

Government of Gouvernement des Northwest Territories Territoires du Nord-Ouest

MAY 1 9 2016

President Stanley Anablak Kitikmeot Inuit Association P.O. Box 360 KUGLUKTUK NU XOB 0E0 VIA EMAIL & FAX

Dear President Anablak:

Report of Environmental Assessment and Reasons for Decision for Dominion Diamond Ekati Corporation's Jay Project (MVEIRB file number EA1314-01)

As you are aware, on May 19, 2016, the Government of the Northwest Territories (GNWT) Minister of Lands, as the Minister with delegated authority under the *Mackenzie Valley Resource Management Act* and on behalf of the other responsible ministers (RMs) adopted the Mackenzie Valley Environmental Impact Review Board's (MVEIRB or Review Board) recommendation that Dominion Diamond Ekati Corporation's (Dominion or the developer) proposed Jay Project (the Project) be approved subject to the implementation of the mitigation measures and developer's commitments in the Review Board's *Report of Environmental Assessment and Reasons for Decision*. The territorial responsible ministers with jurisdiction in relation to the Project are the Minister of Lands, the Minister of Environment and Natural Resources, and the Minister of Health and Social Services. The federal responsible ministers with jurisdiction in relation to the Project are the Minister of Fisheries, Oceans and the Canadian Coast Guard as consolidated by the Minister of Indigenous and Northern Affairs.

The GNWT thanks the Kitikmeot Inuit Association (KIA) for its letter dated April 4, 2016, confirming the KIA's concerns about the Project have been addressed by Dominion's commitment to provide resources for a long-term water quality monitoring program on the Coppermine River near the Hamlet of Kugluktuk. The GNWT also thanks the KIA for its active participation throughout the environmental assessment of the Project.

.../2

For certainty, commitments made by the developer form part of the scope of the project as assessed by MVEIRB. RMs take the position that the Review Board's recommendation is subject to the implementation of the developer's commitments. The project, as assessed and approved, therefore requires the implementation of all commitments.

As the KIA is aware, the Ekati Environmental Agreement (Environmental Agreement) includes the Project and is a legal instrument designed to ensure, among other things, that signatories to the Environmental Agreement respect and protect land, water, wildlife and the land-based way of life essential to the well-being of Aboriginal Peoples. This obligation includes listening to community members' concerns, considering such concerns when making decisions about Ekati, and encouraging the developer to use Traditional Knowledge when designing and implementing its environmental plans and programs.

The Independent Environmental Monitoring Agency (the Agency) is established under the Environmental Agreement and is mandated to serve as a public watchdog of the developer and of regulatory processes related to Ekati, including participating in regulatory and other processes and making recommendations on various management plans and response frameworks. The Environmental Agreement requires Dominion to report annually on the results of its environmental monitoring programs, detailing monitoring, mitigation and adaptive management measures. Aboriginal peoples, as defined in the Environmental Agreement, have the opportunity to review Dominion's reports and advise GNWT whether they consider the reports satisfactory. GNWT encourages the KIA to continue its active involvement in the Agency's activities. GNWT is providing a copy of this letter to the Agency for its consideration in carrying out its responsibilities.

The GNWT emphasizes that consultation and accommodation with respect to Aboriginal and Treaty rights do not end with the responsible ministers' decision. The Project will now proceed to regulatory and other processes which will include opportunities for Aboriginal governments and organizations to offer input on authorizations and management plans and help ensure that potential adverse impacts to Aboriginal and Treaty rights are, as necessary accommodated. The GNWT encourages the KIA to participate in these processes and the developer's continuing engagement initiatives and notes the developer's April 25, 2016 letter, which reinforces its existing commitments to continuing engagement

with Aboriginal government and organizations as the Jay Project proceeds to the regulatory phase.

The GNWT understands that the Government of Canada has also responded to the KIA by way of a separate letter.

Thank you for taking the time to provide your views.

Sincerely,

7. Hun

Terry Hall

A/Assistant Deputy Minister Planning and Coordination Department of Lands

c. Shannon Cumming, Assistant Deputy Minister, Environment and Natural Resources

Derek Elkin, Assistant Deputy Minister, Health and Social Services

Mark Hopkins, Director General, Northern Resources and Environment, Indigenous and Northern Affairs Canada

Matthew Spence, Director General, Northern Projects Management Office

David Burden, Regional Director General, Central and Arctic, Fisheries and Oceans Canada

Michele Taylor, Regional Director General, Prairie and Northern Region, Transport Canada

Denise Baikie, Project Manager, Impact Assessment, Department of Environment, Government of Nunavut

Mark Cliffe-Phillips, Executive Director, Mackenzie Valley Environmental Impact Review Board

Ryan Fequet, Executive Director, Wek'èezhìi Land and Water Board

Claudine Lee, Head of Environment and Communities, Dominion Diamond Ekati Corporation

Marc Casas, Executive Director, Independent Environmental Monitoring Agency