



June 18, 2014

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

Attention: Executive Director – Mark Cliffe-Phillips

**Re: Draft *Terms of Reference* for the Jay Project Environmental
Assessment (EA1314-01)**

Dear Mr. Cliffe-Phillips:

Attached please find a revised *Terms of Reference* (Attachment 1) for the Dominion Diamond Ekati Corporation's proposed Project currently in the environmental assessment process (EA1314-01). This is a revision of the final *Terms of Reference* issued February 21, 2014 for the Jay-Cardinal Project. Also attached is an Addendum to the Jay-Cardinal Project Description (Attachment 2). As per our discussions on April 29, 2014 and June 9, 2014 with Review Board staff, Dominion Diamond Ekati Corporation's intent is to mine the Jay pipe only and remove the Cardinal pipe from the Project entirely. These documents specifically address the new aspects of the Project.

The overall result of this change, only having one horseshoe shaped dike around the Jay Pit, will be to reduce the environmental footprint initially proposed for the Project in and around Lac du Sauvage. Changes include:

- a reduction in the number of roads;
- less interference with the esker and caribou migration route; and,
- a substantial reduction in the drawdown of Lac du Sauvage, correspondingly decreasing the volume of water and fish being displaced.

The Jay only option also introduces a better water management plan by removing the need to use the North Arm of Lac du Sauvage as a water management and settling area. The water management plan now introduces the use of Lynx Pit for permanent storage of Lac du Sauvage lake water, which is consistent with the reclamation plan for this open pit, and

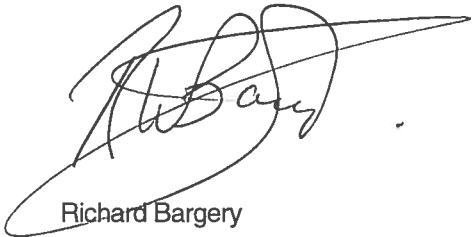
Misery Pit for the storage and management of water with elevated levels of total dissolved solids. This water management plan no longer requires the manipulation of flows throughout operations and the potential for any upstream effects is substantially reduced with water levels no longer being affected in Duchess Lake or Paul Lake.

We understand the responsibility of any changes to the final *Terms of Reference* rest with the Mackenzie Valley Review Board (MVRB). However, to facilitate the review of the required changes and any consultation the MVRB may need to undertake, we have prepared a revised draft of the *Terms of Reference* accommodating the changes from the Jay-Cardinal Project to the Jay Project.

The approach to developing the revised draft of the *Terms of Reference* was to add the required text to capture all new activities and components (highlighted), and potential effects related to the Jay Project. The major requirements specific to Project components that will no longer be developed have been struck-out. Any residual requirements in the Terms of Reference that are no longer required for the Project will be addressed in the *Developer's Assessment Report* (DAR). We anticipate the Review Board will agree with our conclusion that the modifications required to the *Terms of Reference* to encompass the Project change are minor in nature (Attachment 1). We anticipate the 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
Dominion Diamond Ekati Corporation,

A handwritten signature in black ink, appearing to read 'Richard Bargery', with a large, sweeping flourish extending to the right.

Richard Bargery

Manager, Permitting Jay Project

cc: Chuck Hubert, Mackenzie Valley Review Board

Attached