

June 29, 2012

File: S110

Chuck Hubert
Senior Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
PO Box 938
Yellowknife, NT X1A 2N7

Dear Mr. Hubert:

Re: **Environmental Monitoring and Management Framework:
Adaptive Management Advisory Committee Draft Terms of Reference**

As discussed during the Technical Sessions for the Gahcho Kué Project (Project) on May 22-25, 2012, De Beers Canada Inc. (De Beers) is proposing that an Adaptive Management Advisory Committee be established to provide a collaborative and inclusive mechanism to consider monitoring results and adaptive management needs for the Project.

A description of the AMAC approach was provided in the Environmental Monitoring and Management Framework (May 2012). In response to requests for more detail on the AMAC's structure and function, De Beers has prepared a set of draft Terms of Reference.

The AMAC represents a positive step forward for involving communities and regulators in the Project on a regular basis directly with each other and the company. Although this approach may be considered new for diamond mines in the NWT, it's an approach that both encourages participation and has the ability to deal with often complex technical issues, which builds the capacity of all parties to address environmental monitoring and management.

De Beers looks forward to input on the attached draft Terms of Reference and to our continued work with interested parties in the near and long term.

Regards,



Veronica Chisholm
Permitting Manager

attachment: 1 – Adaptive Management Advisory Committee Draft ToR



Gahcho Kué Project
Environmental Monitoring & Management Framework
Adaptive Management Advisory Committee
Draft Terms of Reference
June 2012

BACKGROUND:

The Gahcho Kué Project (Project) is an open pit diamond mine proposed by De Beers Canada Inc. (De Beers) to be located at Kennady Lake approximately 280 km northeast of Yellowknife in the Northwest Territories. If approved, the Project would be the fourth diamond mine to operate in the Northwest Territories.

De Beers is the Project proponent and has explored the Kennady Lake area and studied the surrounding environment since the early 1990s. De Beers also operates the underground Snap Lake Mine located 80 km to the Northwest of the Gahcho Kué Project. De Beers is ISO 14001 certified (an international environmental management system accreditation) and is committed to operating and doing business in the NWT in a socially and environmentally responsible and sustainable manner. De Beers aims to operate in a way that minimizes the impact on the natural environment while maximizing socio-economic benefits. De Beers is also committed to operating in accordance with the principles of sustainable development. This requires all employees and contractors to consider the longer term economic, social, and environmental implications of their decision-making and actions. In all its operations, De Beers treats full compliance with federal and local environmental legislation as the minimal acceptable standard.

Follow-up monitoring and adaptive management are key areas identified during the environmental impact review (EIR) process. As part of the proposed Project Environmental Monitoring & Management Framework (EMMF), De Beers has committed to establish and coordinate an Adaptive Management Advisory Committee (AMAC) for the Project. The AMAC would be tasked with implementing the Adaptive Management Response Framework outlined in the EMMF and will provide an effective follow-up tool and inclusive forum to inform ongoing Project effects monitoring and management.

The following provides more information on the structure and function of the AMAC. This is not a finalized plan for the AMAC, but rather is a draft Terms of Reference (TOR) providing for the AMAC's purpose and how De Beers proposes to coordinate the AMAC. This draft TOR is subject to further refinement based on feedback received from regulators, Aboriginal groups, and the outcome of the EIR process.

AMAC PURPOSE:

The purpose of the AMAC is to consider monitoring proposals, the outcomes of EMMF monitoring program reports and provide input on areas of study and environmental management actions for the Project. The AMAC provides a collaborative structure for participation and learning throughout the Project life. The AMAC is intended to provide a transparent and collaborative system where both

Aboriginal groups and regulators meet together directly with De Beers to provide advice on monitoring and adaptive management.

The AMAC does not replace other community meetings and public engagement activities that De Beers will continue to carry out during the life of the Project. The AMAC also does not replace the mandates and responsibilities of regulators or Aboriginal group departments. Rather, the AMAC is intended to facilitate the involvement of regulators and Aboriginal groups with Project monitoring activities, and ensure that the EMMF and related monitoring programs are undertaken in a coordinated manner and consistent with the regulatory requirements.

AMAC OBJECTIVES:

The AMAC objectives include:

- Review and provide input on monitoring and management proposals
- Review outcomes and provide input on recommendations from monitoring and management reports
- Advise whether adaptive management measures should be implemented
- Review the performance of mitigation and adaptive management measures
- Periodically review management objectives
- Advise on areas for peer review of key documents
- Advise on appropriate forums/venues for annual meetings, as well as the need for additional meetings
- Communicate outcomes of the AMAC to relevant agencies and groups
- Identify emerging issues and or new monitoring concepts to the committee for discussion

AMAC STRUCTURE

The AMAC will likely have two sub-groups: (i) a terrestrial group; and (ii) an aquatics group.

The terrestrial group will evaluate the outcomes of the Wildlife Monitoring Plan, Vegetation Monitoring Plan, Air Quality Monitoring Plan and Closure Plan as it relates to the terrestrial system. De Beers will invite one representative from each of the following regulatory and Aboriginal groups to participate in the terrestrial AMAC sub-group:

1. Regulatory Agencies

- a. Aboriginal Affairs and Northern Development Canada (AANDC)
- b. Government of the Northwest Territories Environment and natural Resources (GNWT-ENR)
- c. Environment Canada (EC)-Canadian Wildlife Service (as required)

2. Aboriginal Groups

- a. Lutsel K'e Dene First Nation (LKDFN)
- b. Yellowknives Dene First Nation (YKDFN)

- c. Deninu Kue First Nation (DKFN)
- d. Tlicho Government
- e. North Slave Métis Alliance (NSMA)
- f. NWT Métis Nation

3. Operator

- a. De Beers

The aquatics group will evaluate the outcomes of the Aquatic Effects Monitoring Program, Groundwater Monitoring Plan, Air Quality Monitoring Plan and Closure Plan as it relates to the aquatic system. De Beers will invite one representative from each of the following regulatory and Aboriginal groups to participate in the aquatic AMAC sub-group:

1. Regulatory Agencies

- a. EC
- b. AANDC
- c. DFO

2. Aboriginal Groups

- a. LKDFN
- b. YKDFN
- c. DKFN
- d. Tlicho Government
- e. NSMA
- f. NWT Métis Nation

3. Operator

- a. De Beers

FUNCTIONAL ROLES AND RESPONSIBILITY

The AMAC meetings are planned to be co-chaired by De Beers and an agency with responsibility for the environmental component under consideration depending on the AMAC sub-group.

AMAC sub-group Co-Chairs will be responsible for:

- Developing draft agendas and meeting materials for distribution to the relevant AMAC sub-group
- Chairing the meeting
- Developing meeting notes and maintaining an action log
- Following up with members on actions

AMAC sub-group participants will be responsible for:

- Participating in meetings
- Sharing results of applicable monitoring and other studies undertaken by their organization

- Reporting on any commitments made by their organization relevant to the Project
- Reviewing outcomes and provide input on recommendations from monitoring and management reports
- Advising whether adaptive management measures should be implemented
- Recommending peer reviewers
- Contributing to annual report that would include record of meetings, key actions, and identified adaptive management measures for consideration
- Reporting back to their agency or Aboriginal groups
- Identifying emerging issues
- Reviewing and providing input on consultant proposals
- Advising on the need to periodically refine the AMAC group processes

De Beers will be responsible for:

- Operating in accordance with applicable legislative requirements, permits, licences and commitments
- Providing monitoring reports for AMAC review
- Coordinating AMAC meetings
- Funding AMAC meetings
- Considering recommendations, advice and guidance provided by the relevant AMAC sub-groups
- Managing consultants
- Implementing mitigation and adaptive management at site

OPERATING GUIDELINES AND GOVERNANCE

The operating guidelines and governance will follow standard rules of order. These will be provided to the AMAC groups for review and approval prior to the first meeting.

Meeting quorum is achieved when 50% of AMAC membership is in attendance. If quorum cannot be achieved within a timely manner, De Beers as the operator remains responsible for ensuring that all relevant legislative requirements, permits and licence conditions, and commitments are implemented.

THIRD PARTY PEER REVIEW

The AMAC will provide advice on where third party review of monitoring reports may be beneficial to the sub-groups. The scope of third party reviews could include providing a review of and recommendations on management and monitoring plans/proposals as well as monitoring/management results. Third party reviews may include both plain language and technical reviews. Review comments and recommendations will be considered by the AMAC.

DELIVERABLES

MEETINGS AND WORKSHOPS

There will be one meeting per year for each of the terrestrial and aquatic AMAC sub-groups. Each meeting will consist of a two-day session. Meetings will be tentatively scheduled for:

- October (terrestrial group)
- February (aquatics group)

Additional meetings and conference calls may be scheduled as needed.

Agendas and meeting materials will be distributed a minimum of ten (10) days in advance of the meetings. Monitoring reports will be available as soon as possible.

A draft Record of Meeting will be circulated for review to the AMAC sub-group members within 10 days of each meeting. Review comments are to be provided by the sub-group members back to the co-chairs within a further 10 days. The final approved minutes will then be completed within 5 days and will constitute the Final Records of Meetings that will be included in the AMAC annual summary report.

REPORTS

1. De Beers annual monitoring reports (one for each of the terrestrial and aquatic AMAC sub-groups)
2. De Beers annual report on commitments
3. Other party report on commitments
4. Records of AMAC Meetings
5. Annual AMAC summary reports
6. Third Party Peer Reports
 - Plain Language
 - Technical Reports

FUNDING

De Beers will provide annual capacity funding for each Aboriginal group to participate in the AMAC. Funding will cover the reasonable costs associated with a community representative participating in two AMAC meetings. Capacity funding will be reviewed annually and adjusted as necessary. De Beers will also coordinate and fund the AMAC meeting venues.