



Mr. Mark Cliffe-Phillips
Executive Director
Mackenzie Valley Environmental Impact Review Board
200 Scotia Centre
P.O. Box 938
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JUN 30 2017

Dear Mr. Cliffe-Phillips,

Report of Environmental Assessment and Reasons for Decision for Dominion Diamond Ekati Corporation's Jay Project (EA1314-01) - Measure 13-4: Annual Reporting from Regulatory Authorities

The Mackenzie Valley Environmental Impact Review Board's (MVEIRB) Report of Environmental Assessment and Reasons for Decision (REA) for Dominion Diamond Ekati Corporation's (DDEC) Jay Project included Measure 13-4: Annual Reporting from Regulatory Authorities. Measure 13-4 reads as follows:

In order to evaluate the effectiveness of mitigation measures for the protection of the environment, each regulatory authority or government that is wholly or partly responsible for implementation of any measure in this Report of EA will prepare an annual Report on Implementation of Jay Project Measures. The Report will:

- a) Describe the actions being undertaken to implement the EA measures or the part(s) of the EA measure for which the regulatory authority or government is responsible; and*
- b) Explain how the implementation actions, including any actions implemented through adaptive management, fulfill the intent of the EA measures, including consideration of the following questions:*
 - i. How are implementation actions addressing a likely significant adverse impact on the environment?*
 - ii. How effective are implementation actions at reducing, controlling, or eliminating the impact or its likelihood?*
 - iii. If the measure is for monitoring or research, are the implementation actions clearly linked to mitigation and/or operations?*

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- iv. *How are process considerations (such as consultation or engagement requirements, statutory obligations, etc.) being considered, and, if applicable, how are they affecting implementation of the EA measures?*

Prior to July 1 of each year, during all phases of the Jay Project to which a particular measure applies, each regulatory authority and government will provide a copy of this annual report to the Review Board.

The Government of the Northwest Territories (GNWT) is pleased to provide the attached Report on Implementation of Jay Project Measures outlining all measures, and responding to those assigned in whole or in part to the GNWT and the progress made to date. GNWT will file this report annually in response to Measure 13-4. Measures assigned to the GNWT are:

- Measure 6-2(b): Research to design and implement successful offsetting projects;
- Measure 6-4: Dustfall standards;
- Measure 6-6: Timely completion of caribou management plans;
- Measure 8-1: Minimize negative socio-economic impacts of the Project on communities; and
- Measure 13-4: Annual reporting from government and regulatory authorities.

To supplement the discussion of Measure 8-1, the attached report also includes an update on the joint GNWT-DDEC commitment (April 25, 2016) to provide MVEIRB with summaries of the Ekati Socio-economic Agreement (SEA implementation) annual meetings. A copy of the 2016 SEA implementation summary report is attached.

Measures not assigned to GNWT but requiring GNWT participation, such as approval of DDEC mitigation or management plans, are included in the table as well. The GNWT will continue to participate, where appropriate, in the review processes for measures assigned to DDEC and other regulatory bodies, review DDEC monitoring, management, and mitigation plans, and carry out compliance and enforcement duties where required.

The REA includes two suggestions directed to the GNWT. In the May 19, 2016 environmental assessment decision letter, signed by the GNWT Minister of Lands, the responsible ministers committed to giving due consideration to these suggestions. On May 18, 2017, GNWT Department of Environment and Natural Resources (ENR) provided MVEIRB with an update on its consideration of the

suggestion associated with caribou management plans. A link to this response is included in the attached report. At this time, the GNWT does not have an update to provide on its consideration of the suggestion related to socio-economic matters.

The GNWT will continue to work with resource management boards, DDEC and parties to the Jay Environmental Assessment on measure implementation and reporting. Should MVEIRB or any parties have any questions regarding the attached materials, please contact Lorraine Seale, Director, Securities and Project Assessment, by phone at (867) 767-9183 (Ext. 24020), email at Lorraine.Seale@gov.nt.ca or Tamika Mulders, Project Assessment Analyst, by phone at (867) 767-9183 (Ext. 24022), email at Tamika.Mulders@gov.nt.ca.

Sincerely,



Lorraine Seale
Director
Securities and Project Assessment
Lands

c.

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

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

Mr. Chuck Hubert, Senior Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board

Mr. Matthew Spence, Director General
Northern Projects Management Office

Ms. Catherine Conrad – Senior Director, Environment and Renewable Resources
Indigenous and Northern Affairs Canada

Mr. Joel Holder, Director, Conservation, Assessment and Monitoring Division
Environment and Natural Resources

Ms. Lisa Cardinal, Director, Corporate Planning, Reporting and Evaluation
Health and Social Services

Attachments