboriginal Peoples are signatories to the Diavik and Snap Lake Environmental Agreements and will be fully consulted on the proposed changes to those Environmental Agreements.

As requested, a copy of the December 2016 letter that was distributed to the signatories of the Ekati, Diavik and Snap Lake Environmental Agreements is attached.



Robert C. McLeod
Minister
Environment and Natural Resources

Attachment

- c. Clerk of the Legislative Assembly
Legislative Coordinator, Executive



DEC 06 2016

Distribution list

**Amendment of the Ekati, Snap Lake and Diavik Environmental Agreements
Post-Devolution**

As you are aware, the Government of the Northwest Territories (GNWT) and Indigenous and Northern Affairs Canada (INAC) have attempted to amend the Environmental Agreements (EA) for the Ekati, Diavik and Snap Lake diamond mines in order to reflect the GNWT's role as the manager of land and water as a result of devolution.

Previously, the GNWT and INAC drafted and proposed to the parties an Addendum and Release Agreement to amend the EA by removing INAC as a signatory. This approach has not been supported by the signatories. Therefore, the GNWT and INAC now propose that INAC remain a signatory to the EA, but with responsibilities reflecting INAC's current role in land and water management, which will be discussed through consultation and agreement of the involved parties.

We are proposing that the amendment of each EA be dealt with individually and will set up meetings to discuss over the next few months.

The Deferral Agreement, signed by INAC and the GNWT, will remain in place until the EA have been amended to reflect the changes brought about by devolution. The Deferral Agreement allows the GNWT to assume all of Canada's rights and obligations under the EA, to the extent that it has jurisdiction to do so.

If you have any questions, please feel free to contact Ms. Monica Wendt at monica.wendt@gov.nt.ca or 867-767-9233, ext. 53098.

Sincerely,

Mohan Denetto
Regional Director General
Indigenous and Northern Affairs

Dr. Erin Kelly
Acting Deputy Minister
Environment and Natural Resources

c. Honourable Robert R. McLeod, Premier

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