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January 26, 2006

Heide Wiebe
Executive Director
Dehcho Land Use Planning Committee

Emailed & Faxed
hwiebe@dehcholands.org
Fax: (867) 699-3166

Dear Ms. Wiebe:

On behalf of the PDAC, the Mining Association of Canada and the NWT & Nunavut Chamber of Mines, I am writing to express our concerns with regard to the process and content of the Dehcho Land Use Plan. In order to begin to address these concerns, we plan to visit communities in the Dehcho Territory and offer briefings on mineral exploration and mining to those who would be affected by the proposed land use plan.

Timeframe and community consultation

You have previously noted that your plan development funding expires on March 31, 2006 and that this deadline is driving your need to submit the plan for approval prior to this date. However, you have also stated that, once approved, the land use plan will be legally binding, that changes will be difficult to make, and that any mineral license that does not conform to the plan would be rejected. It is the view of our organizations that the existing plan would significantly discourage mineral exploration activity in the region, closing off important economic opportunities for the Dehcho and other northerners. We recommend that administrative deadlines be set aside in the interests of developing a plan that more fairly protects the short and long term interests of Dehcho communities and the region.

We hope to address some of these concerns through a series of consultations beginning in late February. Through these consultations, we will be informing residents of current mineral exploration and mining practices, as well as underlining the significant mineral potential that exists in the Dehcho territory. This information is critical to the content of the plan, its recommendations, and the decision-making process. In order to ensure that communities are informed of mineral exploration and mining practices, the PDAC, the Mining Association of Canada and the Canadian Aboriginal Minerals Association have been working with the federal government to develop a "toolkit" of background information and case studies for use by Aboriginal communities. Once the material is

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finalized and translated, it will serve an important role in community decision making. In the meantime, we have additional sources of information about our sector's practices and it is this material that we will offer during the consultation sessions.

Previous consultation with the mineral exploration and mining sector

The PDAC and MAC would echo the views of Mike Vaydik, General Manager of the NWT & Nunavut Chamber of Mines, that mineral exploration and mining can play an important role in the future of the Dehcho region. We believe that the Dehcho would be well served by seriously considering the industry's input into the planning process.

Mr. Vaydik has also noted that the Dehcho region includes mineral potential that is rated High or Very High and he went on to recommend that discussion with the mining sector should be scheduled to coincide with the major conferences at which representatives would be participating (e.g. NWT Geoscience Forum, Mineral Exploration Roundup and the PDAC). Since making that recommendation, one such briefing session was held in Yellowknife on November 14, 2005.

Aboriginal participation in mineral exploration and mining

While Aboriginal organizations, industry and government are all aware of the increasingly important role of mineral exploration and mining in Aboriginal community development, the current land use plan fails to appreciate these trends. In fact, the plan proposes to isolate areas of high mineral potential that could offer opportunities for long term employment and development. Government statistics on Aboriginal participation in mining show marked increases in recent years, as the industry has become the largest industrial employer of Aboriginal people in the country. Many communities see direct benefits through skills training, business ownership and, more recently, equity sharing. While the draft land use plan mentions an economic development strategy, the economic modeling revealed at the November 14 meeting was questionable, and the plan does not appear to have examined the truly positive effects of exploration and mining in other communities in Canada's north and in other regions of Canada. We believe that the draft plan runs the risk of proscribing the very significant sustainable development opportunities presently before the Dehcho people.

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Health, education and employment

The current plan contains only a limited analysis of population statistics, health indicators and education levels. A land use plan should help to guide human use of the earth for the benefit of the population, yet very little analysis of the population characteristics or how protection measures will affect them is evident in the plan. Page 188 of the background report to the November 2005 draft states:

“Currently unemployment is estimated to be 20.7% of the whole Dehcho region”. ... “There is a heavy reliance on the government sector for jobs, particularly in smaller communities. The major source of revenue for the region is federal transfer payments and other external funding sources.”

However, the plan then fails to propose strategies to reduce unemployment or reliance on transfer payments but, rather, offers only vague recommendations regarding capacity building. It ignores the experiences in other regions of the NWT that demonstrate that development can bring benefits of employment, business opportunities and training as well as reported increases in high school and post secondary school engagement by youth in affected communities.

Exploration, Mining and Conservation

Our industry fully appreciates that many in the Dehcho community attach high value to the territory’s natural beauty, ecosystem health and Aboriginal traditional lifestyles. We acknowledge the desire for protected areas to feature in the plan. We believe, however, that careful planning and analysis can ensure that conservation values are protected without undermining access to the region’s mineral potential and future economic development.

We also recognize that the mineral industry’s history in the North is mixed and that some unfortunate legacies may lead some to question the value of mineral development. However, the exploration and mining industries have been undergoing major changes over the past few decades, demonstrating significant improvements in environmental performance and in the industry’s relationships with Aboriginal peoples. Initiatives such as the PDAC’s Environmental Excellence in Exploration (E3) and MAC’s Towards Sustainable Mining initiative are two demonstrations of the industry’s progress.

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Simultaneously, Canada's regulatory system has become much more robust and easily has among the strongest environmental regulations governing mining activities in the world. While concerns about past practices are genuine and help all of us to avoid future mistakes, mineral exploration and development today is responsible and respectful of local values and concerns.

Conclusion

While the land use planning committee has undertaken research and consultation in a variety of areas, the assessment of the region's mineral potential in the area has not received adequate attention. We believe that it is in the interests of the Dehcho people to be better informed regarding current mineral exploration and mining performance in Canada.

It is clear from your correspondence that the present and overriding concern of the Dehcho Land Use Planning Committee is to submit the plan for approval by March 31 of this year. However, given that the outcome is so important to the Dehcho and the people of Canada as a whole and given the need for additional research and consultation, we are requesting that the deadline for finalization and adoption of the land use plan be delayed for one year.

Sincerely,

A handwritten signature in black ink that reads "Peter Dimmell". The signature is fluid and cursive.

Peter Dimmell
President

Cc:

Mike Vaydik, NWT & Nunavut Chamber of Mines
Pierre Gratton, Mining Association of Canada

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