

November 10, 2014

Mr. Mike Tollis Wildlife, Lands and Environment Manager Lutsel K'e Dene First Nation P.O. Box 28 Lutsel K'e, NT X0E 1A0

Dear Mr. Tollis:

I am writing in response to your October 2nd, 2014 letter concerning the TLU/TK Baseline Report and related issues. As you are aware, we submitted the Developer's Assessment Report, including the TLU/TK baseline reports, for the Jay Project to the Mackenzie Valley Review Board on November 6, 2014.

The Developer's Assessment Report allowed for the collection and consideration of Traditional Knowledge (TK) relevant to the Project to incorporate TK and evaluate the specific impacts outlined in the Terms of Reference (TOR) but it is not the end of this process. We are committed to continuing this approach to TK integration and alignment, not just for the Jay Project, but for the Ekati operations in general. We would welcome the opportunity to have the community identify opportunities to do this as we discussed during several of our community visits. In fact, we have similar projects underway with other communities specific to the Jay Project.

It is important to note, however, that Dominion Diamond has undertaken extensive community engagement since it purchased Ekati in April, 2013. This includes engagement specifically seeking input to the Jay project. In addition to our quarterly engagement meetings, this has also included community workshops with Lutsel K'e Dene First Nation (LKDFN) on the Jay Project on March 11, 2014, June 17, 2014 and July 15, 2014 and a site visit for LKDFN representatives on July 2, 2014.

With respect to the specific issues you raise in your letter, I can offer the following.

- Dominion Diamond is open to discussing specific TK/TLU projects related to the Jay Project with LKDFN. During our July 15, 2014 workshop, our Manager of Permitting, Richard Bargery, advised that we are open to ideas LKDFN may put forward to review heritage resources in and around the Jay Project area. As noted above, we have undertaken similar projects related to the Jay Project with other communities.
- 2. As stated above, we would be pleased to discuss and move forward with this based on a mutually agreed to project and look forward to discussing further.



3. With respect to the funding of the LKDFN TK Archive Project it is important to point out that Dominion Diamond has been a strong supporter of this project, assisted with its design and initiation, and has supported the project in the amount of \$326,998. This is a significant commitment to the project and represents the full amount that was agreed to in our funding agreement with the community.

A second proposal from LKDFN for the project in the amount of \$148,000.00 in additional funds was declined. Throughout the LKDFN TK archive project the company has encouraged LKDFN to seek additional funders to support the project and we continue to do so.

4. We recognize that LKDFN has rejected the proposed Elder's Council as a means of collecting TK from communities. While we respect this decision, we continue to note that we proposed the Elder's Council as one further mechanism to seek input into the Jay Project and the operation of Ekati going forward.

As I noted in my letter of August 11, 2014, "The formation or abandonment of the Elder's Council will have no impact on the existing and on-going community engagement and traditional knowledge programs between DDEC and affected communities".

We look forward to continuing this discussion when we visit the community on November 13th. If you have any questions in the meantime, please feel free to contact me at your convenience at (867) 669-6156 or Robert.Overvold@ekati.ddcorp.ca.

Sincerely

Dominion Diamond Ekati Corporation,

Robert Overvold

Head of Environment and Communities

cc. Chief Felix Lockhart, LKDFN
Chuck Hubert, MWEIRB
Stephanie Poole, Akaitcho IMA
Richard Bargery, DDEC
Ora-naja Wah-Shee, DDEC