GAHCHO KUÉ PROJECT ENVIRONMENTAL IMPACT STATEMENT

REPONSES TO THE MARCH 17, 2011 DEFICIENCY STATEMENT ISSUED BY THE GAHCHO KUÉ PANEL ITEMS 2, 4, AND 5

Introduction

On December 23, 2011, De Beers Canada Inc. (De Beers) submitted the Environmental Impact Statement (EIS) for the Gahcho Kué Project (Project) to the Gahcho Kué Environmental Impact Review Panel (the Panel). The Panel completed its conformity check of the EIS and identified five areas in its March 17, 2011 letter where additional information was required to demonstrate that the Terms of Reference (ToR) have been satisfied. This document outlines the response to the following items from the conformity check:

1

Item 2. ToR 4.1.5 (Family and Community Cohesion) and 4.17 (Long Term Social, Cultural and Economic Effects) include many items intended to evaluate potential social impacts on the well being of people in communities, in light of the different vulnerabilities of each community. The same sections require an examination of various economic considerations related to timing, opportunity costs and other issues. Some other socio-economic items that were not addressed relate to demand in community infrastructure (ToR 5.3.3)

Many of the points in ToR 4.1.5 and 4.1.7 were not addressed in the EIS. De Beers identified challenges in collecting some of this information. Where De Beers is unable to gather the requested information despite best efforts, it should at least describe best predictions, providing the underlying premises and reasoning in detail.

Item 4. ToR 5.3.1 (Employment, Training and Economic Development) required a description of how De Beers will require its contractors to have commitments similar to its own for maximizing regional and Aboriginal employment.

Item 5. ToR 5.3.4 (Culture, Heritage and Archaeology) required a comprehensive analysis on potential impacts to cultural activities from the project.

De Beers has reviewed the identified sections of the EIS and has provided relevant information in this document sufficient to address the identified deficiencies. This information is organized by:

- the section of the ToR;
- the Section of the EIS where relevant text is presented and where possible, the page number;
- a direct quotation if practical; and
- additional discussion where necessary.

As a result, this submission may be easily cross referenced to the EIS and ToR.

Information for the EIS comes from a variety of sources such as baseline data collection from sampling and monitoring that occurs through field work, publically available sources and where possible and appropriate from the relevant communities.

For the socio-economic discipline, the effects analysis used socio-economic baseline data that is publically available, relying on Statistics Canada Community Profiles, Government of Northwest Territories statistics, and reports such as the Communities and Diamonds Annual Reports. This information was used to establish the baseline case from which potential Project effects are predicted. Some information that may be of interest to have from study area communities with small populations is not available from public sources.

De Beers has endeavoured and continues to endeavour to gather further information from individual communities through engagement activities (Section 4.2.2) with First Nations and Métis communities in the study area. De Beers sought any information that the communities might be willing to share that would further help the company evaluate potential impacts of the Project in order to enhance the Project design and the impact assessment. The extent to which any information is available reflects what has been provided to De Beers during the ongoing engagement activities. De Beers anticipates that further information will be provided during the course of the environmental assessment process.

De Beers submits that there is currently sufficient information in this document and the EIS to meet the ToR and for the purposes of conducting a thorough assessment of the proposed Project, thereby enabling technical discussions to occur.

Environmental Impact Statement Conformity Review Responses

Item 2

ToR 4.1.5 (Family and Community Cohesion) and 4.1.7 (Long Term Social, Cultural and Economic Effects) include many items intended to evaluate potential social impacts on the well being of people in communities, in light of the different vulnerabilities of each community. The same sections require an examination of various economic considerations related to timing, opportunity costs and other issues. Some other socio-economic items that were not addressed relate to demand in community infrastructure (ToR 5.3.3).

Many of the points in ToR 4.1.5 and 4.1.7 were not addressed in the EIS. De Beers identified challenges in collecting some of this information. Where De Beers is unable to gather the requested information despite best efforts, it should at least describe best predictions, providing the underlying premises and reasoning in detail.

De Beers Canada Inc. Response

ToR Section Number and Title: 4.1.5 Family and Community Cohesion

Response 4.1.5-1

ToR Direction: Will the Project magnify existing socio-economic vulnerabilities at varying levels?

EIS Section Where the Issue is Addressed	Section Text
Sections 12.6.1 (Page 12-138) , 12.6.2 (Page 12-182), and 12.6.3 (Page 12-205)	Please refer to sections.

Comment: Some communities in the study area may be vulnerable or at risk of deteriorating socio-economic conditions, rising inequities and challenges due to pre-existing conditions that exist in the NWT. The Project is not expected to magnify existing socio-economic conditions. De Beers has a number of practices and initiatives that may improve the situation for vulnerable people and communities. Some of these are:

- Accommodate traditional pursuits through rotational scheduling;
- Target Aboriginals for hire; recruit from all study area communities;

- Programs to increase the involvement of women in the Project's workforce;
- Mentoring junior staff so that they move up over time;

4

- Work with schools to encourage completion of high school; and
- Provide a culturally supportive workplace that empowers individuals to take pride in their culture and their achievements.

Response 4.1.5-2

ToR Direction: How will the developer facilitate a cooperative approach to social, cultural, and economic issues?

EIS Section Where the Issue is Addressed	Section Text
Throughout the document	General comment

Comment: The Project description summarizes the measures that have been designed into the project to avoid or completely mitigate anticipated impacts by taking a mitigation-by-design approach and incorporating environmental design features into the initial design. For example, De Beers has employee assistance programs that can help workers and their families deal with the stresses of rotational work, inter-generational conflict, and changing roles. Through follow up activities with communities and governments, De Beers will proactively evaluate the success of their mitigations and work with leaders to address any concerns that may arise.

De Beers will facilitate a cooperative approach by providing support to cultural activities, enhancing literacy through its "Home Literacy Program" and working with governments, schools and communities to find ways to build on the positive features of communities.

For its workforce, De Beers offers on the job training, money management and a comprehensive benefits package that includes health benefits, counselling, career development and wellness services (i.e., counselling support for working parents). Some social problems in communities are addressed, at least partially, with employment opportunities, health and wellness programs, education and training and respectful attitude towards Aboriginal culture.

ToR Direction: Will the Project affect access to healthcare?

EIS Section Where the Issue is Addressed	Section Text
Section 12.7.2.2.2 Page12-248 (paragraph 3)	"De Beers will not add pressures to existing medical services. De Beers will use private services for the initial medical check of all new employees and will contract with emergency services to deal with on-site injuries."

Comment: It is not expected that the Project's temporary workforce will utilize local or regional healthcare services. Contracted medical services will be provided on site during construction and operations. This will be provided under the supervision of an NWT registered medical doctor. The Project is not expected to place pressure on health care services due to induced population growth. Workers are to be recruited locally and/or will be housed in a fully contained accommodation complex.

Response 4.1.5-4

ToR Direction: Will the Project affect crime rates?

EIS Section Where the Issue is Addressed	Section Text
Section 12.3.4.4.7; Page 12-52 (paragraph 3)	"Increases in crime and violent crime rates have been accompanied by a period of increasing mineral exploration and deposit appraisal activity. It is unclear if the money that mining has brought to community members has led to an increase in crime. Mining has brought jobs and increased incomes to the community, leading to a greater quality of life for many residents. What has been challenging for some residents is the added financial responsibility that comes with steady, high incomes."

EIS Section Where the Issue is Addressed	Section Text
Section 12.6.2.3 Pages 12-195 and 12-197	"Crime is directly linked to many social and economic issues and conditions within societies and communities. With a growing labour force during the last decade up to about 2008, an increasing number of transient workers, and larger disposable incomes, the NWT has been facing short- and long-term challenges associated with crime (Criminal Intelligence Service Alberta 2007). The NWT law enforcement is dealing with increased drug and alcohol issues, violence, vandalism, and property crimes." "Increases in overall crime rates, especially violent crime, have been accompanied by a period of increasing mineral exploration and deposit appraisal activity. It is unclear if the money that mining has brought to community members has led to an increase in crime. Mining has brought jobs and increased incomes to the community, leading to a greater quality of life for many residents. What has been challenging for some residents is the added financial responsibility that comes with steady, high incomes." "Due to its use of a strictly controlled camp environment, rotational work, and limited in- migration, the Project is not anticipated to substantially increase drug or alcohol consumption, and other negative lifestyle choices. Several known mitigation and benefit
	enhancement strategies will also be implemented to reduce potential negative effects." (see also Table 12.6-41)
Section 12.8.4.3 Page 12-337 (paragraph 5)	"Socio-economic and cultural data on the LSA communities in the GNWT Communities and Diamonds reports that have been published annually since 1998 have generally indicated positive or neutral trends to issues such as crime and substance abuse, although variations do exist as has been discussed in Sections 12.3, 12.6, and 12.7. With mining, new or expanded programs and services have grown to deal with many of the social problems, which threaten social cohesion of LSA communities."

Comment: This section further details the correlation between crime and substance abuse. The effects analysis (Section 12.6.2.3.2) states that the Project is not expected to have a substantial effect on drug or alcohol consumption. Thus, it could be assumed that the Project will not substantially contribute to substance abuse-related crime.

The mitigative and benefit-enhancement measures mentioned in this quote pertain, but are not limited, to the following:

- De Beers will be operating an alcohol-free and drug-free work place Employees are required to remain alcohol-free and drug-free while at the work site and when in-transit (page 12-201).
- De Beers offers ... mandatory new employee training, which covers among other things, money management. These supports are aimed at assisting employees in making good lifestyle choices and remaining effective employees (page 12-200).
- De Beers will offer drug and alcohol programming (page 12-202)

There is some suggestion that steady employment may have a positive effect on social problems such as alcohol abuse, which is often correlated with some criminal acts.

While there seems to be a relationship between mineral exploration and increased crime rates, there is little evidence to support the claim that mining activities in isolation lead to increased crime beyond the anecdotal observation that increased incomes as a result of mineral exploration employment, and the associated added financial responsibility, may result in greater access and abuse of alcohol and drugs. Community and Diamond¹ reports compare communities that are affected by the diamond mines with communities that for many years have had oil and gas activity. Police reported offences have been at about the same rates in both types of communities. De Beers is committed to providing programs for its workers that encourage good decision making. Some of these programs include financial management, family and individual counselling and preventative approaches to alcohol and drug abuse.

¹GNWT (Departments of Health and Social Services; Education, Culture and Employment; Finance; Industry, Tourism and Investment; Justice; Bureau of Statistics; and Housing Corporation). 2009. Communities and Diamonds. Socio-economic Impacts in the Communities of Behchokö, Gamètì, Whatì, Wekweètì, Detah, N'dilo, Łutselk'e, and Yellowknife. 2008 Annual Report of the Government of the Northwest Territories under the BHP Billiton, Diavik and De Beers Socio-economic Agreements. Yellowknife, NWT.

ToR Direction: Will the Project affect access to childcare?

EIS Section Where the Issue is Addressed	Section Text
Section 12.6.2.5 Pages 12-201	"[De Beers] arranges for family counselling services for mine employees and their families. Such services might include family and relationship counselling, stress management, anger management, support services for women and single mothers, child-care services, and parenting training."
Section 12.6.2.5	Please refer to section
Pages 12-200 to 12-201	

Comment: This references the mitigative measures taken into consideration in the Project design as related to family and community cohesion, including (but not limited to) childcare.

A general description of the childcare programs in the NWT is available in Section 12.3.4.6.1; however because the Project is not expected to induce population growth, the assessment of Project effects on access to child care was limited accordingly. Nevertheless, information detailed in Section 12.3.4.6.1 notes that the existing childcare facilities are running at capacity.

Section 12.6.1.3.1, page 12-149 suggests that only 6.8% on non-NWT resident mine workers would consider relocating to the territory (and, assumedly, relocating their families).

Approximately 40% of the average annual number of employees (157) for the Project will be non-NWT. If the % from Section 12.6.1.3.1 is applied to this number, it would imply that only about 10 to 11 employees annually would consider relocating to the NWT. It is unknown what portion of these employees would be relocating their families (if present).

An inference could be made between these two sections (and the Project population information) that, due to the small portion of the non-NWT population that potentially would consider relocating, the at-capacity childcare options existing in the NWT would not likely experience increased pressure as a result of the Project construction and operations.

In addition, Section 12.3.4.4.4, page 12-41 (paragraph 3) notes that the extended family structure prevalent in the NWT provides support (more support than the nuclear family structure) for mothers in terms of child rearing/ care.²

Response 4.1.5-6

ToR Direction: Will the Project affect public safety?

EIS Section Where the Issue is Addressed	Section Text
Sections 12.4.11 (Page 12-111), 12.6.2.3.1 (Page 12-193), 12.6.2.4 (Page 12-197), 12.6.3.4 (Page 12-221)	Please refer to sections
Section 12.4.6 Page 12-110	 "all workers will receive the following types of orientation training: health and safety training (e.g., First Aid/CPR, WHMIS, SHE)"
Section 12.4.12 Page 12-112 (paragraph 2)	"No personal firearms will be allowed on- site at any time during the life of the Project."
Section 12.4.13 Page 12-112 (paragraph 3)	"A smoke-free work and living place will be provided at the Project site."

Comment: The Project will not affect public safety. It is noted in the report that crime, including driving incidents, are very much linked to substance abuse (page 12-193 [paragraph 4]; page 12-195 [paragraph 4]).

The report states that substance abuse will not be tolerated by employees while on the Project Site, or while in transit to and from the Project (page 12-111 [paragraph 4] page 12-197 [paragraph 2]).

While De Beers encourages employees to pursue healthy lifestyles, the company is not directly responsible for the personal life choices of employees when they are not on the Project site, or in transit to and from the Project (page 12-199 [paragraph 5]). De Beers aims to contribute to a healthy workforce and healthy communities.

² GNWT Department of Education, Culture and Employment. 2005a. Towards Excellence '05: A Report on Education in the NWT. November 2005. Yellowknife, NWT.

De Beers has committed to offering financial management programs (page 12-200 [paragraph 6], page 12-222 [paragraph 2]) for employees in an attempt to aid those dealing money management, a source of stress and conflict for many families. Health and safety training will also have a positive effect on the safety of the portion of the Project workforce and a positive knock on effect in communities. For example, First Aid/CPR training to employees can enhance the public safety of the general public, as these trained individuals can now serve as first responders to emergency medical situations.

Health and safety planning has also considered the issue of firearms at Project site, which are completely banned and offering a smoke free workplace.

Response 4.1.5-7

ToR Direction: Will the Project affect educational access and educational completion levels?

EIS Section Where the Issue is Addressed	Section Text
Section 12.4.3 Page12-107 (paragraph 3)	 " The following will be continued or initiated for the Project: offer scholarships to female NWT students who are attending college and university programs; promote activities in the NWT that target young women for jobs at the Project; make female role models available for school programs to promote women
	 working at the Project; support "women in trades" programs in partnership with educational institutions and women's groups in selected communities; offer scholarships and awards for women who are in an apprenticeship program with the Project;".
Section 12.4.6 Page12-109 (paragraph 3)	 "De Beers has developed a specific training approach for its northern operations: establishing a recruitment and training strategy for school students that encourages and promotes the completion of secondary school"

EIS Section Where the Issue is Addressed	Section Text
Section 12.4.14 Page12-112 (paragraph 6)	"One initiative that has been implemented in NWT Aboriginal communities in order to foster increased literacy levels is the <i>Books</i> <i>in the Homes Literacy Program</i> . With this initiative, De Beers is helping families build home libraries by providing children from preschool to Grade 12 with three free books to take home each school year."
Section 12.2.4 (and 12.8.2.1) Page 12-24 (and Page 12-311)	"Some VCs that will experience positive (but not significant) effects include: jobs and income; local business; lifestyle choices; unemployment; social assistance; education and skills up-grading; and employment access for women."

Comment: The Project will increase access to education via scholarships and support of educational initiatives and programs.

The Project will encourage secondary school completion through its school outreach programs (career fairs) and community presentations.

The Project is committed to enhancing literacy through its home literacy reading initiative, thereby promoting reading skills and contributing to confidence building among youth. Educational achievement levels, over time, are expected to increase with De Beers targeted initiatives.

Response 4.1.5-8

ToR Direction: Will the Project affect social disparity (as a function of income disparity)?

EIS Section Where the Issue is Addressed	Section Text
Section12.6.3.2.1 Page 12-214 (paragraph 1)	"disparity between communities in relation to cost of living does exist, but it is largely logistics and market size that dictate the disparity rather than economic development."

EIS Section Where the Issue is Addressed	Section Text
Section 12.6.3.4 Page 12-221 (paragraph 5)	 "Although De Beers has little control over the dispersion of employment income paid to employees, or royalties paid to government, it does recognize that it can influence future social inclusion between and within communities through a combination of the following: hiring practices that encourage participation from study area communities; requiring completion of Grade 10 (or General Equivalency Diploma). De Beers does consider the experiences of individuals not meeting minimum education requirements for entry level positions on a case-by- case basis; offering education and training programs to qualified staff as a means to enhance skills; supporting financial management practices through workshops and mentoring; and scheduling of work rotations to encourage and facilitate community volunteerism."
Section 12.6.3.2 Social Disparity between Communities (Section 12.6.3.2.2 Effects Analysis [pg 12-214])	"the issue of social disparity is not unique to the NWT, nor is it only associated with economic growth. Social disparities between communities were occurring before the existence of the diamond mine projects. Certain communities have been able to benefit more than others due to diverse factors such as willingness and capacity to do rotational mine work, proximity to points of employment and training, supportive community business institutions, and existing levels of skills and education. Some positive trends, however, are anticipated to continue as a result of the Project, which will serve to counter many social disparities. These positive effects, however, will vary across communities due to some of the aforementioned factors such as experience with mining and the availability of labour and businesses."

Comment: Communities that have a higher number of employed residents may be more prosperous; for example one could see stimulation of the housing market in some communities more than others.

De Beers recognizes that social disparity can exist within communities, and has committed to employing strategies (listed above in bullet form) to mitigate social disparity. Refer to page 12-223 and Table 12.6-41 for further detail pertaining to De Beers' mitigation strategies as applied to social disparity. De Beers is taking actions to increase opportunities for people to participate in the Project. For example, De Beers is interested in increasing the potential for women to become a part of the workforce; several measures will be taken to maximize Aboriginal and NWT business opportunities. For example, De Beers will identify opportunities for joint ventures with Aboriginal businesses.

ToR Section Number and Title: 4.1.7 Long Term Social, Cultural and Economic Effects

Response 4.1.7-1

ToR Direction: Will the Project result in health effects as a result of changed diet (i.e., less country foods)?

EIS Section Where the Issue is Addressed	Section Text
Section 12.4.2.6	"Food services will include country foods
page12-105 (paragraph 5)	when available."
Section 12.6.2.2.1; page12-188, paragraph 4	"A recent survey (GNWT Bureau of Statistics 2005) found that Aboriginal males involved in diamond mining continued to hunt and fish (Figure 12.6-11) at a marginally higher rate than other employed Aboriginal males."

Comment: There will be the potential for sustaining the portion of the diet comprised by country foods for those individuals working on the Project.

There is suggestion that diamond mining is potentially having a positive effect on harvesting activities, which provide much of the country foods consumed by Aboriginal peoples.

ToR Direction: Will the Project result in the movement of people out of their communities as a result of Project-related employment seeking?

EIS Section Where the Issue is Addressed	Section Text
Section 12.4.2.5 Page 12-105 (paragraph 2)	"De Beers will provide return air transportation, at its expense, to employees travelling from designated pick-up points in NWT communities and the Project."
Section 12.5.6 Page 12-131 (paragraph 1)	"subject to operational requirements, [the Project will] provide direct return air transportation to employees travelling from NWT communities and the Project, which will maximize time in the community."
Section 12.6.2.2.2 Page 12-191 (paragraph 2 and 3)	"Rotation will remove individuals from study area communities and other parts of Canada. De Beers considered rotation alternatives in its Project design. The assessment of alternative rotation schedules revealed that the two-weeks-in and two-weeks-out rotation provided the greatest amount of time at home."

Comment: This removes the need for employees to relocate to Yellowknife for pick-up. Not living at a designated pick-up community will not be a barrier to employment. De Beers' recruitment strategy and transportation of its workforce to and from Site is not expected to motivate its workers to change communities.

Consideration was given to the amount of time employees have at home. Given travel time, quality time at home is best maximized with the 2:2 rotation.

ToR Direction: Will the Project result in increased employment numbers?

EIS Section Where the Issue is Addressed	Section Text
Section 12.4.8 Page 12-110 (paragraph 5)	"De Beers is committed to promoting from within the company. The aim is to fill as many of the skilled positions and as many of the semi-skilled positions as possible with northern Aboriginal workers over the life of the Project."
Section 12.5.6 Page 12-132 (bullet 11)	"[The Project will] participate in the Government of the Northwest Territories (GNWT) Labour Force Strategy to find strategies to increase chance of employment in the NWT."
Section 12.6.1.2.2 Page 12-142 (paragraph 3)	"Within Canada, approximately 3,111 additional employment opportunities could be created during the construction phase of the mine."
Section 12.6.1.2.2 Page 12-142 (paragraph 2)	"It is assumed that local participation will be equal to 26.5% [during construction]; this percentage is based on the local participation record from the construction phase of the Snap Lake Diamond Mine[.]"
Section 12.6.1.2.2 Page 12-143 (paragraph 3)	"It is assumed that local participation will be equal to 37.6% [during Operations]."
Section 12.6.1.2.2 Page 12-144 (paragraph 3)	"In total during the operations phase, the proposed Project will provide approximately 208 person-years of employment for NWT residents"

Comment: Regional employment is expected to increase by drawing northern workers including Aboriginal workers to the Project. De Beers participates in the NWT labour force strategy and is motivated to employ workers from the NWT generally and communities most local to the Project. Project requirements will increase employment opportunities during all phases: construction, operations and closure.

ToR Direction: Will the Project have any impacts on local/regional culture (as a function of harvesting, consumption of traditional foods, and use of traditional language in the home)?

EIS Section Where the Issue is Addressed	Section Text
Section 12.4.2.6 Page 12-105 (paragraph 5)	"Food services will include country foods when available."
Section 12.4.5 Page 12-109 (paragraph 2)	"Incentives may also be provided to employees interested in volunteering their time for social or cultural programs or activities in their home communities."
Section 12.6.2.2.1 Page 12-188 (paragraph 4)	"A recent survey (GNWT Bureau of Statistics 2005) found that Aboriginal males involved in diamond mining continued to hunt and fish (Figure 12.6-11) at a marginally higher rate than other employed Aboriginal males."
Section 12.6.2.2.1 Page 12-190 (paragraph 2)	"Primary Aboriginal language skills have been dropping over the past decade (Table 12.6-28), and in many regions of the NWT began to decline even before the first diamond mines starting employing NWT residents."
Section 12.6.2.2.1 Page 12-190 to 12-191	"A comparison of survey results between 2001 and 2006 shows that use of Tłîchô as the mother tongue ³ has increased by 10% and knowledge ⁴ of Tłîchô has increased by 17% (Statistics Canada 2008d, internet site). The same survey does not explicitly distinguish Chipewyan, but it does identify Dene speakers of which Chipewyan is a sub-set Athapaskan language. There, too, language as a mother tongue has increased by 9% and knowledge of the language by 8%. This period coincides with increasing Aboriginal participation in the diamondmining workforce, the settlement of land claims, and the addition of Aboriginal languages into the school system."

³ Mother tongue means the first language learned at home in childhood and still understood.

⁴ Knowledge of language refers to its use as a second language.

EIS Section Where the Issue is Addressed	Section Text
Section 12.6.2.4 Page 12-198 (paragraph 3)	"Participation in community activities such as harvesting is a direct connection to Aboriginal culture and is a fundamental basis for social identity, and cultural and spiritual survival (Kruse 1991, Natcher 2009, Nuttall et al. 2005, Condon et al. 1995). As mine workers reported, at least some of the time back home is spent "on- the-land" and that working has actually allowed them to continue harvesting activities (Annex K). Therefore, by all standard measures, family and community cohesion should be improving."
Section 12.7.5.3.2 Page 12-299 (paragraph 3)	"The Project is located in the Denesôline traditional area. The Project area is an area in which traditional trapping and hunting used to occur, and through which the Denesôline used to travel to the barren lands to hunt caribou. Today, travel on the land stays closer to Great Slave Lake."
Section 12.7.5.6 Page 12-303 (Table 12.7-21)	Please refer to Table 12.7-21
Section 12.8.5.1 Page 12-340 (paragraph 2)	"It is not clear if the cumulative effects from development will result in a rapid loss of language or a decline in language use. There has been much speculation, and considerable variation by community. Greater emphasis and support for the teaching and use of Aboriginal languages in the workplace, schools, and home may be required to slow language loss, and the success of such efforts is uncertain. Therefore, it is not possible to predict with any certainty what the future holds for language use as a result of the cumulative effects of multiple projects."

EIS Section Where the Issue is Addressed	Section Text
Section 12.8.1 Page 12-306	 "Specifically referenced [in the cumulative effects section] are the following: adding to the impact load already being felt by some potentially affected communities; the effect of the Project and other past, present, and reasonably foreseeable developments on political and social development, cultural landscapes, traditional practices, and language in potentially affected communities; the issue of potentially "lost opportunities". The developer proposes to extract a resource at a time when northerners may not be in a position to fully benefit; contribution of this development to the cumulative long-term effects on communities from an increasing pace of development, considering local capacities to respond to, plan for, and benefit from development; single resource dependency, or overreliance on one economic resource; and if and how the development will contribute to opportunities to diversify the economic base at the local, regional, and territorial levels."

Comment: The Project supports its workforces' desires to maintain important aspects of culture. The rotational schedule allows for maximum time spent in communities. Wage based employment provides the cash needed to pursue activities such as harvesting.

The Project is not in an area where hunting and trapping activity is as prevalent as in the past so it will not directly affect this important aspect of culture.

It is difficult to estimate the effect the Project will have on the use of traditional languages. Other factors such as technology and government policies and programs also influence the use of traditional languages. De Beers will not restrict the use of traditional languages at the Project Site unless safety is compromised.

Table 12.7-21 provides an effective summary of the mitigating actions that will be taken by De Beers to minimize the Project's effect on local/regional culture.

EIS Section Where the Issue is Addressed	Section Text
Section 12.8.1 Page 12-306	 "Specifically referenced [in the cumulative effects section] are the following: adding to the impact load already being felt by some potentially affected communities; the effect of the Project and other past, present, and reasonably foreseeable developments on political and social development, cultural landscapes, traditional practices, and language in potentially affected communities; the issue of potentially "lost opportunities". The developer proposes to extract a resource at a time when northerners may not be in a position to fully benefit; contribution of this development to the cumulative long-term effects on communities from an increasing pace of development, considering local capacities to respond to, plan for, and benefit from development; single resource dependency, or overreliance on one economic resource; and if and how the development will contribute to opportunities to diversify the economic base at the local, regional, and territorial levels."
Section 12.8.2.1	Please refer to table
Page 12-309 (Table 12.8-1)	

ToR Direction: How will long term social changes be dealt with by the Project?

Comment: As acknowledged in the terms of reference, long-term social changes unrelated to the Project made by individuals and communities are not the responsibility of De Beers, however, the EIS should look at the "impact load", on vulnerable populations. This is a cumulative effects issue. Impact load as related to long-term social changes including language loss, time away from traditional activities due to schooling, participation in the wage economy, changes in traditional household roles, etc. was considered as an inherent part of each evaluation including the cumulative effects analysis. Section 12.8 provides further discussion of the long-term social changes that may arise due to the Project. Throughout the document, De Beers has indicated where it could in its Project design or corporate initiatives contribute to activities that communities and individuals feel are important to maintaining acceptable social change (e.g., traditional harvest).

Table 12.8.1 makes reference to the pathways and residual effects of the Project on long-term social, cultural, and economic effects.

Response 4.1.7-6

ToR Direction: Will the Project result in lost opportunities?

EIS Section Where the Issue is Addressed	Section Text
	"The Project proposes to extract a resource at a time when northerners may not be in a position to fully benefit" (p. 12-24).
Section 12.2.4 Page 12-24 (bullet 2) Section 12.4.18 Page 12-114 (paragraph 2)	 [With this in mind,] De Beers has already undertaken the following initiatives to maximize Project-related business opportunities for Aboriginal and NWT businesses. These will continue for the Project. Continue to staff a position with the responsibility to act as a liaison between De Beers, GNWT, Aboriginal groups, and NWT businesses. Provide a business development strategy for Aboriginal groups, and communicate the scope and scale of business opportunities and Project requirements in a timely and effective manner. Identify the Project components during construction, operations, and closure that should be targets for a business development strategy. Identify possible opportunities for joint ventures with Aboriginal businesses. Maintain a NWT business policy that supports the objectives and commitments by De Beers. Share business-related expertise with NWT mine-related business initiatives. Develop a flexible contracting approach by size and scope to match the capacity of Aboriginal businesses, where feasible. Prepare a business opportunities' forecast to
	identify foreseeable procurement requirements of the Project, and provide it to Aboriginal businesses and NWT businesses in accordance with the purchasing priorities set out above (p. 12-114)."

EIS Section Where the Issue is Addressed	Section Text
Section 12.7.3.3	Please refer to section
Page 12-261	
Sections 12.8.1 and 12.8.2	Please refer to sections
Pages 12-305 to 12-321	

Comment: This provides an acknowledgement that northerners may at this point in time not fully benefit from resource extraction. De Beers has, however, committed to its aim of maximizing employment and business opportunities for the NWT and Aboriginal communities.

Because of the concern that northerners may not fully benefit, De Beers has built into the Project design items that will improve the chance of northerners to benefit from Project construction and operations (i.e., provide a business development strategy for Aboriginal groups, and communicate the scope and scale of business opportunities and Project requirements in a timely and effective manner).

It should also be noted that lost opportunities related to hunting are occurring outside of De Beers' control (i.e., limits on caribou harvest).

Response 4.1.7-7

ToR Direction: How will the project increase government revenues (include taxes paid estimate)?

EIS Section Where the Issue is Addressed	Section Text
Section 12.6.1.6.1 Page 12-168 and 12-169	"Combining the direct and indirect changes, the construction of the Project will raise the NWT GDP by \$149.4 million over the two-year period. The induced changes from consumer spending on the part of participating workers will add another \$4.2 million to the overall GDP. The total increase in national GDP will be approximately \$395.3 million over the same two-year construction period. Induced GDP is estimated to equal \$35.2 million (Table 12.6-16). The estimated annual direct and indirect GDP for Canada is \$326.7 million with a total of \$3.6 billion over the 11 years of the mining operations. Induced imparts were estimated at \$257.5 million for Canada."

EIS Section Where the Issue is Addressed	Section Text
Section 12.6.1.6.1 Page 12-170 to 12-174	Please refer to section
Section 12.3.4.5.1 Page 12-60 (paragraph 5)	"With the increased mining and oil and gas activity during the past 10 to 15 years, the GDP of the NWT has grown substantially, for example, from \$3.3 billion in 2003 to \$3.7 billion in 2008. The mining and oil and gas sectors accounted for \$1.4 billion of GDP in 2003 and \$1.3 billion in 2008. During this period, diamond mining has been (and continues to be) the main natural resource extraction activity"

Comment: Diamond mining has accounted for a significant portion of the territorial GDP. The Project will likely have a similar positive effect on territorial GDP.

Response 4.1.7-8

ToR Direction: Will the Project have an effect on single resource dependency?

EIS Section Where the Issue is Addressed	Section Text
Section 12.8.3.1 Page 12-321	"[The Project would act] both as a stimulus to businesses which serve the mining sector establishing themselves in the RSA, and as a stimulus to the development of a skilled, experienced mining sector workforce".

Comment: The positive effect of the Project on GDP is important due to the fact that, as the existing mines reach maturity and the end of production, the Project lessens the effect to a drop in GDP caused by the mines transitioning into the closure and reclamation phases. At present, the territorial economy responds to the activity in the diamond mining sector. To minimize the effects of a decrease in diamond mining activity would required the development of other sectors of the territorial economy.

Some of the skills and training provided to Project employees could be transferable to other sectors (i.e. construction), thus promoting the diversification of the available workforce both during Project operations, and post-closure.

ToR Direction: Will the Project result in changes to the cost of living at varying levels?

EIS Section Where the Issue is Addressed	Section Text
Section 12.6.1.4.2 Page 12-162 (paragraph 1)	"The previous mining operations did not contribute to inflation or other price changes in the NWT in the past decade. Rather, the rate of inflation lagged behind changes in the rest of Canada as evidenced by the CPI. In reality, existing businesses have expanded, new ones have been created, and viable Aboriginal development businesses have emerged furthering the size and extent of economic benefits flowing from the diamond industry. Through all this, inflation has also remained below the Canadian average. This is not unexpected because the economy of the NWT is small and "open" in that there is relatively little domestic production and the demand for most goods and services is filled by imports (i.e., goods are shipped into the NWT, not made in the NWT)."
Section 12.6.3.2.2 Page 12-215 (paragraph 2)	"It is likely that the addition of the Project will have no consequence on the rate of inflation or the cost of living. There is no apparent relationship with previous mine development and costs in the NWT. The cost of living rate is increasing, but this is unrelated to the Project."

Comment: It is unlikely that many of the goods purchased for the Project will originate from within the NWT (i.e., steel, heavy equipment, specialized equipment for processing ore) and thus, inflation may be felt elsewhere in Canada. The Project will not contribute to inflation in the NWT.

- The Project is not likely to impact cost of living. The cost of living in the NWT is primarily related to:
 - rising fuel prices making transportation of goods and services more costly – this is more acute in communities with only seasonal road access;
 - loss of eligibility for subsidized housing when one or more family members enters the wage economy; and
 - change in consumption pattern over time.

These costs of living and inflation trends are expected to continue, with or without the Project. 12-215 (paragraph 2).

Item 4

ToR 5.3.1 (Employment, Training and Economic Development) required a description of how De Beers will require its contractors to have commitments similar to its own for maximizing regional and aboriginal employment.

De Beers Canada Inc. Response

ToR Section Number and Title: 5.3.1 Employment, Training and Economic Development

Response 5.3.1-1

ToR Direction: Will De Beers require contractors to have the same commitments similar to its own for maximizing regional Aboriginal employment?

EIS Section Where the Issue is Addressed	Section Text
Section 12.4.17 Page 12-113 (paragraph 3)	 "All contractors to the Project will be expected to conform to the following general criteria: degree of northern Aboriginal participation"
Section 12.7.1.1.3 Page 12-229 (Table 12.7-1)	 With regard to the procurement strategies of the Project that may result in northern and Aboriginal employment: " verify that hiring and training commitments from contractors are met."

Comment: The Project will require contractors to encourage the same level of Aboriginal participation expected by De Beers.

This policy serves to reinforce De Beer's commitment to enforcing the aforementioned Project policy (page 12-144 [paragraph 1]) pertaining to the expectation that contractors will adhere to the Project's criteria for the degree of northern Aboriginal participation.

ToR Section Number and Title: 5.3.3 Demand on Infrastructure

Response 5.3.3-1

ToR Direction: How will the Project affect pressure on regional centres from inmigration?

EIS Section Where the Issue is Addressed	Section Text
Section 12.7.2.2.1 Pages 12-247 and 12-248	 "Projections of population changes during the life of the Project are as follows: natural increase will remain a net contributor to the NWT's population however, the increase will be at a decreasing rate given a declining birth rate and a rising death rate from an ageing population; net migration into the NWT will, on average, remain negative throughout the forecast period; and modest net out-migration of 250 to 350 people annually. The NWT population is predicted to increase to 44,676 around the year 2025, assuming that any changes in the current major economic projects are allowed to influence the population and labour force of the NWT. With the Project, the NWT population in 2025 would be 44,941 or 265 higher than the current scenario populations

Comment: The Project is not expected to induce in-migration to the NWT and its communities.

Response 5.3.3-2

ToR Direction: Will the Project result in shortages of locally available labour for community services?

EIS Section Where the Issue is Addressed	Section Text
Section 12.8.3.2 Page 12-328 (paragraph 4)	"the rise of the mining industry in the Kitikmeot and Kivalliq regions of Nunavut may have employment and related impacts on the NWT, such as drawing upon experienced labour from existing and planned mining developments. This could possibly generate additional skilled labour shortages in the NWT, which is already being experienced as many businesses need to recruit new employees from outside of the NWT"

Comment: In the context of Section 12.8.3.2, this statement identifies the cumulative potential effects of mining activities in the NWT on skilled labour shortages. It is not anticipated that the Project will create additional long term shortages beyond what is currently experienced particularly when the operating life of the existing mines is considered (Section 12.8.3.4, pg 12-332).

Response 5.3.3-3

ToR Direction: What will the cost be for government to provide service increases and maintain adequate physical infrastructure?

EIS Section Where the Issue is Addressed	Section Text
Section 12.7.2.1.3 Page 12-247 (Table 12.7-7)	Please refer to table

Comment: This table identifies environmental design features and mitigation measures that will reduce the effects of the Project on infrastructure. These features include: private medical services, recycling, the provision of counselling to employees, and the provision of programs for drug and alcohol abuse and addiction.

Response 5.3.3-4

ToR Direction: What will the monitoring and regulatory capacity of government be?

EIS Section Where the Issue is Addressed	Section Text
Section 12.7.2.4.1	Please refer to sections
Section 12.7.2.4.2	
Page 12-254	

Comment: Section 12.7.2.4.1 provides discussion of the past monitoring and reporting practices of mines in the area, and the role and composition of independent monitoring agencies.

Section 12.7.4.2.2 commits De Beers to undertaking project monitoring and reporting as mandated by the regulatory processes (government). This section also notes that De Beers will be providing and increase to revenues and taxes that can be directed to the budget of relevant departments and agencies to carry out their legislated responsibilities.

De Beers Canada Inc.

Response 5.3.3-5

ToR Direction: Will the Project result in an overexertion of human and economic resources?

EIS Section Where the Issue is Addressed	Section Text
Throughout the Document; With particular reference to Section 12.7.2.6 Page 12-256	"There is little evidence that the Project will affect the physical infrastructure or the provision of critical services in the LSA communities The Project is also expected to have a negligible effect on social services or volunteers and, in particular, fire-fighters."
Section 12.7.2.7 Page 12-256 (paragraph 3)	"De Beers has proposed environmental design features that relate to demands on infrastructure, including any effect on social services from in-migration and on volunteerism (Table 12.7-13). De Beers will offer pick-up points throughout the LSA communities. The mine camp will include the necessary facilities to sustain the workforce at the site, including medical personnel accessible 24/7, reducing demand on transport of material and people. With respect to any effect on road infrastructure, De Beers will be paying royalties and taxes to all levels of government that will be allocated as appropriate. De Beers also offers a volunteer incentive, which employees can apply for, and volunteer incentives will be provided to those employees interested in volunteering their time for social or cultural programs or activities in their home communities."

Comment: Sections 12.7.1 and 12.7.2 refer to the Project's effects on human and social resources. Effects on childcare provision, emergency and protective services, volunteering, movement of people from communities, lost opportunities, cost of living, government revenues, and other human and economic resources due to the Project are addressed throughout Section 12.

Section 12.7.2.6 states that the Project will not likely have an effect on physical infrastructure, critical services, social services, or volunteerism. This section details the mitigative measures taken by De Beers in an attempt to reduce or remove negative effects of the Project on social services, volunteerism, medical and emergency services, transportation, physical infrastructure, and cultural activities. This section also notes that De Beers will be paying royalties and taxes to all levels of government.

De Beers Canada Inc.

Response 5.3.3-6

EIS Section Where the Issue is Addressed	Section Text
Section 12.6.2.2.1 Page 12-185	 "Whether there are fewer volunteers because individuals are drawn into rotational work has not been established However, changes in the "helping-out" culture that sustains communities have been linked to participation in the wage economy, as well as to other reasons (Little et al. 2005). The main reasons for no volunteering are the following: confusion over whether they should be paid to volunteer; not feeling that they had the necessary skills to be a volunteer; government programs doing things that used to be done by volunteers; feeling a lack of connection to the community; and not being asked to volunteer."
Section 12.7.2.6 Page 12-256	"The Project is expected to have a negligible effect on social services of volunteers and, in particular, fire-fighters."

ToR Direction: Will the rotational schedule result in an absence of volunteers?

Comment: This statement assesses that there is no clear link between rotational work schedules and volunteerism. General participation in the wage economy may, however, be affecting volunteerism negatively. The Project and the anticipated work schedule is expected to have a negligible effect on volunteering.

Item 5

ToR 5.3.4 (Culture, Heritage and Archaeology) required a comprehensive analysis on potential impacts to cultural activities from the project.

De Beers Canada Inc. Response

ToR Section Number and Title: 5.3.4 Culture, Heritage and Archaeology

Response 5.3.4-1

ToR Direction: The developer must engage communities and document their cultural, heritage and archaeological information for the area within the geographic scope of this review.

Comment: De Beers has endeavoured and continues to endeavour to gather further information from individual communities through engagement activities (Section 4.2.2) with First Nations and Métis communities in the study area. De Beers sought any information that the communities might be willing to share that would further help the company evaluate potential impacts of the Project in order to enhance the Project design and the impact assessment. The extent to which any information is available reflects what has been provided to De Beers during the ongoing engagement activities. De Beers anticipates that further information will be provided during the course of the environmental assessment process.

Response 5.3.4-2

ToR Direction: Reduced involvement in communal activities including communal hunts

EIS Section Where the Issue is Addressed	Section Text
	" Among the actions that are already supported and plan to continue are:
Section 12.4.10	 collaborating with Aboriginal communities on the development and delivery of training programs based on cultural value systems;
	arranging cultural activities as part of the ongoing recreation activities planned at the site;" (Section 12.4.10; Page 12-111)

EIS Section Where the Issue is Addressed	Section Text
	"De Beers considered rotation alternatives in its Project design. The assessment of alternative rotation schedules revealed that the two-weeks-in and two-weeks-out rotation provided the greatest amount of time at home. The daily option does indicate the possibility of being home every day, but after accounting for travel time, the time at home would have largely been limited to sleep except for days off" (Section 12.6.2.2.2; Page 12-359)
Sections 12.7.3.3.4, 12.8.6.3, 12.6.2.2.2, 12.6.2.6, 12.6.2.7	"Participation in the wage economy may not interfere with the pursuit of traditional activities and may actually provide the needed inputs (i.e., money for gas and equipment) to continue with hunting and fishing (GNWT Bureau of Statistics 2005; Hill et al. 1998). In the 2005 GNWT study, Aboriginal males involved in diamond mining hunted and fished at a marginally higher rate than other employed Aboriginal males. In other words, indigenous people may use the wages from development activities to pursue traditional activities, and due to the rotational work may have the time available to go on longer hunting and fishing trips." (Section 12.8.6.3; Page 12-191)
	"While data indicate that, on their time-off, employees continue to participate in traditional activities, change has been occurring related to rotational work. As more and more community members are on rotation, especially young adults, there is the possibility that participation in traditional activities will decline further than it already has in the past two decades." (Section 12.6.2.2.2; Page 12-192)
	"- The residual impact of the Project on family and community cohesion is predicted to be not significant." (Section 12.6.2.7; Page 12-205)

Comment: This topic of the TOR is also closely associated with the ToR 5.3.4 below which describes harvesting success and traditional skill.

Specific communal activities or communal hunts are not discussed in Section 12, however discussions of rotation schedules and potential time at home are provided. This contributes to an understanding of time availability to participate in

communal activities and communal hunts. The rotational schedule provides for a two weeks period to be at home and participate in communal activities. In addition, family and community cohesion – which is affected by communal activities – is also discussed in Section 12. Participation in communal hunts is not expected to be negatively affected by the Project.

The rotational schedule allows time for traditional activities. Choices as to which skills and traditions to maintain and/or pass down to future generations is individual and based on personal values.

Response 5.3.4-3

ToR Direction: Reduced harvesting success and loss of traditional skills.

EIS Section Where the Issue is Addressed	Section Text
Section 12.8.6.3,	"Participation in the wage economy may not interfere with the pursuit of traditional activities and may actually provide the needed inputs (i.e., money for gas and equipment) to continue with hunting and fishing (GNWT Bureau of Statistics 2005; Hill et al. 1998). In the 2005 GNWT study, Aboriginal males involved in diamond mining hunted and fished at a marginally higher rate than other employed Aboriginal males. In other words, indigenous people may use the wages from development activities to pursue traditional activities, and due to the rotational work may have the time available to go on longer hunting and fishing trips." (Section 12.8.6.3; Page 12-359)

EIS Section Where the Issue is Addressed	Section Text
Sections 12.7.3.3.4, 12.6.2.2.2, 12.6.3.3.1	"Although the ZOI from the Project is predicted to alter the movement, behaviour, and distribution of wildlife, animals are expected to use habitats adjacent to the Project. In addition, there are no tourist establishments within the maximum predicted zone of influence around the Project (i.e., 15 km). Therefore, the magnitude of the effect from the Project on the availability of caribou, other ungulates, birds, and carnivores on tourism potential and wilderness character is predicted to be low. There are examples of successful hunting lodges within or near the ZOI of existing diamond mines in the NWT, such as the Lac de Gras hunting camp (located within 9 km of the Misery Pit of the Ekati Diamond Mine) and the MacKay Lake Lodge (approximately 30 km from the Snap Lake Mine)." (Section 12.7.3.3.4; Page 12-264) "Traditional skills will not be passed on as easily as previously because skilled harvesters may be on a different rotation." (Section 12.6.2.2.2; Page 12-192) "However, history also shows that accesss to the wage economy has resulted in a revival of traditional skills (Hill et al. 1998)." (Section 12.6.3.3.1; Page 12-220)

Comment: The Project may have a positive effect on harvesting, as participation in the wage economy provides more money for gas and equipment used in hunting, and because the rotational work schedule allows for large (2 week) periods of time at home.

Response 5.3.4-4

ToR Direction: Loss of Language

EIS Section Where the Issue is Addressed	Section Text
Section 12.7.5.2.2 Page 12-285	"Based on the above trends and programs, it is expected that the Project will have a negligible effect on language use or language loss. Still, recognizing that language loss is of concern and important for cultural maintenance, De Beers will continue to support community cultural programming and will support Aboriginal languages being spoken at the worksite if it does not generate any health and safety issue."
Sections 12.8.5.1 (Page 12-339), 12.7.5.5	Please refer to sections
(Page 12-301), 12.6.2.4 (Page 12-197),	
12.6.2.2.1 (Page 12-190)	

Comment: De Beers acknowledges the concern. The language of the workplace is English but De Beers will not restrict the use of other languages, when safety or training, for example, are not compromised.

Response 5.3.4-5

ToR Direction: Hunting restrictions around the mine site

EIS Section Where the Issue is Addressed	Section Text
Section 12.4.12 Page 12-112 (paragraph 2)	"Workers will not be allowed to hunt or fish while at the site at any time during the life of the Project. No personal firearms will be allowed on-site at any time during the life of the Project." (Section 12.4.12)

Comment: The Project has in place a policy regarding hunting restrictions. Employees will not be permitted to hunt around the mine site.

Response 5.3.4-6

ToR Direction: Potential for growing sense of disempowerment

EIS Section Where the Issue is Addressed			ie is	Section Text
Sections	12.3.4.4.6	(Page	12-44),	Please refer to sections
12.6.2.2.3	(Page	12-192),	12.6.2.4	
(Page 12-197)				

Comment: The effects of the Project on a sense of disempowerment are indirectly addressed within the document as related to the effects on community well-being (see Section 12.3.4.4.6 for discussion of baseline conditions). Examples are as follows:

- Section 12.6.2.2.3 provides a discussion of the effects of mining projects on the pursuit of traditional activities (enhancing effect) and volunteering (neutral or non-existing effect). These activities could be assumed to be important for a sense of Aboriginal empowerment and pride.
- Section 12.6.2.4 describes 'The right way to live', which incorporates traditional activities, language use, and rules/laws, and the effects (both positive and negative) of past mining activity on 'the right way to live'. The right way to live encourages pride and empowerment.