



February 27, 2008

Mr. Mike Vaydik
General Manager
N.W.T. & Nunavut Chamber of Mines
P.O. Box 2818
Yellowknife NT X1A 2R1

Dear Mr. Vaydik:

Re: Northern Regulatory Improvement Initiative

We are encouraged to learn that the Government of Canada recently acted on the recommendations of the Auditor General to review the regulatory framework in the Northwest Territories by commissioning Mr. Neil McCrank as the Minister's Special Representative to lead the *Northern Regulatory Improvement Initiative*. We also note that the Chamber, the Prospectors and Developers Association of Canada and The Mining Association of Canada have established a Working Group to coordinate the preparation of a comprehensive response to this initiative on the part of industry.

De Beers welcomes the opportunity to make a meaningful contribution to resolving the issues and challenges that the industry has faced in securing the approvals required to undertake mineral exploration, mine development and mining operations in the NWT, particularly those required under the *Mackenzie Valley Resource Management Act*. We have therefore provided extensive information, comments and recommendations to Mr. Mike Hardin, the Working Group's external consultant, in support of the detailed written submission that the three industry associations are making to Mr. McCrank.

De Beers is committed to the principle of sustainable development and believes that the regulatory framework should also be based on this principle. However, our experience with the regulatory regime established under the *Mackenzie Valley Resource Management Act* suggests that the process has become so complex and prescriptive as to call into question its ability to achieve sustainable development objectives by ensuring a proper balance between the environment and the economy.

We fully support the written submission that the three industry associations are providing to the *Northern Regulatory Improvement Initiative* and thank you for facilitating our contribution to this important exercise.

Sincerely,

Chantal Lavoie, P.Eng.
Senior Vice President - Operations



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