



## Staff Report

<b>Applicant:</b> Kennady Diamonds Inc.	
<b>Location:</b> Kennady Lake, NT	<b>Application:</b> MV2016C0030
<b>Date Prepared:</b> October 11, 2016	<b>Meeting Date:</b> October 20, 2016
<b>Subject:</b> Land Use Permit Application – Further Study Required	

### 1. Purpose/Report Summary

The purpose of this Report is to request that the Mackenzie Valley Land and Water Board (Board) consider that further studies or investigations be made for Land Use Permit (Permit) Application MV2016C0030; submitted by Kennady Diamonds Inc. (KDI); under paragraph 22(2)(b) of the Mackenzie Valley Land Use Regulations (MVLUR) to allow for additional time to gather information with the associated amendment to Type B Water Licence MV2013L2-0005 regulatory process.

### 2. Background

- 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.

### 3. Discussion

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.

KDI has specifically requested the following additions to its existing operations:

- increase in extraction from 1,200 to 5,000 tonne/yr bulk sample;
- construction and operation of an underground decline to access the Kelvin and Faraday kimberlite deposits for bulk sampling;
- construction and operation of a multi-purpose laydown and camp area (approximately 5 ha);
- construction and operation of a pioneer all-season airstrip (approximately 1,650 m by 45 m) to accommodate larger aircraft for workers and resupply;

- construction and operation of limited all-season roads linking the winter road to the laydown, airstrip, declines, and drilling locations at the Faraday and Kelvin deposits;
- construction and operation of a new 140-person mobile camp on the laydown area and consolidation of existing Kelvin Camp modules with this new camp;
- quarrying and/or the use of cut and fill to obtain material for roads, laydown area and airstrip as necessary;
- increase in use of explosives (including mixing and storage) for quarrying and construction of the decline;
- installation and operation of a portable bulk sample processing plant (< 100 tonnes/d); and,
- increase to the size and quantity of various types of equipment (e.g., trucks, loaders, underground equipment) as well as the amount of fuel storage allowed on site in order to accommodate the proposed activities.

Section 22(2) and paragraph 22(2)(b) of the MVLUR read as follows:

(2) Subject to sections 23.1 and 24, if the Board does not return an application under paragraph (1)(a), it shall, within 42 days after receipt of the application,

(b) conduct a hearing under section 24 of the Act or require that further studies or investigations be made respecting the lands proposed to be used in the land use operation and notify the applicant in writing of the reasons for the hearing, studies or investigations.

#### **4. Conclusion**

Due to the fact that the Permit Application is directly associated with the Licence Amendment Application and submitted in conjunction with it, Board Staff are of the opinion the two Applications should be reviewed and processed together. In order to accommodate the time required for review of the Applications, drafting and distribution of a draft Permit and draft amended Licence for review and comment, and bringing the Applications to the Board for decision, Board staff recommend that the Board invoke paragraph 22(2)(b) of the MVLUR, to allow further study to be conducted for the Permit Application.

#### **5. Recommendation**

Board staff recommend that the Board invoke paragraph 22(2)(b) of the MVLUR to allow for additional time to gather information with the associated amendments to the existing Type B Water Licence MV2013L20005 regulatory process

## 6. Attachments

- Application:

[New Land Use Permit and Water Licence Amendment Cover Letter](#)  
[Land Use Permit Application](#)  
[Water Licence Amendment Application](#)  
[Project Description](#)  
[Waste Management Plan](#)  
[Spill Contingency Plan](#)  
[Engagement Plan](#)  
[Pre-Application Engagement Summary](#)  
[Closure and Reclamation Plan](#)  
[Wildlife Mitigation and Monitoring Plan](#)  
[Rock Management Plan](#)  
[Quarry Management Plan](#)  
[Advance Exploration - Screening Level EIA](#)  
[Stream Crossings](#)  
[Mineral Tenure](#)  
[Proposed Studies Plan](#)  
[Explosives Management Plan](#)  
[Glossary of Terms](#)  
[Abbreviation List](#)  
[RECLAIM Security Estimate \(Proponent\)](#)

- Draft Reasons for Decision
- Draft Decision Letter from the Board

Respectfully submitted,



Shannon Allerston  
Regulatory Officer