



October 20, 2016

File: MV2016C0030

Mr. Rory O. Moore, President and CEO
Kennady Diamonds Inc.
#900-999 West Hastings St.
Vancouver, B.C., V6C 2W2

Email: rmoore@kennadydiamonds.com

Dear Mr. Moore:

**Further Study Required
Advanced Exploration – Kennady North Project**

The Mackenzie Valley Land and Water Board (MVLWB or the Board) met on October 20, 2016 to consider your Application for Land Use Permit (Permit) MV2016C0030. The Board determined that under paragraph 22(2)(b) of the Mackenzie Valley Land Use Regulations, further study needs to be conducted. This Permit Application was submitted in conjunction with an Application to amend Water Licence MV2013L2-0005, and the Board has decided that as the Applications are for activities related to the same project, they should be reviewed and considered by the Board together.

A determination will be made by the Board on Permit Application MV2016C0030 at the same time as the Water Licence Amendment Application MV2013L2-0005.

If you have any questions or concerns regarding this letter, please contact Shannon Allerston at (867) 766-7458 or email sallerston@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
Clint Ambrose, GNWT Lands Inspector

Attachment: Reasons for Decision



Reasons for Decision

Issued pursuant to paragraph 22(2)(b) of the *Mackenzie Valley Land Use Regulations* (MVLUR)

Land Use Permit Application	
Preliminary Screener	MVLWB
Reference/File Number	MV2016C0030
Applicant	Kennady Diamonds Inc.
Project	Kennady North Project, Kennady Lake, NT

Decision from Mackenzie Valley Land and Water Board Meeting of

October 20, 2016

Background

KDI has applied for a new Type A Land Use Permit MV2016C0030 and an amendment to their existing Type B Water Licence MV2013L2-0005 to expand exploration activities at the Kennady North Project from enhanced to advanced explorations. These activities include bulk sampling and valuation of the Kelvin kimberlite and further delineation of the Faraday kimberlites.

- September 27, 2016 – Application received;
- October 7, 2016 – Application deemed complete and sent for review;
- **October 20, 2016 – Staff recommendation to invoke paragraph 22(2)(b) of the MVLUR presented to the Board for decision; and**
- November 18, 2016 – 42-day timeline for the Application.

Decision

Due to the fact that the Permit Application is directly associated with the Licence Amendment Application and was submitted in conjunction with it, the Board is of the opinion the two Applications should be reviewed and processed together. In order to accommodate the time required for public review of the Applications, drafting and distribution of a draft Permit and draft, amended Licence for review and comment, and preparing briefing materials to inform the Board’s decision on the Applications, the Board decided to invoke paragraph 22(2)(b) of the MVLUR, to allow further study to be conducted for the Permit Application.

SIGNATURE

Mackenzie Valley Land and Water Board

October 20, 2016

Floyd Adlem, A/Chair

Date