

MAY 10 2012

Ms. Colleen English Superintendent, Sustainable Development, Communities & External Relations Diavik Diamond Mines Inc. PO BOX 2498 YELLOWKNIFE NT X1A 2P8

Dear Ms. English:

DDMI request for GNWT-ENR support to Omit Zone of Influence (ZOI) requirement for Grizzly Bear Monitoring Program

Thank you for your letter dated April 26, 2012 regarding the Joint Regional Grizzly Bear DNA proposal submitted to Environment and Natural Resources (ENR) for review. ENR understands that the monitoring program described in the proposal is a joint endeavour between Diavik Diamond Mines Inc. (DDMI), BHP Billiton Canada Inc., and De Beers Canada Inc. and is meant to address the revised monitoring objective referred to in previous correspondence: determine if mine-related activities influence the relative abundance and distribution of grizzly bears in the study area over time. We also understands that DDMI and BHP intend to initiate data collection in the northern portion of the regional study area in 2012 while De Beers intends to initiate data collection in the southern portion of the regional study area in 2013 pending further discussion with ENR and other stakeholder groups.

In your letter, you indicate that the joint approach will no longer allow DDMI to address the 10 kilometer zone of influence (ZOI) impact prediction for grizzly bears. ENR supports eliminating this requirement from your program as we do not believe that there is strong rationale to continue monitoring for the 10 km ZOI. There are a number of reasons for this:

- It is difficult to determine if there is a 10 km ZOI as current methods are too coarse to detect an effect (i.e., cell size is too big and there are no collared animals).
- If an effect were to be detected, it will be difficult to determine what the underlying driver is, given that the DDMI has a policy of discouraging bears away from mine sites for human safety reasons.
- If a ZOI does exist, it would be limited to a handful of bears, given the size of grizzly bear home ranges in the Northwest Territories (NWT). This means that population impacts of the mine would be hard to detect.

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ENR's recommended approach is for DDMI and other mines to focus on a joint, regionally based monitoring program as it is much more likely to determine if mine-related activities influence the relative abundance and distribution of grizzly bears over time. We are still in the process of reviewing the joint proposal but are pleased by the steps that the mines are taking to adapt their existing monitoring programs for grizzly bears. We look forward to further discussion of this project with all three mines.

We also look forward to reviewing how the other Parties to DDMI's Environmental Agreement have responded to the joint proposal and DDMI's request to eliminate the 10 km ZOI from their existing grizzly bear monitoring program.

Please contact Ms. Nicole McCutchen at Nicole_McCutchen@gov.nt.ca or 867.920.8067 if you have any additional questions.

Sincerely,

Lynda Yonge
Director of Wildlife

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c. Mr. Ernie Campbell Deputy Minister, ENR

> Mr. Jack Bird A/Assistant Deputy Minister, ENR

Mr. Fred Mandeville North Slave Regional Superintendent, ENR

Mr. Robert Mulders Carnivore Biologist, ENR

Mr. Mark Fenwick, Executive Director Environmental Monitoring Agency Board