1. **Purpose**

The purpose of this Report is to present to the Mackenzie Valley Land and Water Board (MVLWB/the Board) a request that the Board consider that further studies or investigation be made for the Type A Land Use Permit (Permit) MV2017D0032 Amendment Application as per paragraph 22(2)(b) of the Mackenzie Valley Land Use Regulations (MVLUR). This will allow for additional time to gather information in conjunction with the associated Type A Water Licence (Licence) MV2019L2-0004 Renewal Application. These applications were submitted by De Beers Canada Inc. (De Beers) to address activities associated with the closure and post-closure phases of the Snap Lake Mine.

2. **Background**

   • October 12, 2017 – Issuance of Permit MV2017D0032;
   • April 29, 2019 – Amendment Application received;
   • May 3, 2019 – Board staff requested further information;
   • May 6, 2019 – De Beers submitted an updated Amendment Application;
   • May 8, 2019 – Review commenced;
   • May 17, 2019 – Reviewer comments and recommendations due and received;
   • May 30, 2019 – Responses due;
   • **June 6, 2019** – **Further Studies Required request presented to the Board**; and
   • June 19, 2019 – end of 42-day timeline.

3. **Discussion**

   **Project History**

   The Snap Lake Mine is a former underground diamond mine located about 220 kilometers northeast of Yellowknife in the Northwest Territories. Diamond mining ceased at the mine on December 4, 2015 when De Beers announced that the mine would be placed in temporary closure, also referred to as care and maintenance. Since that time, the mine has been managed in Extended Care and Maintenance (ECM). During ECM, De Beers evaluated options for the future of the mine, including a) selling the mine to a
competent buyer, b) continuing to manage the site in extended care and maintenance, c) re-opening the mine, or d) closing the mine.

While options were under consideration, De Beers continued to progressively reclaim and maintain the site, as per the Interim Closure and Reclamation plan and associated Extended Care and Maintenance Plan. Progressive reclamation activities undertaken included contouring and capping of portions of the North Pile, removal of equipment, temporary closure of the portals to the underground, decommissioning of the process plant, and other activities. After it became apparent that a competent buyer could not be found, and that the mine would not be re-opened by De Beers, the decision was reached to allow the underground to flood with groundwater. This allowed for the cessation of pumping of mine water to the surface for treatment and discharge to Snap Lake. Following the flooding of the underground, in December of 2017 notification was given that De Beers intended to transition the mine from ECM to closure and that a Final Closure and Reclamation Plan would be prepared.

Description of Amendment Application

On April 29, 2019, De Beers submitted an Amendment Application for their Type A Permit MV2017D0032. Following review, Board staff requested further information which was submitted on May 6, 2019. De Beers has applied for the following changes:

I. Condition 1: to allow for a temporary camp to be located at a new location.
   a. **Existing Condition Wording:** The Permittee shall use an existing campsite, as described in the complete application.
   b. **Proposed Condition Wording:** The Permittee shall locate all camps on Durable Land or previously cleared areas.

II. Condition 50: to allow for an adjustment to the financial security and alignment with the planned activities associated with closure and post-closure phases.

III. Updates to several management plans that apply to both the Licence and Permit. These include the:
   a. Final Closure and Reclamation Plan
   b. Engagement Plan V.2
   c. Spill Contingency Plan V.4
   d. Waste Management Plan V.4
   e. North Pile Management Plan V.3

Engagement

An Engagement Record was included in the Amendment Application. De Beers noted they engaged with the following parties:

- Deninu Kue First Nation
- Łutsel K’ee Dene First Nation
- North Slave Métis Alliance
- Northwest Territory Métis Nation
- Tlicho Government
- Yellowknives Dene First Nation
- Snap Lake Environmental Monitoring Agency
Associated Renewal Application

On April 1, 2019, De Beers submitted a Renewal Application for their Type A Licence MV2019L2-0004 (to replace the existing MV2011L2-0004 Licence set to expire June 13, 2020). The public review of the application was initiated on April 12, 2019. In the Application, De Beers identified activities that were proposed for the closure and post-closure phases, some of which would require an update to the security, which triggered the need to amend the associated Permit MV2017D0032 and included various management plans to support the application.

4. Comments

Description of Request

According to paragraph 22(2)(b) of the MVLUR, the Board shall, within 42 days of receipt of a complete application, conduct a hearing or require that further studies or investigation 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. In its cover letters for both the Water Licence Renewal Application and the Land Use Permit Amendment Application, De Beers acknowledges that the activities proposed for the closure and post-closure phases would require an update to the land and water securities held by the Government of Northwest Territories. De Beers also acknowledges that the Water Licence Renewal Application included several updated management plans that apply to both the Water Licence and Land Use Permit, including the Engagement Plan, the Spill Contingency Plan, the Waste Management Plan, the North Pile Management Plan, and the Final Closure and Reclamation Plan.

Public Hearings for the Snap Lake Mine Water Licence Renewal Application are scheduled in a work plan for October 2019. The Type A Land Use Permit MV2017D0032 Amendment Application is directly associated with the Type A Water Licence MV2019L2-0004 Renewal Application. In order to allow the Board, reviewers, and De Beers time to review and discuss recommendations on the Applications, Board staff suggest that it is prudent for the Board to assess the Snap Lake Mine Applications as a whole. Additional information, further studies or investigations are required respecting the lands proposed to be used in the land use operation. These include the assessment of the proposed closure objectives/options/criteria outlined in the Final Closure and Reclamation Plan as they are directly linked to both land and water activities and ultimately the security. In order to allow a procedurally fair process, review of all land use activities in concert with water use and waste deposits through the Type A Water Licencing Renewal process is recommended.

The time required to obtain the additional information described above will facilitate the concurrent review and processing of the Snap Lake Mine Water Licence Renewal Application and Land Use Permit Amendment Application.

5. Security

Current security is in the amount of $27,844,664 as per Part C, condition 1 and Schedule 1, condition 1 of Licence MV2011L2-0004 and in the amount of $51,118,424.00 as per Condition 50 of Permit MV2017D0032.

Security will be reassessed during the Permit Amendment and Licence Renewal Applications.
6. Conclusion

Board staff suggest that additional information respecting the proposed activities for the closure and post-closure phases of Snap Lake Mine are required. In order to accommodate the time required for further studies or investigations to address the outstanding information, as well as to provide adequate time for reviewers to consider the Land Use Permit Amendment Application in line with the associated Water Licence Renewal Application, the Board could invoke paragraph 22(2)(b) of the MVLUR.

7. Recommendation

Board staff recommend the Board **make a motion to invoke paragraph 22(2)(b) of the MVLUR** for Land Use Permit Amendment Application MV2017D0032 to allow additional time to gather information respecting the proposed activities for the closure and post-closure phases of Snap Lake Mine.

A draft decision letter is attached.

8. Attachments

- **Permit Amendment Application**
  - Attachment 1: Site Plan to Scale
  - Attachment 2: Land Use Permit Application Form
  - Attachment 3: Equipment List
  - Attachment 4: Fuel Volumes
  - Attachment 5: Engagement Record
- **Supporting Documents:**
  - Final Closure and Reclamation Plan
    - Financial Security Analysis Report
  - Engagement Plan V.2
  - Spill Contingency Plan V.4
  - Waste Management Plan V.4
  - North Pile Management Plan V.3
- **Draft Decision Letter from the Board**

Respectfully submitted,

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Regulatory Specialist