



Mackenzie Valley Land and Water Board
7th Floor - 4922 48th Street
P.O. Box 2130
YELLOWKNIFE NT X1A 2P6
Phone (867) 669-0506
FAX (867) 873-6610

June 19, 2014

File: MV2014D0010

Mr. Glen Koropchuk
Chief Operating Officer, Yellowknife Projects
De Beers Canada Inc., Snap Lake Mine
Suite 300 - 5120 - 49th Street
YELLOWKNIFE NT X1A 1P8 Email: glen.koropchuk@debeerscanada.com

Dear Mr. Koropchuck:

**Issuance of Type A Land Use Permit
Fuel Storage, Snap Lake Diamond Mine, NT**

Attached is Land Use Permit MV2014D0010 granted by the Mackenzie Valley Land and Water Board (MVLWB) in accordance with the *Mackenzie Valley Resource Management Act* (MVRMA). The MVLWB has approved this Permit for a period commencing June 19, 2014 and expiring February 15, 2016.

Please read all conditions carefully making particular note of Land Use Permit condition # 21 regarding the posting of a security deposit. Pursuant to section 32 of the Mackenzie Valley Land Use Regulations and as delegated under Schedule A of the Delegation Instrument under the MVRMA, this deposit, **payable to the Government of the Northwest Territories** in the total amount of \$300,000.00 shall be posted with Government of the Northwest Territories, Department of Lands, North Slave Region, #16 Yellowknife Airport, Yellowknife NT, X1A 3T2. Please send a copy of the receipt for the security deposit to the MVLWB office prior to the start of your operation.

Please note, as per condition 17, an updated Waste Management Plan shall be submitted to the Board for approval within 60 days of issuance.

De Beers is encouraged to continue its engagement activities.

The Board hereby approves the Spill Contingency Plan dated May 6, 2014.

Please note that the federal Minister has delegated powers, duties, and functions with respect to securities for land use permits on non-federal lands and the designation of inspectors for use of land on non-federal lands to the Minister of Lands of the Government of the Northwest Territories through the Delegation Instrument (see attached).

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A copy of all related correspondence and documents has been filed on the Public Registry at the office of the MVLWB. Please be advised that this letter, its attached procedures, inspection reports, and related correspondence is part of the Public Registry and is intended to keep all interested parties informed of the manner in which the Permit's requirements are being met. All Public Registry material will be considered if an amendment to the Permit is requested.

The full cooperation of De Beers Snap Lake is anticipated and appreciated. If you have any questions or concerns, please contact Rosanna Nicol at (867) 766-7467 or email rnicol@mvlwb.com.

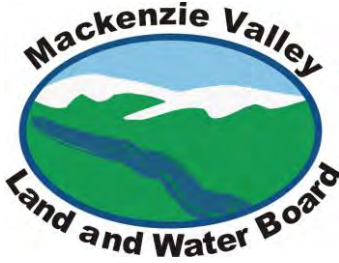
Yours sincerely,

A handwritten signature in black ink, appearing to read 'W. Hagen', with a stylized flourish at the end.

Willard Hagen
Chair

Copied to: Distribution List

Attachments: Land Use Permit MV2014D0010
Reasons for Decision
Delegation Instrument



Land Use Permit

Permit Class	Permit No	Amendment No
A	MV2014D0010	

Subject to the Mackenzie Valley Land Use Regulations and the terms and conditions in this Permit, authority is hereby granted to:

De Beers Snap Lake

Permittee

to proceed with the land use operation described in the Application of:

Signature Mrs. Alexandra Hood	Date April 15, 2014
Type of Land Use Operation Diamond Mining	
Location Snap Lake, NT	

This Permit may be assigned, extended, discontinued, suspended, or cancelled pursuant to the Mackenzie Valley Land Use Regulations.

Dated at Yellowknife this 19 day of June, 2014

Signature Chair

Signature Witness

Commencement Date

June 19, 2014

Expiry Date

February 15, 2016

ATTENTION

It is a condition of this Permit that the Permittee comply with the provisions of the *Mackenzie Valley Resource Management Act* and Regulations and the terms and conditions set out herein. A failure to comply may result in suspension or cancellation of this Permit.

Conditions Annexed to and Forming Part of Land Use Permit # MV2014D0010

Part A: Scope of Permit

1. This Permit entitles DeBeers Canada Inc. (De Beers or the Permittee) to conduct the following land-use operation:

De Beers may conduct the following activities associated with mining at the Snap Lake Diamond Mine site (63°35'30" N, 110°52'00" W):

- i. The storage of fuel; and
- ii. Construction of Fuel Storage Facilities.

2. The Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, item 1 of this Permit.

3. Compliance with the terms and conditions of this Licence does not excuse the Licensee from its obligation to comply with the requirements of any applicable Federal, Territorial, Tłıchq, or Municipal laws.

Part B: Definitions (defined terms are capitalized throughout the Permit)

Act - the *Mackenzie Valley Resource Management Act*.

Board - the Mackenzie Valley Land and Water Board established under Part 4 of the *Mackenzie Valley Resource Management Act*.

Fuel Storage Facilities - The Fuel Storage Facilities as described in Land Use Permit Application for increased fuel storage dated April 15, 2014.

Inspector - an Inspector designated by the Minister under the *Mackenzie Valley Resource Management Act*.

Minister - the Minister of Indian Affairs and Northern Development.

Spill Contingency Plan - a document, developed in accordance with Aboriginal Affairs and Northern Development Canada's *Guidelines for Spill Contingency Planning* (April 2007), that describes the set of procedures to be implemented to minimize the effects of a spill.

Waste Management Plan (WMP) - a document, developed in accordance with the Board's *Guidelines for Developing a Waste Management Plan*, that describes the methods of waste management from waste generation to final disposal.

Part C: Conditions Applying to All Activities

Condition	Category
26(1)(a) Location and Area	
1. The Permittee shall not conduct this land-use operation on any lands not designated in the complete application.	Location of Activities
26(1)(b) Time	
2. At least 48 hours prior to the commencement of this land-use operation, the Permittee's Field Supervisor shall contact an Inspector at (867) 765-6655.	Contact Inspector
3. At least 48 hours prior to commencement of this land-use operation, the Permittee shall provide the following information, in writing, to the Board <u>and</u> an Inspector: a) the name(s) of the person(s) in charge of the field operation; b) alternates; and, c) all methods for contacting the above person(s).	Identify Agent
4. At least ten days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of: (a) the plan for removal or storage of equipment and materials; and (b) when final cleanup and reclamation of the land used will be completed.	Reports Before Removal
26(1)(c) Type and Size of Equipment	
5. The Permittee shall not use any equipment except of a similar type, size, and number to that listed in the complete application.	Only Approved Equipment
26(1)(d) Methods and Techniques	
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26(1)(e) Type, Location, Capacity, and Operation of All Facilities	
6. The Permittee shall ensure that the land use area is kept clean at all Times.	Clean Work Area

26(1)(f) Control or Prevention of Ponding of Water, Flooding, Erosion, Slides, and Subsidence of Land

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| 7. The Permittee shall not conduct off-road vehicle travel in areas without snow-covered surfaces. | Off-road Vehicle Travel |
| 8. The land-use operation shall not cause obstruction to any natural drainage. | Natural Drainage |
| 9. The Permittee shall minimize erosion by installing erosion control structures as the land-use operation progresses. | Progressive Erosion Control |
| 10. The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting. | Suspend Overland Travel |

26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material

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| 11. The Permittee shall dispose of all waste petroleum products by removal to an approved disposal facility or by incineration in a device designed for this purpose, as described in the approved Waste Management Plan. | Waste Petroleum Disposal |
| 12. The Permittee shall dispose of all Toxic Material as described in the approved Waste Management Plan. | Waste Chemical Disposal |
| 13. The Permittee shall maintain a record of all spills. For all reportable spills, in accordance with the GNWT Spill Contingency Planning and Reporting Regulations, the Permittee shall:
a) immediately report each spill to the 24-hour Spill Report Line (867) 920-8130;
b) report each spill to an Inspector within 24 hours; and
c) submit, to the Board and an Inspector, a detailed report on each spill within 30 days. | Report Spills |

26(1)(h) Wildlife and Fish Habitat

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| 14. The Permittee shall take all reasonable measures to prevent damage to wildlife and fish Habitat during this land-use operation. | Habitat Damage |
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26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage

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| 15. The Permittee shall submit for approval to the Board an updated Waste Management Plan within 60 days of issuance. | Waste Management Plan |
| 16. The Permittee shall adhere to the Waste Management Plan, once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | Waste Management |

26(1)(j) Protection of Historical, Archaeological, and Burial Sites

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| 17. The Permittee shall not operate any vehicle within 30 metres of a known or suspected archaeological site unless otherwise authorized in writing by the Inspector. | Operate Vehicle |
| 18. The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site. | Disturbance of Site |
| 19. The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered: (a) immediately suspend operations on the site; and (b) notify the Board at (867) 669-0506 or an Inspector at (867) 765-6655, and the Prince of Wales Northern Heritage Centre at (867) 920-6182 or 873-7688. | Site Discovery and Notification |
| 20. The Permittee shall ensure that all persons working under authority of the Permit are aware of these conditions concerning archaeological land use activity. | Notification to Employees |

26(1)(k) Objects and places of recreational, scenic, and ecological value

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26(1)(l) Security Deposit

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| 21. Prior to the commencement of the land-use operation, the Permittee shall deposit with the Minister a security deposit in the amount of \$300,000.00. | Security Deposit |
| 22. All costs to remediate the area under this Permit are the responsibility of the Permittee. | Responsibility for Remediation Costs |

26(1)(m) Fuel Storage

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| 23. The Permittee shall locate all fuel storage containers within the Fuel Storage Facilities, unless otherwise authorized in writing by the Inspector. | Fuel Storage Facilities |
| 24. The Permittee shall maintain a dyke around the Fuel Storage Facilities. The Permittee shall ensure that the dyke and the area enclosed by the dyke shall be impermeable to petroleum products at all time. | Dyke Fuel Storage Facilities |
| 25. The volume of the dyked area shall be 10 percent greater than the capacity of the largest fuel container placed therein. | Capacity |
| 26. A certified double-walled tank will be deemed to satisfy requirements of an impermeable dyke. | Double-Walled Tank |
| 27. The Permittee shall not allow petroleum products to spread to surrounding lands or Watercourses. | Fuel Containment |
| 28. The Permittee shall:
a) Examine all fuel storage containers for leaks a minimum of once
b) every day; and
c) Repair all leaks immediately. | Check for Leaks |
| 29. The Permittee shall mark all Fuel Storage Containers and Tanks with the Permittee's name. | Mark Containers |
| 30. The Permittee shall adhere to the Spill Contingency Plan, once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | Spill Contingency/ Plan |
| 31. The Permittee shall ensure that adequate contingency plans and spill kits are in place, prior to commencement of operations, to respond to any potential spills. | Spill Response |
| 32. The Permittee shall clean up all leaks, spills, and contaminated material. | Clean Up Spills |

26(1)(n) Methods and Techniques for Debris and Brush Disposal

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26(1)(o) Restoration of the Lands

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26(1)(p) Display of Permits and Permit Numbers

33. The Permittee shall keep a copy of this Permit on hand at all times during this land-use operation. **Copy of Permit**

26(1)(q) Biological and Physical Protection of the Land

34. All revised plans submitted to the Board shall include a brief summary of the changes made to the plan. **Summary of Changes**



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7th Floor - 4910 50th Avenue
P.O. Box 2130
YELLOWKNIFE NT X1A 2P6
Phone (867) 669-0506
FAX (867) 873-6610

Reasons for Decision

Issued pursuant to paragraph 40(2)(c) of the *Mackenzie Valley Land Use Regulations* (MVLUR) and section 121 of the *Mackenzie Valley Resources Management Act* (MVRMA)

Land Use Permit Amendment Application	
Preliminary Screener	MVLWB
Reference/File Number	MV2014D0010
Applicant	DeBeers Canada Inc.
Project	Diamond Mining, Snap Lake, NT

Decision from Mackenzie Valley Land and Water Board Meeting of

June 19, 2014

With respect to this Application, notice was given in accordance with sections 63 and 64 of the MVRMA. There was no public hearing held in association with this Application.

Decision

The Board is satisfied that:

- the development was screened by the MVLWB on June 19, 2014 pursuant to the MVRMA;
- any potential adverse environmental effects are insignificant or mitigable with known technology; and
- there is no likelihood that the proposed development might be a cause of public concern.

After reviewing the submissions of the Applicant, 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 Regulations made thereunder, has determined that:

Land Use Permit MV2014D0010 be issued subject to the terms and conditions contained therein.

The Board's reasons for this decision are as follows:

- The Board is satisfied that appropriate consultation has been conducted and that advice has been sought and considered, in accordance with sections 63 and 64 of the MVRMA.
- It is the opinion of the Board that the terms and conditions attached to MV2014D0010, pursuant to the MVRMA, will ensure that any potential environmental impacts resulting from this development are not significant.
- The use of land proposed by the Applicant is of a nature contemplated by the MVRMA.
- The Board has notified the Applicant, through a statement included in the scope of this Permit, that compliance with the terms and conditions of this Permit has no effect on the Permittee's responsibility for compliance with the requirements of any other legislation.
- The operation will likely contribute to the socio-economic well-being and economic development of the region.
- The Board has reviewed the information contained in the June 3, 2014 Staff Report regarding environmental impacts and/or public concerns.
- The Board has requested that DeBeers Canada Inc. post security in the amount of \$300,000.00 to address the costs of abandonment of the land use operation and restoration of site, in accordance with section 32(1) and (2) of the MVLUR. This is based on the cost to remove two fuel storage containers in accordance with estimates from the RECLAIM model submitted as part of the Water Licence MV2011L2-0004 renewal process in 2011.

Land Use Permit MV2014D0010 contains provisions that the Board feels necessary to ensure and monitor compliance with the MVRMA and the Regulations made thereunder and to provide appropriate safeguards in respect of the Applicant's use of the land affected by the Permit.

SIGNATURE

Mackenzie Valley Land and Water Board



Chair

June 19, 2014

Date

Ministre des Affaires autochtones
et du développement du Nord



Minister of Aboriginal Affairs and
Northern Development

Ottawa, Canada K1A 0H4

MAR 27 2014

The Honourable Robert C. McLeod
Minister of Lands
Government of the Northwest Territories
PO Box 1320
YELLOWKNIFE NT X1A 2L9

Dear Minister McLeod:

As per section 3.17 of the Northwest Territories Lands and Resources Devolution Agreement, it was agreed that certain, powers, duties and functions of the federal Minister under the *Mackenzie Valley Resource Management Act* would be delegated to a territorial minister. Section 4(1) of the *Mackenzie Valley Resource Management Act* provides me, as Minister of Aboriginal Affairs and Northern Development, the authority to delegate any of my powers, duties and functions under the Act, by instrument in writing, to a territorial minister designated by the Commissioner of the Northwest Territories.

Therefore, please find attached a copy of the Delegation Instrument, which delegates the powers, duties and functions under the *Mackenzie Valley Resource Management Act* to you, as Minister of Lands, with respect to securities for land use permits on non-federal lands; the designation of inspectors for use of land on non-federal lands; receiving and distributing reports from the Mackenzie Valley Environmental Impact Review Board for developments wholly on lands outside a federal area; the participation in decisions following environmental assessments and environmental impact reviews for developments wholly on lands outside a federal area; and the extension of time limits for environmental assessments and environmental impact reviews for developments wholly on lands outside a federal area (other than extensions requiring GIC approval).

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Thank you for your collaboration on the *Mackenzie Valley Resource Management Act*.
I look forward to our continued collaboration, post-devolution.

Sincerely,

A handwritten signature in black ink, appearing to read "Bernard Valcourt". The signature is fluid and cursive, with a large initial "B" and a long, sweeping underline.

Bernard Valcourt, PC, QC, MP

Encl.

c.c.: The Honourable George L. Tuccaro, Commissioner of the Northwest Territories
Premier Bob McLeod, Government of the Northwest Territories

DELEGATION OF AUTHORITY UNDER THE MACKENZIE VALLEY RESOURCE
MANAGEMENT ACT

Whereas under section 3.17 of the Northwest Territories Lands and Resources Devolution Agreement certain powers, duties and functions of the Minister of Indian Affairs and Northern Development under the *Mackenzie Valley Resource Management Act* are to be delegated to a minister of the Government of the Northwest Territories designated by the Commissioner of the Northwest Territories;

Whereas certain other powers, duties and functions of the Minister of Indian Affairs and Northern Development under the *Mackenzie Valley Resource Management Act* are to be delegated to a minister of the Government of the Northwest Territories designated by the Commissioner of the Northwest Territories;

Whereas the Commissioner of the Northwest Territories has designated the Minister of Lands as the minister of the Government of the Northwest Territories who may be delegated certain powers, duties and functions of the Minister of Indian Affairs and Northern Development under the *Mackenzie Valley Resource Management Act*;

Therefore, pursuant to subsection 4(1) of the *Mackenzie Valley Resource Management Act*, I, the Minister of Indian Affairs and Northern Development, do hereby delegate the Minister of Lands for the Government of the Northwest Territories as the person who may exercise the powers and perform the duties and functions under this Act as specified in the attached Schedule A.

This instrument takes effect as of April 1, 2014 and remains in effect until revoked in writing.

Dated this 27th day of March, 2014.



The Honourable Bernard Valcourt / Minister of Indian Affairs and Northern Development
L'honourable Bernard Valcourt / Ministre des Affaires indiennes et du Nord canadien

SCHEDULE A :

POWERS, DUTIES AND FUNCTIONS UNDER THE MACKENZIE VALLEY RESOURCE MANAGEMENT ACT

Definitions:

The terms used in this Schedule have the same meaning ascribed to them in the *Mackenzie Valley Resource Management Act*.

Powers, duties and functions under Part 3 of the Act:

1. The approval of the form of security and the holding of security furnished under subsection 71(1), notification of the furnishing of security under subsection 71(2), the application of security under subsection 71(3), and the refund of any security under subsection 71(5) in respect of land use permits, other than for a land use permit in respect of a federal area.
2. The designation of inspectors in relation to the use of lands under subsection 84(1), other than in respect of a federal area.

Powers, duties and functions powers under Part 5 of the Act:

3. The receipt of reports from the Mackenzie Valley Environmental Impact Review Board and the distribution of such reports under paragraphs 128(2)(a) and 134(3)(a) where a development is wholly on lands outside a federal area.
4. The participation in decisions made following consideration of the reports referred to in subsection 128(2) and the distribution of such decisions, under paragraphs 130(1)(a) and (b), and subsections 130(1.1), 130(2), 130(3), 130(4) and 130(4.01) where a development is wholly on lands outside a federal area.
5. The participation in decisions made following consideration of the reports referred to in subsection 134(3), and the distribution of such decisions, under sections 135 and subsections 136(1) and 136(1.1) where an environmental impact review has been ordered under subparagraph 128(1)(b)(i), paragraph 128(1)(c), 130(1)(a),

subparagraph 130(1)(b)(ii) or paragraph 131(1)(b) and a development is wholly on lands outside a federal area.

6. The power to extend time-limits for environmental assessments and environmental impact reviews, under subsections 128(2.2), 130(4.03), 132(5), 134(1.2), 134(4) and 136(1.2) for a development wholly on lands outside a federal area.

Transitional provisions:

7. Paragraphs 3 to 6 do not apply with respect to a report that has been made to the federal Minister prior to April 1, 2014 under paragraphs 128(2)(a) or 134(3)(a).