



Box 1500
YELLOWKNIFE NT X1A 2R3

November 21st, 2013

Mr. Vern Christensen
Executive Director
Mackenzie Valley Environmental Impact Review Board
PO Box 938
YELLOWKNIFE NT X1A 2P1

Dear Mr. Christensen,

RE: Dominion Diamond Ekati Corporation's (DDEC) Water License (W2013L2-0002) and Land Use Permit (W2013D0007) Applications for the Jay-Cardinal Project

Aboriginal Affairs and Northern Development Canada is committed to ensuring that responsible resource development occurs within the context of sound environmental management in the Northwest Territories. It is within that context that AANDC has reviewed DDEC's Water License and Land Use Permit applications.

AANDC recognizes that DDEC has acknowledged, within the Jay-Cardinal Project Description Report, that:

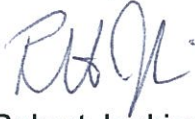
"...based on the larger scope of the diversion and drawdown activities at Lac du Sauvage as compared to previous developments at the Ekati Mine, and the resulting likely level of public concern, an environmental assessment conducted by the MVEIRB is considered the appropriate level of regulatory review." (p. 2-4)

AANDC has weighed its roles and responsibilities with a careful consideration of DDEC's application documents and DDEC's engagement records. Given the scope, scale and magnitude of DDEC's proposed Jay-Cardinal project, and the potential the project presents for impacts to water quantity and quality, AANDC has determined that the proposal might have a significant adverse impact on the environment. Accordingly, under paragraph 126(2)(a) of the *Mackenzie Valley Resource Management Act*, AANDC hereby refers the Jay-Cardinal project with all associated applications to the Review Board for an environmental assessment.

AANDC encourages the Review Board to conduct a thorough yet efficient and effective environmental assessment that appropriately examines the potential for impacts to the environment, and to balance that with a fair assessment of potential effects to the socio-economic environment within the Mackenzie Valley.

If you have any questions please do not hesitate to contact me at (867) 669-2574.

Sincerely,

A handwritten signature in blue ink, appearing to read 'RJ', with a small mark at the end.

Robert Jenkins
Director, Renewable Resources and Environment
Aboriginal Affairs and Northern Development Canada

cc.: Mark Cliffe-Phillips, Executive Director – Wek'eezhi Land and Water Board
Robert Overvold, Head – Environment and Communities, DDEC
Mary Tapsell, Director – Land and Water, ENR-GNWT
Matt Spence, Director General – Northern Projects Management Office