



May 9, 2014

Mackenzie Valley Environmental Impact Review Board  
200 Scotia Centre  
Box 938, 5102-50th Ave  
Yellowknife, NT X1A 2N7

Attention: Executive Director –Mark Cliffe-Phillips

**Re: Update and Notice of Change for Jay Project EA (1314-01)**

Dear Mr. Cliffe-Phillips:

This letter is to notify the *Mackenzie Valley Environmental Review Board* of changes to Dominion Diamond's (DDEC) proposed project EA (1314-01) currently in environmental assessment. As per our discussion on April 29, 2014 with Review Board staff, Dominion's intent is to mine the Jay pipe only and remove the Cardinal Pipe from the project entirely.

The overall result of this change will be to reduce the environmental foot print initially proposed for the Project area in and around Lac du Sauvage. Changes include a significant reduction in the number of roads, less interference with the esker and caribou corridor, and a substantial reduction in the drawdown of Lac du Sauvage correspondingly decreasing the volume of water and fish being displaced with only one horseshoe shaped dike around the Jay pit. The Jay only option also introduces a better water management plan; excluding the North Arm of Lac du Sauvage as the water settling area and using Lynx and Misery Pits for water storage. Water flows are no longer manipulated and Duchess Lake levels are no longer affected.

Beginning on April 28, 2014, DDEC has been meeting with our IBA communities and other stakeholders to provide an initial notification of the change in project. We have met with the following groups to date:

- Government of the Northwest Territories
- Inter-Agency Coordinating Team for the Ekati Mine
  - Representatives from the Department of Fisheries and Oceans Canada and the Department of Environment and Natural Resources, GNWT attended
- Yellowknives Dene First Nations

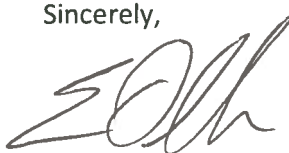
- Lutsel'ke Dene First Nation
- Tlicho Government
- Kitikmeot Inuit Association
- Independent Environmental Monitoring Agency
- North Slave Metis Alliance
- Hamlet of Kugluktuk

The response to this change in the Project has been positive. During our regular quarterly engagement meetings later this month we will be providing more detailed presentations in communities. This will be followed by site visits for youth, elders and leaders and other stakeholders and issue specific workshops in communities in June.

As discussed at our meeting, we will provide the Review Board with an addendum to the Project Description Report in early June, specifically addressing the new aspects of the Project. We anticipate that the *Developers Assessment Report* (DAR) will be submitted in late September, a two month delay from our original target date.

If you have any questions, please feel free to contact me at 867-446-1636 or Eric Denholm, Superintendent, Traditional Knowledge and Permitting at 867-669-6116.

Sincerely,



for

Richard Bargery

Manager, Permitting Jay Project

Cc: Chuck Hubert