

January 22, 2015

Ms. JoAnne Deneron
Chair, Mackenzie Valley Review Board
200 Scotia Centre
P.O. Box 938
Yellowknife, NT
X1A 2N7

RE: Dominion Diamond's Jay Project Timeline

Dear Ms. Deneron,

I am writing to express Dominion Diamond's concerns with the Review Board's timeline for the Jay Project. As you are aware, Dominion Diamond is trying to permit and construct the Jay Project in time to prevent closure of the Ekati Mine in 2019. The Ekati Mine is a fundamental driver of the NWT economy, the largest employer of northern and Aboriginal people in the mining sector in the north and provides many indirect and direct benefits to communities across the north. Extending the life of the Ekati mine would continue the substantive benefits that the Ekati Mine provides to the North for an additional 10 years, all the more important in the face of the planned closure of other mining projects in the NWT.

The Review Board published a timeline in December 2014 that provides for the Review Board's Report of Environmental Assessment in February 2016. Dominion has two primary concerns with the timeline as follows:

- The Public Hearing is scheduled for September, where it appears that it can reasonably be scheduled for August based the preceding time steps. The loss of one month from the schedule for a project of reduced magnitude (i.e., an extension project rather than a new mine) appears unnecessary. Dominion Diamond does not understand the rationale for this delay as our own experience indicates August is a very good time for community engagement.
- A total of 5 months is provided post-Hearing for the Board's Report of Environmental Assessment, which appears unreasonably long for this project (especially in the context of it being a mine extension as opposed to new mine).

Based on the above, Dominion Diamond finds it reasonable that the Review Board could issue its report based on a thorough and effective assessment of the Jay Project by early December 2015, rather than February 2016.

The reason this is a critical consideration is because the loss of these months from the environmental assessment schedule could put at risk Dominion Diamond's ability to begin construction in summer 2016. The late start for construction may mean the project could not begin production in late 2019 possibly resulting in the need to lay-off workers as Ekati runs out of ore to process and unnecessarily jeopardize the overall economic viability of the project.

Let me emphasize, we appreciate the efforts of the Review Board to date on this important project, and we value the constructive working relationship that we share with Board staff. This has been a positive factor in advancing the Jay Project to this point. Because of the criticality of schedule to this project, we ask that you review the timeline again in light of these comments.

Yours sincerely,



Elliot Holland

Vice-President, Projects and Business Development
Dominion Diamond Corporation

c. The Honourable Robert C. McLeod
Minister of Lands

The Honourable J. Michael Miltenberger
Minister of Environment and Natural Resources

The Honourable David Ramsay
Minister of Industry, Tourism and Investment

Richard Bargery
Manager, Permitting – Jay Project