



OCT 05 2018

Sarah McLean  
Environment and Permitting Manager  
De Beers Canada Inc. Snap Lake Mine  
SUITE 300, 5120 - 49 STREET  
YELLOWKNIFE NT X1A 1P8

Dear Ms. McLean:

**Mackenzie Valley Land and Water Board - De Beers Canada Inc. - Snap Lake Mine  
Type A Water Licence MV2011L2-0004 - Acceptance of Security Deposit**

The Government of the Northwest Territories (GNWT), Department of Environment and Natural Resources (ENR) formally acknowledges receipt of an original Irrevocable Standby Letter of Credit (ILOC) Amendment 1 dated September 20, 2018 for the amount \$7,677,708.00 (or a reduction of \$2,405,770.00) which was issued by the Bank of Nova Scotia on behalf of De Beers Canada Inc. On September 24, 2018, the ILOC amendment was received by our office. The security deposit is further described in Attachment 1 - Summary Table.

The security deposit is required in accordance to Part C, Items 1, 3, and 6 and Schedule 2, Part C, Item 1 of Water Licence MV2011L2-0004 and as stated in the Mackenzie Valley Land and Water Board's letter dated June 20, 2018. The security deposit is acceptable to GNWT - ENR as prescribed by Section 35. (1) of the *Waters Act* and Section 11. (3) of the *Waters Regulations*. The security deposit will be held in safekeeping by our Director, Treasury and Superintendent of Insurance, Department of Finance.

Currently, the Department holds security deposits in the amount of \$27,844,664.00 as required by the Board. The three existing security deposits not required by the Department will be returned to De Beers Canada Inc. and will be addressed by a separate letter.

If you have any further comments or questions, please contact Mr. Rick Walbourne, Acting Manager, Water Regulatory at (867) 767-9234 ext. 53113 or email [Rick.Walbourne@gov.nt.ca](mailto:Rick.Walbourne@gov.nt.ca) or Mr. David Jessiman, Water Management Advisor, at (867) 767-9234 ext. 53114 or email [David.Jessiman@gov.nt.ca](mailto:David.Jessiman@gov.nt.ca).

Sincerely,

Nathen Richea  
Director  
Water Resources Division

Attachment

c. De Beers Group of Companies, Calgary

North Slave Regional Office, Department of Lands  
Government of the Northwest Territories

Treasury and Superintendent of Insurance, Department of Finance  
Government of the Northwest Territories

Mackenzie Valley Land and Water Board

**Attachment 1 - Summary Table:**

**Mackenzie Valley Land and Water Board**

**De Beers Canada Inc. - Snap Lake Mine**

**1. Type A Water Licence MV2011L2-0004**

**Acceptance of Security Deposit**

**a) Security deposit - ILOC - BNS - OSB13862GWS**

	<b>Water Licence</b>	<b>ILOC No.</b>	<b>Date</b>	<b>Amount</b>
1.	MV2011L2-0004	Bank of Nova Scotia No. OSB13862GWS	April 16, 2015	\$10,083,478.00
2.	MV2011L2-0004	Bank of Nova Scotia No. OSB13862GWS Amendment 1 security deposit reduction (\$2,405,770.00) and bank address changes only	September 20, 2018	\$7,677,708.00

**b) Security deposit - ILOC - BNS - OSB13863GWS**

	<b>Water Licence</b>	<b>ILOC No.</b>	<b>Date</b>	<b>Amount</b>
1.	MV2011L2-0004	Bank of Nova Scotia No. OSB13863GWS	April 16, 2015	\$10,083,478.00

**c) Security deposit - ILOC - BNS - OSB13864GWS**

	<b>Water Licence</b>	<b>ILOC No.</b>	<b>Date</b>	<b>Amount</b>
1.	MV2011L2-0004	Bank of Nova Scotia No. OSB13864GWS	April 16, 2015	\$10,083,478.00