



December 15, 2014

Mackenzie Valley Review Board
200 Scotia Centre
P.O. Box 938
Yellowknife, NT
X1A 2N7
Attn: JoAnne Deneron, Chairperson

**Re: EA1314-01 Jay Project, Dominion Diamond Corporation Developer's
Assessment Report Adequacy Review**

Dear Ms. Deneron:

Dominion Diamond has considered the Adequacy Review document provided by the MVRB for the Jay Project on November 28, 2014. We would like to thank the MVRB and its staff for the thoughtful review of the Jay Project Developer's Assessment Report (DAR).

Dominion Diamond prepared the Jay Project DAR to fully address the Terms of Reference (TOR) and are pleased that few of the MVRB's comments relate to the conformity of the DAR with the TOR. In response to the questions identified by the MVRB, Dominion Diamond provides the attached itemized approach and schedule to expedite the technical review of the DAR.

We acknowledge the MVRB's commitment to managing a rigorous environmental assessment process. As part of this process, we understand the MVRB is in the process of implementing a new step in the environmental assessment process (referred to as an Adequacy Review) to ensure there is "...sufficient information so that the Review Board and parties can understand the project, and the predictions of impacts on the environment and people, well enough to produce meaningful and relevant information requests".

Dominion Diamond generally supports the MVRB's introduction of an Adequacy Review process; however, note we are participating in this process done in the absence of any guidance documents. Dominion Diamond trusts the MVRB will ensure the transition to the new process does not result in unnecessary delays in the overall timeline for the Jay Project environmental assessment.



As shown in Table 1, Dominion Diamond will provide the majority of its responses on or before January 19, 2015. These represent the Adequacy Review comments for which a clear response can be developed by Dominion Diamond in a reasonable timeframe. For the few remaining responses, Dominion Diamond is committed to providing the additional information as it becomes available.

As discussed in our meeting with MVRB staff on December 8, 2014, Dominion Diamond requests that the MVRB now provide an updated work plan that sets out the remaining steps in the environmental assessment process based on the January 19, 2015 date for submission of Dominion Diamond's Adequacy Review response. Dominion Diamond is committed to work diligently with the MVRB and other parties to provide information and responses in a timely manner throughout the remainder of the process.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Bargery', written over a circular scribble.

Richard Bargery
Manager, Permitting Jay Project
Dominion Diamond Corporation

Table 1: Summary of Proposed Responses to Adequacy Review Information Requests and Timelines

Item #	Question/Concern	Summary of Proposed Response	Completion Date
2.1	Please describe how Dominion will not just encourage, but ensure that commitments described in the Socio-economic Agreement, including commitments for hiring, procurement and others are honoured by contractors and subcontractors.	A response will be prepared to provide additional clarification.	On or before January 19, 2015
3.1	Please provide volumes 1 and 2 of this report. These reports will be added to Annex IX of the DAR.	The requested documents were provided to the MVRB on November 21, 2014.	Complete November 21, 2014
4.1	Please confirm that all of the indicators described (differentiating and non-differentiating) represent all of the indicators considered. If it does not, please provide a comprehensive list of the indicators considered for each account and sub-account and, if they were identified as non-differentiating, why.	A response will be prepared to confirm that both the differentiating and non-differentiating evaluation criteria (sub-accounts and indicators) are discussed in the Alternatives Assessment.	On or before January 19, 2015
4.2	Please confirm the overall alternative scores for the sensitivity analysis.	The calculations for the sensitivity analysis for the Alternatives Assessment will be reviewed to determine if there was a computation error. If there was an error, the revised results will be presented.	December 19, 2015
5.1	Please conduct a cumulative effects assessment of the Jay Project that includes the Sable pit and any associated activities (e.g. access road, powerline) as a reasonably foreseeable development. The cumulative effects assessment will consider all valued components where cumulative effects were assessed in the DAR with a particular focus on cumulative impacts to caribou and traditional wildlife harvesting.	The document entitled "Jay Project: Jay DAR Addendum - Cumulative Effects with Sable Pit" was submitted to the MVRB on December 8, 2014.	Complete December 8, 2014
6.1	Please provide: 1. a qualitative assessment of how the Jay Project expansion of the Ekati mine will impact or change the ability of traditional harvesters to hunt caribou and other wildlife, considering the results of population modelling required by item 8.8 below. 2. an analysis of the potential effects of the project on traditional land users that includes intangible cultural effects, including any changes to Aboriginal land users' relationship with the land These analyses will incorporate traditional knowledge information and the views of traditional harvesters.	Please refer to the letter attached to this submission by Dominion Diamond dated December 15, 2014 proposing an approach to addressing Aboriginal views on changes to intangible elements of culture. Please see item 8.8 below for the proposed approach related to the caribou population model. The results of the model will be reviewed and a qualitative response will be prepared at that time.	Letter with proposed approach provided December 15, 2014
7.1	The completed ecological risk assessment document is required during this environmental assessment so that predictions of impacts to wildlife health from contaminant release associated with the Jay Project can be predicted. Please advise the Review Board when the Ecological Risk Assessment for the Jay Project will be submitted.	The risk assessment is in progress and will be provided to the MVRB as a supplemental report once completed. It is not expected to change the outcome of the assessment. Due to the modelling required, it is not expected that a response can be submitted at the same time as most of the responses.	On or before February 2, 2015
8.1	Please describe if and how the accelerated decline since 2012 is a time of particular sensitivity to potential impacts. Please provide an analysis and description of any particular sensitivity relative to assessing potential impacts and designing adaptive management. In addition, please provide the document referenced in Section 12. 8, p 12-140, of the DAR titled "Boulanger J, Croft B, Cluff D. 2014. Trends in size of the Bathurst caribou herd from the 2014 calving ground reconnaissance survey. Integrated Ecological Research. July 31, 2014.	Based on available information, a qualitative analysis will be completed regarding how the magnitude of changes in measurement indicators and predicted effects to the assessment endpoint are influenced by fluctuations in population abundance and distribution, particularly during the population decline phase. A qualitative assessment of how adaptive management may change with population abundance will be presented. The requested reference will be provided.	Requested reference to be provided December 19, 2014 Response on or before January 19, 2015
8.2	1. Please describe any annual trends in seasonal distribution (especially summer and fall such as a delayed fall migration to below the treeline) and relate these to trends in exposure of caribou to the project. The trends in annual sample for number of satellite collars is needed with a description of how these trends influence the certainty of any trends in distribution. 2. Please analyze annual trends in environmental conditions such as insect harassment and summer drought (including mushroom indices) and relate these to trends in increased sensitivity of caribou to potential impacts. The CircumArctic Rangifer Monitoring and Assessment Network has a retrospective climate database for the seasonal ranges of the Bathurst herd that may be useful.	Analyses of temporal variation in seasonal ranges (e.g., changes in size and location of ranges) will be completed to predict potential exposure of caribou to the Project. The assessment will consider the number of collared animals in each year, the number of locations per animal, and the potential effects of these factors on results. Interannual variation in temperature and precipitation will be presented and other indices available on the CARMA Network will be considered for relevance to the assessment.	On or before January 19, 2015

Item #	Question/Concern	Summary of Proposed Response	Completion Date
8.3	Please revise the approach to cumulative effects and apply a linked protein-energy and population and all available Bathurst herd data to integrate environmental trends and responses to mine activities to increase certainty in projected incremental and cumulative effects. Dominion should examine how and if enhanced mitigation (including on and off site mitigation and trade-offs) would reduce cumulative effects.	Please refer to the letter attached to this submission by Dominion Diamond dated December 15, 2014 proposing a technical meeting to discuss the energetic model used in the DAR and alternative available models.	Meeting organization to commence upon Board approval Technical Meeting planned for January 2015 (pending participants' availability) Summary Report planned for February 2015 (pending actual date of meeting)
8.4	The accelerated decline of the Bathurst herd since 2012 is unprecedented in caribou management and Dominion needs to discuss the implications and revise the terminology to determine significance. Dominion will provide a revised definition for the assessment endpoint and re-assess the significance of the residual at reproduction, inter-birth interval, age-specific survival rates, lifespan of individuals, habitat selection, and seasonal ranges and migratory behavior. In a population that has declined for a number of years, assumptions about these traits should be described and their implications for resilience and significance of effects re-examined.	The current assessment endpoint is consistent with the TOR and is ecologically appropriate and well supported in the conservation biology literature. Dominion Diamond will provide a response that expands on its rationale for the assessment endpoint. Assumptions about vital rates will be explicitly included in the population model in item 8.6 below.	On or before January 19, 2015
8.5	Please provide a detailed monitoring framework with objectives, sampling design and how results will lead to adaptive management to mitigate incremental and cumulative effects and detect unpredicted effects.	A response will be prepared for this request. The response will provide additional information on the details of the Ekati Wildlife Effects Monitoring Program (WEMP) with respect to caribou, and will state that the Project represents an extension of the WEMP. The response will include further explanation of links between monitoring and adaptive management, and the contribution of Dominion Diamond to regional monitoring programs for caribou.	On or before January 19, 2015
8.6	Please address the lack of scenarios and population model especially relative to the recent decline of the Bathurst herd. The DAR should explain how to reduce or address consequences of the uncertainty in the predicted effects for the reasonable foreseeable projects. Please provide details on monitoring and adaptive mitigation of cumulative effects such as reducing the size of the Zone of Influence, offsetting effects and developing a collaborative adaptive management framework are required together with scenarios for caribou abundance. The framework should specify how the GNWT's Monitoring and Habitat Protection Plan are linked and to Land Use permit conditions and co-management caribou planning. Describe how other mine projects on the Bathurst herd's range will assess and manage cumulative effects and describe how those efforts relate to Dominion's approach. Describe if and how Dominion proposes to work with other mines in the area to cooperatively manage cumulative effects on caribou.	<p>The TOR recommended that the cumulative effects approach for caribou will include an energetics component, habitat component and population component consistent with the current state of cumulative effects assessment of barren-ground caribou. To meet the TOR, the DAR included an analysis of cumulative changes in the quantity, fragmentation, and quality of habitat, and energy balance and associated reproduction in caribou. The results were used to qualitatively assess effects to the population abundance, movement and distribution of caribou. Numerical "population modelling" was not specifically referenced in the TOR.</p> <p>Although we are unsure of the value of this work in increasing the confidence of the effects predictions, to address this request, a population model with various scenarios of effects will be completed. It will follow the modelling approach used for the Gahcho Kué Project, updated with more recently available vital rates, changes in fecundity from the energetic models, current population size, harvest, and results from habitat models. Additional discussion of model results will address uncertainty.</p> <p>The response will include the mitigation and adaptive management that Dominion Diamond will implement to limit effects from the Project and Ekati Mine on caribou.</p> <p>A response will be prepared to address the request for other information outside of Dominion Diamond's control (e.g., description of how other mining projects will assess and manage cumulative effects, linkage between GNWT Monitoring and Habitat Protection Plan and Land Use permit conditions and co-management caribou planning).</p> <p>Due to the extensive modelling involved to accommodate this request, it is not expected that a response can be submitted at the same time as with most of the responses.</p>	On or before February 2, 2015

Item #	Question/Concern	Summary of Proposed Response	Completion Date
8.7	Please revise your description of caribou habitat to include the results of the fires of 2014, and incorporate into the DAR any changes this makes to your description of baseline conditions and related potential effects (including energetics) of the Project to the Bathurst caribou herd.	Data on the 2014 fire season have only become available in the past several weeks and could not have been incorporated into the October 2014 DAR. Given that the data are now available, quantitative analyses and qualitative assessments will be made of the effects of the 2014 fires on habitat quality and habitat quantity in the winter, spring, and autumn ranges of the Bathurst caribou herd. Fires will be overlaid on Reasonably Foreseeable Development (RFD) Case landscapes for each of the three seasons to assess cumulative habitat loss and decline in habitat quality, and any changes to effects on caribou.	On or before January 19, 2015
8.8	1. Please update the description of harvest levels to include the WRRB Barren-Ground Caribou 2012/2013 Harvest and Monitoring Summary. 2. Please describe overall levels of adult and calf survival (including all sources of mortality) and model the herd population dynamics and demographics. 3. Please describe the levels of uncertainty of the population model, and the implications of that uncertainty. Describe how this relates to the mitigation of cumulative effects on caribou in light of the precautionary principle. 4. Please adjust models and predicted impacts to reflect the revised mortality rates for the herd.	As noted in the response to item 8.6 above, a population model will be completed. It will follow the modelling approach used for the Gahcho Kué Project, considering the GNWT modelling of adult and calf survival, updated with more recently available vital rates, population size, harvest, and habitat data. Due to the extensive modelling involved to accommodate this request, it is not expected that a response can be submitted at the same time as most of the responses.	On or before February 2, 2015
8.9	Please provide an assessment of the cumulative effects of the Project by comparing the pre-Ekati caribou baseline with: a) The existing conditions resulting from the Ekati and Diavik operations, b) The predicted effects of the Project c) The effects of reasonably foreseeable future developments.	This information is included in the DAR. Habitat conditions prior to Ekati and Diavik (and other types of development such as mineral exploration and winter roads) are provided as reference conditions (Section 12.4.1.2 in the DAR). Reference conditions were then compared to the 2014 Base Case (e.g., conditions with Ekati and Diavik, plus other previous and existing developments), Application Case, and Reasonably Foreseeable Developments to provide cumulative effects from the previous and existing developments, the Project, and future developments. For example, Table 12.4-16 (Section 12.4.2.2.2 of the DAR) shows the changes in habitat quality from reference conditions (no projects) to the 2014 Base Case (previous and existing developments without the Jay Project); incremental changes from the Jay Project (2014 Base Case to Application Case) and cumulative changes from the Jay Project and previous and existing developments (i.e., reference conditions to Application Case). A response will be prepared to further explain the assessment approach, and specifically indicate the location of the information in the DAR.	On or before January 19, 2015
9.1	Please provide an assessment of the cumulative effects of the Jay project by comparing the pre-Ekati water quality baseline with: a) The existing conditions resulting from the Ekati and Diavik operations, b) The predicted effects of the Jay Project, c) The effects of reasonably foreseeable future developments.	This information is included in the DAR. Water quality under pre-Ekati (reference condition) and existing conditions (operational Ekati and Diavik mines), is summarized in Section 8.2.5 of the DAR. In Section 8.5.4, predicted water quality as a result of the Project was compared to existing condition data and to reference conditions (i.e., pre-development data). A response will be prepared to provide additional clarity to the assessment of cumulative effects and the interpretation of results.	On or before January 19, 2015
9.2	Please provide a definition for significance that acknowledges potential impacts to the traditional use of surface waters in the area for drinking. This definition should acknowledge the importance of the water to traditional users as per the information presented in Annex XVII. As per section 4.2 of the TOR, if the determination is made that significant adverse effects to the use of water for drinking are not likely, then provide a "narrative statement that identifies what, in its opinion, the threshold for significance would be."	Throughout the DAR, predicted water quality is compared directly to drinking water guidelines. A response will be prepared that will provide an additional assessment endpoint that references the use of water for drinking, and provides further explanation and interpretation of the results relative to drinking water guidelines in addition to aquatic life guidelines.	On or before January 19, 2015
9.3	Please provide an example of either predicted or measured results that would meet the criteria proposed for a moderate magnitude of effect for water quality. This example will demonstrate to reviewers how the criterion could or would be met and will be presented with specific guidance on how to interpret values that exceed screening criteria.	A response will be prepared that provides examples of what could constitute a moderate magnitude of effect.	On or before January 19, 2015

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9.4	Please provide further rationale for setting the Effects Study Area equal to the outlet of Lac de Gras and for not distinguishing project effects from cumulative effects. This rationale will be consistent with the actual effects predicted and with the ability of Dominion to determine the geographic extent of the residual impacts as per the definitions in Table 8.7-1.	A response will be prepared to provide further discussion with respect to the water quality effects study area and for the approach taken with project versus cumulative effects for the water quality assessment.	On or before January 19, 2015
9.5	Please provide a rationale why dioxins and furans were not measured in sediments sampled by Dominion for the purpose of understanding baseline conditions for the project.	As part of the 2014 baseline study, sediment samples were collected from Lac du Sauvage, Duchess Lake, Lac de Gras, and four smaller lakes. Samples from these lakes were analyzed for dioxins and furans. Results of the sediment dioxins and furans analysis will be provided in the response.	On or before January 19, 2015
9.6	Maps 8F2.2-1 and 8F2.2-2 are missing in the pdf submission of Appendix 8F making it difficult to understand the results of the analyses	The absence of these maps in the DAR was an inadvertent oversight. These maps will be provided.	December 19, 2015
9.7	Please provide a thermal analysis of the long-term stability of permafrost around the Misery Pit at closure, and, if the deep groundwater pathway is valid, please include high TDS water from the Misery Pit as a source term to Lac de Gras for the effects assessment	<p>A technical memorandum <i>Preliminary Thermal Assessment for Misery Pit Lake</i> has been prepared as part of the engineering pre-feasibility study. The thermal analysis consists of a review of the original Misery Lake talik formation estimation, current ground thermal conditions in Misery Pit area, expected ground thermal conditions for the mined-out Misery Pit, and thermal changes during and after back-flooding Misery Pit with minewater from the Jay Project area.</p> <p>This thermal analysis memorandum will be provided to the MVRB once the document is finalized. The water quality modelling results provided in the DAR already account for seepage draining from the bottom of the Misery Pit to Lac de Gras. Details of how the seepage is accounted for in the Lac de Gras water quality model are discussed in Appendix 8F of the DAR.</p>	On or before January 19, 2015
10.1	Please conduct a risk assessment using best practices on risks to human health and safety including mine workers. The results should be presented independently and in combination with risks to the environment (for example, using a holistic consequence function integrating health and safety consequences with environmental consequences for a given event).	<p>The DAR risk assessment includes an integrated consideration of public health and safety, which is consistent with the Jay Project TOR and current environmental practice. Section 11 of the Jay Project TOR does not specify worker health and safety, which we understand is consistent with all other TOR for recent northern mining projects. Workers' health and safety is regulated under separate legislation and is managed through Dominion Diamond's established and effective health and safety systems.</p> <p>Dominion Diamond recognizes that the Jay Project introduces additional activities not covered under the current Ekati Mine safety practices. However, these activities have been safely carried out in other northern mine sites. Worker safety is of paramount concern to Dominion Diamond and we will ensure safe work conditions and expand the current health and safety practices to account for these new activities. A project risk assessment including potential consequences to workers' health and safety is being conducted by Dominion Diamond as part of the completion of the engineering pre-feasibility study, consistent with standard industry practice. Results from the pre-feasibility study will be provided to the MVRB for interest. Although this will differ from the specifics outlined in the adequacy question, it will give the MVRB confidence that Dominion will continue to operate the Ekati mine in a safe manner.</p>	On or before January 19, 2015

Item #	Question/Concern	Summary of Proposed Response	Completion Date
10.2	<p>1. Please revise your likelihood categories to reflect probability of events over the life of the Project, reevaluating your categories as necessary.</p> <p>2. Please reclassify category B to a name that does not apply to equally to all other categories.</p>	<p>The risk matrix used in the accidents and malfunctions assessment is commonly used in the industry and for environmental assessments, and is based on Dominion Diamond's operational risk matrix. Section 11 of the TOR does not specify categories to be used for the risk assessment.</p> <p>A response will be prepared with the following:</p> <ul style="list-style-type: none"> • The risk matrix will be revised to reflect the likelihood of an event occurring over the life of the project, instead of on a per year basis. • Likelihood descriptors (i.e., "expected," "possible," and so on) were used for ease of reference to the likelihood/frequency. These descriptors are commonly used in the industry and are based on Dominion Diamond operational risk matrix. However, to avoid confusion with the words used in these descriptors, these likelihood categories can be referred to simply as "A," "B," "C," and so on along with their associated probability over project life. • The reviewer requests that likelihood categories "C" (1/10 – 1/100 events/year) and "D" (1/100 – 1/1,000 events/year) are divided into narrower categories. However, at the current stage of preliminary design, likelihood estimates are meaningful at the order-of-magnitude level. Therefore, no changes on the category levels would be made at this stage. Refinements to the risk estimates will continue during detailed design and throughout operations, in which narrower likelihood categories (e.g., as in Dominion Diamond operational risk matrix) will be used. 	On or before January 19, 2015
11.1	<p>The existing Dominion agreements were outlined and described but not explicitly identified as related to impact benefit agreements (IBAs) or socio-economic agreements (SEAs). Please clarify under which agreements the various mitigations fall under.</p>	<p>Clarification will be provided as to whether the benefit enhancement measure and/or mitigation listed in Section 14 of the DAR are included in IBAs, the SEA or both, respecting the confidentiality required in any agreement.</p>	On or before January 19, 2015
11.2	<p>Please describe the barriers to employment, advancement and retention, and transportation. In addition, please describe how were these barriers identified and if consideration was given to community engagement and human resources records.</p>	<p>A summary of barriers to employment, advancement and retention, as well as transportation issues, as identified by Dominion Diamond and through review of community engagement records, will be provided.</p>	On or before January 19, 2015
11.3	<p>Please describe the success of programs both qualitatively and quantitatively. Please include, at a minimum, a summary table with: the proportion of Aboriginal employees, northern employees, employee retention/turnover, male to female ratio, and Aboriginal advancement by year. The table should provide annual data back to the beginning of mining and indicate the timing of the socio-economic initiatives.</p>	<p>Quantitative information on the number of Aboriginal employees, northern employees, and the male to female ratio of employees at the Ekati Mine will be provided, dating back to the publication of the first Socio-Economic Agreement report.</p> <p>Qualitative information derived from interviews with Dominion Diamond staff is provided in Section 14 of the DAR. In response to this request, the topic of Aboriginal advancement will be discussed further in qualitative terms based on Dominion Diamond's experience since the purchase of the Ekati Mine. This discussion will be provided on or before January 19, 2015.</p> <p>Dominion Diamond does not hold historical Human Resources (HR) data regarding the HR indicators noted in this request collected and administered prior to April 2013. This information is owned by BHP Billiton.</p> <p>By the time of technical review (anticipated post February 2015), Dominion Diamond expects to have further data based on their operation of the Ekati Mine from April 2013 to the end of 2014. These data will then be provided, broken out by the HR indicators requested (retention, gender, advancement).</p> <p>In the absence of historical data owned by BHP Billiton, Dominion Diamond operational data can be analyzed to discuss the success of programs continued over from pre-Dominion Diamond operations, as well as any new or re-instated programs initiated by Dominion Diamond.</p> <p>In addition, Dominion Diamond is in discussion with GNWT on how to change the SEA reporting so that data reported are more useful. Dominion Diamond will convey to MVRB how it intends to report on SEA commitments and employment parameters when discussions have been concluded. SEA reports are publically accessible and will then provide the more specific information going forward.</p>	<p>Partial response on or before January 19, 2015</p> <p>Other information to be provided during the technical review</p>

Item #	Question/Concern	Summary of Proposed Response	Completion Date
11.4	.Please describe the specific means of collaboration to identify and address social issues.	A discussion of the consideration of Dominion Diamond community engagement in establishing health and well-being programs and the identification of community well-being concerns will be provided on or before January 19, 2015. A description of Dominion Diamond's means of collaboration and engagement, in terms of the identification of social issues, will also be provided. This response will focus on the time period since Dominion Diamond acquired the Ekati Mine. Community engagement records prior to this acquisition are owned by BHP Billiton; however, qualitative information based on the experience of existing community relations staff may be available. If available, this information will also be presented.	On or before January 19, 2015
11.5	Please describe the success of Dominion's social programs, either quantitatively or qualitatively. In addition, please identify if there are any additional programs planned.	Qualitative discussion on social programs and their success and challenges will be provided. Dominion Diamond will also provide information on program attendance, and success for initiatives that occur over the next year.	On or before January 19, 2015



December 15, 2014

Mackenzie Valley Review Board
200 Scotia Centre
P.O. Box 938
Yellowknife, NT
X1A 2N7
Attn: JoAnne Deneron, Chairperson

Re: EA1314-01 Jay Project, Dominion Diamond Corporation Developer's Assessment Report Adequacy Review Item 6.1: Cultural Aspects

Dear Ms. Deneron:

Dominion Diamond has reviewed the Adequacy Review Report for the Jay Project (November 28, 2014). While we believe we have met the requirements of the Terms of Reference, we further propose, in this letter, activities that could be undertaken to address item 6: Cultural Aspects (page 4).

The Adequacy Review states under 6.1 Effects on traditional wildlife harvesting and cultural intangibles:

Please provide: an analysis of the potential effects of the project on traditional land users that includes intangible cultural effects, including any changes to Aboriginal land users' relationship to the land. These analyses will incorporate traditional knowledge information and the views of traditional harvesters.

Dominion Diamond has undertaken engagement on the Jay Project with potentially effected Aboriginal groups since early 2013. Engagement has involved workshops and presentations, site visits involving elders and youth and more recently a two-day Community Engagement session to present the Jay Project Developer's Assessment Report and take questions and comments from participants. Attendance at the engagement sessions has been high, as was discussion among the participants. Much of the discussion has been about caribou, other wildlife, fish, and water quality. Concerns about loss of Aboriginal culture, particularly intangible elements (e.g., loss of place names and language, traditional knowledge) have not been specifically identified as a concern.



Dominion Diamond proposes to hold a one-day workshop for potentially affected Aboriginal communities on the topic of cultural change. The discussion will be recorded and a summary on the results will be submitted to the MVRB. Every effort will be made to hold the workshop and submit the results to MVRB in early 2015.

Initial steps include:

- 1) Contacting impacted and potentially impacted Aboriginal groups to gauge their interest in participating and get their suggestions for the workshop; and
- 2) Review options to engage a workshop facilitator with specific subject matter expertise and strong facilitation skills.

Should the above proposal be deemed acceptable to the Board, Dominion Diamond will provide the Board with regular updates on how the arrangements are progressing.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Richard Bargery', with a large, sweeping flourish extending to the right.

Richard Bargery
Manager, Permitting Jay Project
Dominion Diamond Corporation



December 15, 2014

Mackenzie Valley Review Board
200 Scotia Centre
P.O. Box 938
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X1A 2N7
Attn: JoAnne Deneron, Chairperson

**Re: EA1314-01 Jay Project, Dominion Diamond Corporation Developer's
Assessment Report Adequacy Review Item 8.3 Caribou**

Dear Ms. Deneron:

The TOR required an analysis of the ways the Project may influence the energy and protein balance of caribou under different seasonal conditions, and to what extent this may affect population demographics. The TOR also recommended that the cumulative effects approach for caribou include an energetics component, habitat component, and population component consistent with the current state of cumulative effects assessment of barren-ground caribou. The TOR did not explicitly reference a protein-energy model that included forage quality inputs such as described in the MVRB's Adequacy Review.

The approach, methods, and models used in the Jay Project DAR are consistent with the current state of cumulative effects assessment on barren-ground caribou used for the NICO Project (Fortune 2011) and Gahcho Kué Project (De Beers 2010). The DAR included an analysis of the incremental and cumulative energetic costs to caribou from encountering zones of influence associated with the Project and other developments, and changes in migration routes under differing seasonal conditions (i.e., insect harassment levels). The energetic model was based on peer-reviewed scientific data and applied with a number of ecological conservatisms so effects would not be under-estimated (Table 12.5-1 of the DAR).

Energetic costs were expressed in the Jay Project DAR as a decrease in body mass through loss of protein and fat (energy) from interactions with development and from insect harassment (Section 12.4.2.3.1 of the DAR). The decline in body mass was used to predict decreases in calf production (fecundity or reproduction) based on known body mass-fecundity relationships and their associated effects



on population demography. The analysis provided an important component in the assessment of the effects to caribou from the primary pathway related to indirect changes in movement and behaviour from the Project and other developments. The model used in the DAR provides ecologically relevant and confident impact predictions on caribou population demography from changes in energy and protein balance associated with disturbance from development and natural factors such as insect harassment.

The Jay Project DAR adequately addresses the TOR, and Dominion Diamond is unsure whether additional modelling would increase confidence in the impact predictions. With respect to the MVRB's request, Dominion Diamond proposes to convene a technical meeting to discuss the energetic model used in the DAR and alternative available models. Specifically included will be the Russell energy-protein model and a discussion of its power and confidence to assess incremental and cumulative effects from the Project and other developments against background demographic conditions. Dominion Diamond proposes to invite scientists knowledgeable with caribou energetics modelling, including GNWT-ENR personnel, the MVRB's consultant (presuming MVRB authorization), Dr. Don Russell, Golder Associates, or other knowledgeable persons.

The objective of the meeting will be to determine the benefits and need to complete alternate modelling to that already contained in the DAR. The technical meeting is proposed to be held during January 2015 such that a summary report can be provided to the MVRB in a timely manner; however, timing of the meeting may vary depending on the availability of key persons. Dominion Diamond will immediately commence organization of the meeting on the MVRB's approval of the approach, and will regularly update the MVRB of its progress including Dominion Diamond's proposed January 19, 2015 submission.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Richard Bargery', is written over a large, stylized circular flourish.

Richard Bargery
Manager, Permitting Jay Project
Dominion Diamond Corporation