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November 20, 2013

Brett Wheler Regulatory Specialist Wek'èezhii Land and Water Board #1-4905 48th Street Yellowknife NT X1A 3S3

Dear Mr. Wheler

Re: Comments on Proposed Development of the Jay-Cardinal Project (W2013D0007 and W2013L2-0002)

The Agency has had an opportunity to review the Dominion Diamond Ekati Corp. (DDEC) water licence and land use permit applications for the Jay-Cardinal Project.

Preliminary Screening

In reviewing the applications and supporting documents (including the Project Description), we found a distinct lack of site-specific information or data which are required to properly evaluate the application, as was the case with the recent proposal for the Lynx Pipe development. We reiterate our frequently stated argument that this application will proceed much more quickly and effectively if high quality information and sound analysis are provided early.

We agree with DDEC as stated in its Project Description (pg. 2-4) that there "might be public concern" with the proposed Jay-Cardinal. However, we do not support or agree with the DDEC conclusion that the Jay-Cardinal Project "is not likely to cause significant adverse effects to the biophysical or socio-economic environments" (Project Description, pg. 6-43).

We request that the Wek'eezhii Land and Water Board refer the proposed Jay-Cardinal Project to the Mackenzie Valley Environmental Impact Review Board pursuant to s. 125(1)(a) of the *Mackenzie Valley Resource Management Act* for an Environmental Assessment as there might be public concern with the development and the development might have a significant adverse impact on the environment. The Agency's main recommendation relates to the very high importance of avoiding adverse effects on caribou, on water quality in and around Lac du Sauvage, and on aquatic life there. This can and should require a rigorous evaluation of the alternative means of carrying out the development to avoid such impacts and ensure there is an informed and meaningful discussion of trade-offs.

General Comments

During an Environmental Assessment, the Agency recommends that DDEC, as the developer, provide much more detailed and site-specific information and data in the following areas:

- Alternatives
 - 'alternatives to the project' and 'alternative means of carrying out the project' appear to be confused in various places in the documents submitted;
 - the Environmental Assessment should not be scoped in a manner that only the preferred alternative is reviewed for its impacts, mitigation and residual effects;
 - there needs to be a clear and consistent presentation and analysis of alternative means of carrying out the project with information for a variety of factors such as timing, costs, environmental impacts, advantages and disadvantages to make environmentally sound decisions based on informed trade-offs;
 - alternatives for certain project features such as waste rock piles or pit backfilling, diversion and drawdown, water pipelines and power lines should be treated in a similar manner with a clear and consistent presentation of options;
- Project information and design including;
 - design of the roads (haul roads, access for pipelines and power lines including the necessity for berms and caribou crossings);
 - predicted traffic counts (number and type of vehicles, spacing);
 - the need for other regulatory approvals (e.g. surface leases and possible amendment of the Environmental Agreement) that will be sought;
- Baseline conditions including;
 - wildlife occurrences and distribution in the Lac du Sauvage area that could have been compiled from incidental observations, aerial surveys, collaring programs and sampling such as the grizzly bear and wolverine hair snagging programs;
 - wildlife harvesting in the vicinity of Lac du Sauvage;
 - biological information on fish species in Lac du Sauvage and hydrology, including groundwater;

- Potential project impacts including;
 - impacts to wildlife in general, and caribou in particular including migration and movement;
 - implications for LLCF management in the case where the LLCF may be used for processed kimberlite deposition;
 - cumulative effects on Lac de Gras water quality and aquatic life from Lynx, Misery, Diavik and the proposed Jay and Cardinal Project;
 - cumulative effects on caribou that migrate through the northeast Lac de Gras area from (at least) Lynx, Misery, Diavik and the proposed Jay and Cardinal (reasonably foreseeable);
- Environmental management and monitoring including;
 - more specific details on water management at Lac du Sauvage including dewatering and pit water discharge receiving bodies;
 - specific information on how the AEMP or the SNP may be modified such as proposed monitoring sites and variables to be monitored;
 - air quality monitoring, which is not discussed in relation to Jay and Cardinal and possible effects from road use or blasting;
- Site-specific mitigation including;
 - lessons learned from adaptive management at Ekati to the specifics of the Jay and Cardinal development (e.g., use of caribou crossings on the access roads);
 - measures to reduce road traffic impacts (speed limits, convoy traffic, road closure criteria)
- Closure and reclamation to be undertaken, including;
 - Jay and Cardinal pits (littoral zones and final reconnection with surrounding water bodies); and
 - site-specific remediation measures for roads (e.g., pushing down any berms, scarification of surface, revegetation of slopes).

DDEC has proposed monitoring as a mitigation measure several times in the application documents. Monitoring is used to measure change and the effectiveness of mitigation and is not in itself mitigation.

Given the scale and size of the material submitted to date by DDEC and the fact that this project is likely to be referred for an Environmental Assessment, we have not completed the detailed Comment Table at this time. We look forward to being able to share our views during a scoping session.

We would be pleased to discuss these comments with your staff, DDEC and others to ensure sound environmental management at Ekati.

Sincerely,

M.a. Pore

Bill Ross Chairperson

cc. Society Members Stu Niven, Department of Fisheries and Oceans Sarah Lacey-McMillan, Environment Canada