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September 8, 2004

2 pages via email

Members Nunavut Implementation Panel c/o Leslie Cousins & Blandina Makkik Nunavut Implementation Panel Support Group 75 Albert Street, Suite 1002 Ottawa, Ontario K1P 5G4

Subject: Participant Funding – Jericho Diamond Project

Dear Nunavut Implementation Panel Members:

On August 24, 2004, the Nunavut Impact Review Board ("NIRB") and the Nunavut Water Board ("NWB") wrote to the Honourable Andy Scott, Minister of Indian and Northern Affairs Canada ("DIAND"), recommending the establishment of a Participant Funding Program for public hearings that the NWB and reviews that the NIRB are required by law to conduct. Our letter was sent in response to a letter dated July 28, 2004 from Steven Traynor, then DIAND's Director of Operations for Nunavut, to Chief Peter Liske and Chief Darrell Beaulieu of the Yellowknives Dene First Nation ("YKDFN"). In his letter, Mr. Traynor advises the YKDFN to apply for funding to the NWB, who in turn would submit an application to the Nunavut Implementation Panel ("NIP"), for their participation in the Jericho Diamonds Project's environmental assessment and licensing.

Both the NWB and NIRB believe that participant funding promotes a better administrative process by ensuring that interested persons and organizations have the opportunity to be involved in a meaningful manner in the environmental assessment and licensing of projects that will affect them so that their concerns and values —including and most particularly community and Aboriginal traditional knowledge- are better understood and addressed by decision-makers.

To date, we have not heard back from Minister Scott but until such time as a formal program is instituted, an *ad-hoc* arrangement must be set up. As we have already received letters requesting funding to that effect from the YKDFN and the Kitikmeot Inuit Association ("KIA"), both of which are attached hereto, and as we are now starting the licensing phase of the Jericho Diamond Project, we are asking the Nunavut Implementation Panel to allocate sufficient funding for the licensing of that project so that we can provide to interested persons, in a timely fashion, information on the purpose of the funding, how it will be allocated and by whom, the total amount of funding, the information to be provided in the funding application, and the deadline for applications.

The timing of your response is significant and it may have considerable impacts on the schedule of the project's review. For your information, the NWB is currently reviewing the Jericho Application for completeness and interested persons have been invited to submit representations before September 21, 2004, after which date the NWB will set a date for public hearings taking into account the interests of the public and those of the proponent, whose timetable and deadlines are very tight.

Finally, as indicated in our letter to Minister Scott, the NWB favours the creation of an independent funding review committee, at arm's length from parties and the NWB, to review funding applications and make recommendations to the Minister, who would then enter into an agreement with the funding recipient. As DIAND, Nunavut Tunngavik Incorporated and the Government of Nunavut are generally parties to NIRB or NWB proceedings, we acknowledge that NIP may not be the ideal group to be assigned with this particular task, but considering its overall responsibilities with respect to the fulfillment of obligations ensuing from the Nunavut Land Claims Agreement, we believe NIP is best placed to oversee the implementation of any intervener funding arrangement.

I am available at your earliest convenience to meet with NIP members to discuss the participant funding program in general and the funding for the Jericho Diamond Project in particular.

Sincerely,

ORIGINAL SIGNED BY:

Philippe di Pizzo Executive Director

c.c. Jericho Distribution List

encl. KIA-NTI September 5, 2004 letter and budget YKDFN August 12, 2004 letter and budget