



Mackenzie Valley Land and Water Board
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April 24, 2018

File: MV2005L2-0015

Ms. Sarah McLean
De Beers Canada Inc.
Environment and Permitting Manager
Suite 300 – 1601 Airport Road NE
Airport Corporate Center
Calgary, AB T2E 6Z8

Email: Sarah.McLean@debeersgroup.com

Dear Ms. McLean:

Water Licence MV2005L2-0015 – Request to Change Schedule
De Beers Canada Inc. – Gahcho Kue Project, Kennady Lake, NT

On April 19, 2018, the Mackenzie Valley Land and Water Board (MVLWB or the Board) received De Beers Canada Inc.'s (De Beers) request to change Schedule 3, item 1(b) of Water Licence (Licence) MV2005L2-0015. This request was submitted under Part B, condition 7 of Licence MV2005L2-0015 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.

Should De Beers seek to change the volume of water allotted in the current Licence MV2005L2-0015, as identified in Part D, condition 2 and schedule 3, item 1, an amendment would be required, as it involves a change to the use of water, which includes volume.

Under paragraph 36(1)(b) of the *Waters Act*, the Board may:

- (b) amend, for a specified term or otherwise, any condition of a licence*
 - (i) on the application of the licensee,*
 - (ii) to deal with a water shortage in any water management area, or*
 - (iii) in any other case, where the amendment appears to the Board to be in the public interest*

As outlined in paragraph 41(2)(b) of the *Water Act*, this would require a mandatory hearing:

- (2) Subject to subsection (3), a public hearing shall be held by the Board if the Board is considering*
 - (b) an amendment to a type A licence pursuant to which the use, flow or quality of waters, or the term of the licence, would be altered;*

It is noted that De Beers has already requested an increase to this volume of water, with an amendment application, which was submitted to the Board on March 19, 2018 and deemed complete on March 29, 2018. The process for that amendment application includes a variety of opportunities for community engagement, including a public hearing currently scheduled for July 25-26, 2018.

Should De Beers choose to submit a separate amendment application for this change in water volume, to expedite the process, please note that a similar process requiring opportunities for community engagement, would also need to take place prior to the Board making a decision and submitting a recommendation to the Minister of Environment and Natural Resources (this process would require a minimum of 6 months).

It is recognized that leaving the change in volume in the current amendment, or initiating a new amendment process, will not allow De Beers to remain compliant with their Licence should they be unable to resolve the current water issue. De Beers should engage in further discussions with the Resource Management Officer III (Inspector) on the potential issues as they are responsible for compliance and enforcement.

If you have any questions or concerns, please contact Kierney Leach at (867) 766-7470 or email kleach@mvlwb.com.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Chris Hotson', is written over a light grey rectangular background.

Chris Hotson
Regulatory Manager

Copied to: Joseph Heron, Resource Management Officer III, GNWT-Department of Lands
Nathen Richea, Director, GNWT-Environment and Natural Resources
Paul Green, A/Manager, GNWT-Environment and Natural Resources
Rick Walbourne, Regulatory and Science Advisor, GNWT-Environment and Natural Resources