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UNCLASSIFIED

December 19, 2013

Mr Gord Macdonald Principal Advisor, Sustainable Development Diavik Diamond Mines Inc PO Box 2498 YELLOWKNIFE NT X1A 2P8

Dear Mr. Macdonald:

Aboriginal Affairs and Northern Development Canada (AANDC), the Environmental Monitoring Advisory Board (EMAB), the Government of the Northwest Territories (GNWT) and the Aboriginal Parties have reviewed the Diavik Diamond Mine 2012 Environmental Agreement Annual Report pursuant to Section 12.1 of the Diavik Diamond Project Environmental Agreement (the Environmental Agreement).

AANDC has received comments on the Annual Report, as per Section 12.1 (e) of the Environmental Agreement. Comments from EMAB (encl), the GNWT (encl), the North Slave Métis Alliance (encl), the Yellowknives Dene First Nation (encl), Lutsel K'e Dene First Nation (encl) and the Tlicho Government (encl) were received by AANDC and are provided for your consideration. Comments that AANDC provided to Diavik Diamond Mines Inc. (DDMI) on the draft Annual Report in a letter dated June 5, 2013 also apply to the 2012 Annual Report submitted on October 22, 2013 (encl).

Section 12.1(f) of the Environmental Agreement requires that, "within ninety (90) days of the receipt by the Minister of the Annual Report, the Minister shall advise DDMI whether such annual report is satisfactory or whether the Minister has determined that such Annual Report is deficient." AANDC, after reviewing the 2012 Annual Report and after reviewing comments submitted by EMAB and the Parties, finds the content of the 2012 Annual Report in accordance with Section 12.1(c) to be unsatisfactory.

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Under Section 12.1(h) of the Environmental Agreement, DDMI now has 60 days from receipt of this Minister's Report to reply and provide a revised Annual Report or an addendum which satisfactorily addresses the deficiencies described in this Minister's Report.

If you have any comments or concerns, please contact Marc Lange, Manager of Environment and Conservation, at (867) 669-2588. AANDC officials will be available to meet with DDMI at a mutually acceptable time in order to discuss revisions that DDMI makes to the 2012 Annual Report.

Sincerely,

Kathryn Bruce

Regional Director General

NWT Region

Encl.

c.c.: Colleen English

Ernie Campbell

Joel Holder

David Akeeagok

Grand Chief Edward Erasmus

Chief Dora Enzoe

Chief Edward Sangris (Dettah)

Chief Ernest Betsina (N'dilo)

Bill Enge

Charlie Evalik

Arnold Enge

Mark Fenwick