



Mackenzie Valley Land and Water Board
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July 21, 2016

File: MV2005L2-0015

Ms. Sarah McLean
De Beers Canada Inc.
Gahcho Kué Project
Suite 300, 5120-49th St.
Yellowknife NT X1A 1P8

Email: Sarah.McLean@debeersgroup.com

Dear Ms. McLean:

**Board Decision on Request to Modify Compliance Date – Final Detailed Construction Plans for the Operational Diffuser
Water Licence MV2005L2-0015**

The Mackenzie Valley Land and Water Board (MVLWB or the Board) met on July 21, 2016 and reviewed De Beers Canada Inc.'s (De Beers) request to modify the compliance date for submission of the Final Detailed Construction Plans for the Operational Diffuser in accordance with Part B, item 7 of Water Licence MV2005L2-0015.

The Board acknowledges the submission of the Final Detailed Construction Plans for the Operational Diffuser, submitted July 11, 2016, and hereby grants the request to modify the compliance date for the commencement of construction of this engineered structure from 60 days to 30 days. The Board understands this will allow De Beers to initiate construction of the Operational Diffuser and minimize any safety or logistical concerns.

The Board would like to bring to De Beers' attention that requests to modify a compliance date have been made multiple times. The reason for these timelines in the Water Licence is to ensure there is adequate time for a proper public review process. When making these requests, please take this into consideration.

The full cooperation of De Beers is anticipated and appreciated. If you have any questions or concerns, please contact Angela Love at (867) 766-7456 or email angela.love@mvlwb.com.

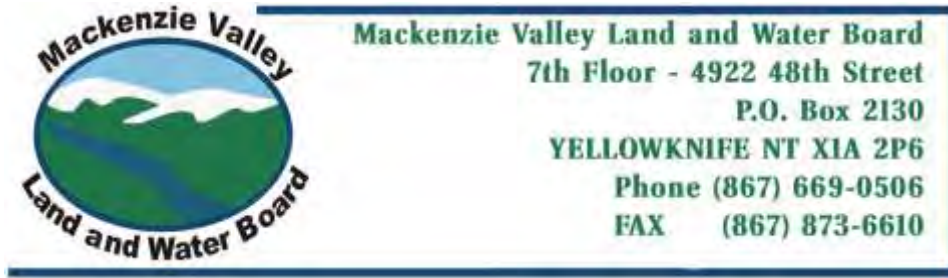
Yours sincerely,

A handwritten signature in black ink, appearing to read "F. M. Adlem".

Floyd Adlem
MVLWB A/Chair

Copied to: Distribution List

Attached: Reasons for Decision



Reasons for Decision

Issued pursuant to section 72.25 of the *Mackenzie Valley Resource Management Act* and section 54 of the *Waters Act*

Water Licence	
Preliminary Screener	MVLWB
Reference/File Number	MV2005L2-0015
Proponent	De Beers Canada Inc. – Gahcho Kue
Submission/Project	Modify a Compliance Date – Final Detailed Construction Plans

**Decision from Mackenzie Valley Land and Water Board
Meeting of**

July 21, 2016

Background

Final Detailed Construction Plans for the Operational Diffuser are required under Part E, item 11 of the Licence MV2005L2-0015, which states:

“A minimum of sixty (60) days prior to the commencement of Construction of any Engineered Structures, the Licensee shall submit to the Board, the Final Detailed Construction Plans, in accordance with Schedule 4, item 2.”

De Beers has submitted these Final Detailed Construction Plans on July 11, 2016, and also included a request to modify the compliance date for this submission as per Part B, item 7 of the Licence which states:

“The Schedules, the Surveillance Network Program, and any compliance dates specified in this Licence may be amended at the discretion of the Board. If any compliance dates for the submission of a plan, report, or program falls on a weekend or holiday, the plan, report, or program shall be submitted on the following business day.”

De Beers has requested this compliance date change from the 60 days referenced in Part E, item 11 above (September 9, 2016) to 30 days (August 10, 2016) because it would allow De Beers to install the diffuser during an ice-free season. Installation in August is preferred because the weather is more favorable and there are fewer safety and logistical concerns.

Pubic Review

The Final Detailed Construction Plans are not for Board approval; however, the request to modify the compliance date is. As such, Board staff forwarded the request to the Government of the Northwest Territories (GNWT) - Inspector for notification and for any input on the request. On July 13, 2016, the GNWT - Inspector commented that they did not have any concerns with the request and was pleased to see detailed engineering plans.

Security

The GNWT currently holds \$23,776,270.00 in reclamation security for the Gahcho Kué Project for Licence MV2005L2-0015. De Beers' next deposit of security (in the amount of \$40,713,234) is due prior to year 4 of Operations (the end of mining of the Hearn Pit).

Decision

After reviewing the submissions of the Proponent, the written comments received by the Board and the Staff report prepared for the Board, the Board, having due regard to the facts and circumstances, the merits of the submissions made to it, and to the purpose, scope, and intent of the MVRMA and the *Waters Act* and Regulations made thereunder, has decided to approve the request to modify the compliance date for the submission of the Final Detailed Construction Plans for the Operational Diffuser from 60 days to 30 days as submitted July 11, 2016 to fulfill Part E, item 11 of Water Licence MV2005L2-0015.

SIGNATURE

Mackenzie Valley Land and Water Board



Floyd Adlem, A/Chair

July 21, 2016

Date