PROJECT AGREEMENT FOR THE VICTOR DIAMOND MINE EXTENSION IN ONTARIO

PREAMBLE

The Canadian Environmental Assessment Agency (CEA Agency) has commenced an environmental assessment (EA) pursuant to the Canadian Environmental Assessment Act, 2012 (CEAA 2012) for De Beers Canada Incorporated’s (the Proponent) Victor Diamond Mine Extension (the Project).

De Beers Canada Incorporated proposes the construction, operation and decommissioning of a second pit and additional ancillary components, approximately 6.5 kilometres northwest of the existing Victor Diamond Mine, located approximately 100 kilometres west of the Attawapiskat First Nation, in Ontario. The second pit is expected to have an ore production capacity of just over 9,000 tonnes per day with a mine life of roughly seven years.

The CEA Agency and the Ontario Ministry of Environment and Climate Change have agreed to coordinate the federal and provincial EAs to the extent possible pursuant to the Canada-Ontario Agreement on Environmental Assessment Cooperation.

Nothing in this Project Agreement (the Agreement) fetters the powers, statutory authorities and functions of federal departments/agencies and their respective Ministers.

The signatories to this Agreement (the Parties) commit to work together to facilitate an effective, accountable, transparent, timely and predictable federal review in relation to the proposed project and to contribute to fulfilling the Crown’s duty to consult Aboriginal groups.

1.0 PURPOSE

The purpose of this document is to provide detailed information pertaining to the federal review process where the CEA Agency is the responsible authority during the EA. For further information regarding the federal review process, please refer to The Federal Review Process for Major Projects: Project Agreement Companion Document (the Companion Document) (www.mpmo-bggp.gc.ca).

2.0 ROLES AND RESPONSIBILITIES

The following federal departments and agencies have identified an interest in the Project, and will participate in the federal review:

- Responsible authority: The CEA Agency will ensure that an EA is conducted, an EA Report is prepared and that an EA Decision Statement is issued;

- Federal authorities (FAs): Fisheries and Oceans Canada (DFO), Natural Resources Canada (NRCan), Environment Canada (EC), Health Canada (HC) and Transport Canada (TC) may be in possession of specialist or expert information or knowledge with respect to the Project;

- Regulatory departments: DFO has, and TC and NRCan may have regulatory and statutory duties in relation to the Project;

- Aboriginal Affairs and Northern Development Canada has advisory responsibilities in relation to the Project to support consistency with the Government of Canada’s Whole of Government approach to Aboriginal consultation activities; and,
• The Major Projects Management Office will provide oversight and advice throughout the entire federal review in relation to the Project to ensure adherence to the service standards and roles and responsibilities of all Parties as described in the Agreement and the Companion Document.

3.0 Aboriginal Consultation

The Parties are committed to a Whole of Government approach to Aboriginal consultation that is integrated with the EA and regulatory process, to the extent possible. For more information on the Whole of Government approach, including roles and responsibilities of departments and agencies, as well as coordination during the project review, please refer to Annex I of the Companion Document.

Where applicable, the terms and conditions of all existing agreements or protocols and/or MOUs between the Crown and Aboriginal groups will be respected.

4.0 TIMELINES

Timelines identified in the Agreement represent the time expected to be taken by federal departments and agencies in carrying out their respective tasks. The timelines do not account for time taken by the Proponent to collect information or undertake a study at the request of the CEA Agency during the EA or regulatory departments during the regulatory phase. The target timelines for the federal review are as follows:

  a) Completion of the EA, as per CEAA 2012 – 365 days from the posting of the Notice of Commencement (NoC) on the Canadian Environmental Assessment Registry Internet Site (CEARIS) to the Minister of the Environment’s (the Minister) EA Decision Statement about whether the project is likely to cause significant adverse environmental effects.

  b) Regulatory decisions pursuant to the Fisheries Act, and the Navigation Protection Act (NPA) – 90 days from receipt of a complete application assuming the Minister’s EA Decision Statement has been posted on the CEARIS and no additional consultation is required.

  c) Regulatory decision pursuant to the Explosives Act – 1 month from the submission of a complete and acceptable application for an Explosives Factory Licence assuming the Minister’s EA Decision Statement has been posted on the CEARIS.

  d) If appropriate, issue an Order in Council (OIC) exemption under s.24 of the NPA – 11.5 months from the EA course of action decisions posted on the CEARIS
5.0 SIGNATORIES

The Parties hereto have signed the Agreement, in counterpart, on the dates indicated below.

Original signed by ____________________________ 2015-01-16
Bob Hamilton  
Deputy Minister  
Natural Resources Canada

Original signed by ____________________________ 2015-01-21
Ron Hallman  
President  
Canadian Environmental Assessment Agency

Original signed by ____________________________ 2015-01-20
Matthew King  
Deputy Minister  
Fisheries and Oceans Canada

Original signed by ____________________________ 2015-01-21
Yazmine Laroche  
Associate Deputy Minister  
Infrastructure Canada  
(on behalf of Louis Lévesque  
Deputy Minister, Transport Canada)

Original signed by ____________________________ 2015-02-05
Michael Martin  
Deputy Minister  
Environment Canada

Original signed by ____________________________ 2015-01-21
Colleen Swords  
Deputy Minister  
Aboriginal Affairs and Northern Development Canada
# Annex I

**Key Milestones and Service Standards for the Environmental Assessment and Aboriginal Consultation**

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Lead</th>
<th>Support As Needed</th>
<th>Timeline/Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Post the Notice of Commencement (NoC) on the CEARIS</td>
<td>CEA Agency</td>
<td>FAs</td>
<td>June 4th, 2013</td>
</tr>
<tr>
<td>2 Public and Aboriginal group comment period on the draft EIS Guidelines</td>
<td>CEA Agency</td>
<td>FAs</td>
<td>June 4, 2013 to July 4, 2013</td>
</tr>
<tr>
<td>3 Finalize the EIS Guidelines and provide to the Proponent</td>
<td>CEA Agency</td>
<td>FAs</td>
<td>August 2, 2013</td>
</tr>
<tr>
<td>4 Submit the EIS and EIS Summary</td>
<td>Proponent</td>
<td>CEA Agency, FAs</td>
<td>To be determined by the Proponent</td>
</tr>
<tr>
<td>5 Perform conformity check of the EIS</td>
<td>CEA Agency</td>
<td></td>
<td>Day 60-66 (7 Days)</td>
</tr>
<tr>
<td>6 Public and Aboriginal group comment period on the EIS summary</td>
<td>CEA Agency</td>
<td>FAs</td>
<td>Starting between day 67 and 90 (for a duration of 30 Days)</td>
</tr>
<tr>
<td>7 Federal authorities review and provide comments on the EIS to the CEA Agency</td>
<td>FAs</td>
<td>CEA Agency</td>
<td>Day 67-106 (40 Days)</td>
</tr>
<tr>
<td>8 CEA Agency reviews and provides information requests on the EIS to the Proponent</td>
<td>CEA Agency</td>
<td>FAs</td>
<td>Day 67-117 (51 days)</td>
</tr>
<tr>
<td>9 Submit response to information requests</td>
<td>Proponent</td>
<td>CEA Agency, FAs</td>
<td>To be determined by the Proponent</td>
</tr>
<tr>
<td>10 Federal authorities review and provide comments on the additional information to the CEA Agency</td>
<td>FAs</td>
<td>CEA Agency</td>
<td>Day 118-147 (30 Days)</td>
</tr>
<tr>
<td>11 CEA Agency reviews and provides information requests on the additional information to the Proponent</td>
<td>CEA Agency</td>
<td>FAs</td>
<td>Day 118-152 (35 Days)</td>
</tr>
<tr>
<td>12 Prepare the draft Environmental Assessment Report (EAR)</td>
<td>CEA Agency</td>
<td>FAs</td>
<td>Day 153-225 (73 Days)</td>
</tr>
<tr>
<td>13 Public and Aboriginal group comment period on the draft EAR</td>
<td>CEA Agency</td>
<td>FAs</td>
<td>Day 226-255 (30 Days)</td>
</tr>
<tr>
<td>14 Federal authorities review and provide comments on the draft EAR to the CEA Agency</td>
<td>FAs</td>
<td>CEA Agency</td>
<td>Day 226-260 (35 Days)</td>
</tr>
<tr>
<td>15 Finalize the EAR and submit to the Minister</td>
<td>CEA Agency</td>
<td>FAs</td>
<td>Day 261-335 (75 Days)</td>
</tr>
<tr>
<td>16 Minister makes EA Decision Statement</td>
<td>Minister</td>
<td>CEA Agency</td>
<td>Day 336-365 (30 Days)</td>
</tr>
<tr>
<td>17 Issue and post the Minister’s EA Decision Statement on the CEARIS</td>
<td>CEA Agency</td>
<td></td>
<td>Day 365 (0 Days)</td>
</tr>
</tbody>
</table>

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1. If the EIS is not ready to proceed to the comment period, the proponent will be asked to submit a new EIS.
2. More than one round of additional information may be required.
3. In the event that the Minister of the Environment determines that a project will result in significant adverse environmental effects, the Minister must refer the matter to the Governor in Council as to whether the effects are justified in the circumstances. If this decision were to occur, the timelines identified in this step do not apply.
Annex II

Gantt Chart: Target Timelines for the EA

The Gantt chart is a baseline against which the timelines, identified in the Agreement expected to be taken by federal departments and agencies in carrying out their respective tasks for the EA, will be tracked. The timelines do not account for time taken by participants who are not signatories to this Agreement, such as the Proponent, provinces, Aboriginal groups, the public or other stakeholders.
The Gantt chart is a baseline against which the timelines, identified in the Agreement expected to be taken by federal departments and agencies in carrying out their respective tasks for the Regulatory Phase, will be tracked. The timelines do not account for time taken by participants who are not signatories to this Agreement, such as the Proponent, provinces, Aboriginal groups, the public or other stakeholders.
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