



Mackenzie Valley Environmental Impact Review Board
c/o Ms. JoAnne Deneron
@jdeneron@reviewboard.ca

JUN 04 2018

Dear Ms. Deneron:

EA of the Jay Project (EA1314-01) - GNWT Response to Measure 6-2 (b): Research to design and implement successful caribou offsetting projects

The Government of the Northwest Territories (GNWT), led by the Department of Environment and Natural Resources (ENR) was assigned Measure 6-2(b) by the Mackenzie Valley Review Board in the *Report of Environmental Assessment and Reasons for Decision* (Report of EA) for Dominion Diamond Ekati Corporation's Jay Project (EA1314-01). This letter presents ENR's response to the second half of measure 6-2(b). The first component of measure 6-2(b) will be completed in 2020 when Dominion Diamond Ekati ULC (Dominion, formerly Dominion Diamond Ekati Corporation) submits an updated Caribou Offset and Mitigation Plan (CMP) to ENR for approval, as required by measure 6-2(a) from the Report of EA for the Jay Project.

Measure 6-2(b) states:

The GNWT will measure and evaluate the effectiveness of Dominion's offsets that result from the approved Caribou Offset and Mitigation Plan.

To better enable the GNWT to do this, it will conduct a study on the potential methods for evaluating and measuring the effectiveness of offsetting options described in the approved Caribou Offset and Mitigation Plan. The GNWT will publically report on the results of the study within one year of the approval of the Caribou Offset and Mitigation Plan.

The second component of measure 6-2(b) references an approved CMP. ENR recognizes that the [CMP released by Dominion](#) on May 19, 2017 is not approved. Measure 6-2(a) required Dominion to complete the CMP within one year of the Minister's acceptance of the Report of EA for the Jay Project but did not require ENR to approve the CMP at that time. The first approval of the CMP is required three years after the initial CMP is released, as per measure 6-2(b)(iii).

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Reporting on the results of the study on the potential methods for evaluating and measuring the effectiveness of offsetting options in the CMP at this point in time will allow Dominion to review the study and incorporate it into the CMP and CMP reporting, prior to submitting the plan to ENR for its initial approval.

Attached is *A Preliminary Assessment of Offset Measures for Caribou for the Development of the Dominion Jay Diamond Mine*, completed by Poulton Environmental Strategies, which provides potential methods for evaluating and measuring the effectiveness of offsetting options described in the CMP. One of the assessment's main conclusions is that due to the lack of a clear, measureable relationship between the discrete impacts of the Jay Project and the welfare of the Bathurst herd, the actions proposed in the CMP can only be considered provisional offsets. ENR notes that this is consistent with Dominion's characterization of the approach to offsetting in the CMP:

"Measuring the effectiveness of offsets on the abundance and distribution of the Bathurst herd is predicted to not be possible because of the small residual effects calculated for the Project. However, DDEC committed to compensate for the small residual effects to caribou presented in the Jay Project DAR in the form of enhanced mitigation and financial support for caribou research. While these do not technically represent biodiversity offsets, they are consistent with the intent of offsets. Assuming that the predicted mine-related mechanisms (direct habitat loss, dust and other sensory disturbances, barriers to movement/migration) decrease caribou survival and reproduction rates, then by extension reductions in these effects through successful implementation of the CMP should be considered as a trend towards net-neutral or net-positive benefits on barren-ground caribou populations."

The assessment report also includes a table (Table 1) that ENR recommends Dominion use in its annual reporting on the CMP to measure the effectiveness of its plan. The framework document *Offsetting for Caribou: Toward an Assessment Framework for the Northwest Territories*, which is referenced in the assessment report, is also attached. These attached documents fulfill ENR's obligations under the second paragraph of measure 6-2(b).

The GNWT is working on a policy for offsetting and will publicly share it when it is completed. The attached documents will inform the GNWT policy on offsets but the GNWT position on offsetting is still in development and may change over time.

Please contact Ms. Andrea Patenaude, Wildlife Biologist, at (867) 767-9237, extension #53228 or andrea.patenaude@gov.nt.ca with any questions.

Sincerely,



Dr. Joe Dragon
Deputy Minister
Environment and Natural Resources

Attachments

c. Ms. Jaida Ohokannoak, Chairperson
Independent Environmental Monitoring Agency

Ms. Claudine Lee, Head of Environment, Dominion Diamond Ekati ULC

Dr. April Hayward, Superintendent – Environment
Dominion Diamond Ekati ULC

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

Mr. Julian Kanigan, A/Director, Conservation, Assessment and Monitoring
Environment and Natural Resources

Ms. Lorraine Seale, Director, Securities and Project Assessment, Lands

