

DE BEERS GROUP

December 31, 2019

Nahum Lee
Resource Management Officer III
North Slave Regional Office
Department of Lands
Government of Northwest Territories
Yellowknife NT X1A 3T2

Angela Love
Regulatory Officer
Mackenzie Valley Land and Water Board
7th Floor, 4922 48 Street P.O. Box 2130
Yellowknife, NT X1A 2P6

Dear Mr. Lee and Ms. Love,

Re: Notification of Mineral Exploration Drilling Activities

In reference to Condition 7, Part C, of the De Beers Canada Gahcho Kué Project Land Use Permit MV2018C0001 (Dated: May 10, 2018), please accept this notification that the Project will be commencing Mineral Exploration Drilling Activities scheduled to begin in late February 2020. The precise target locations will be forwarded after interpretation of the ongoing Geophysics Ground Program in early February.

The primary contacts for the operations associated with the permit are as follows:

Contact Name	Position	Phone	Email Address
Kevin Gostlin	Senior Technical Services Manager	416.645.1695 ext.6628	Kevin.Gostlin@debeersgroup.com
Crystal Mann	Technical Services Manager	416.645.1695 ext.6766	Crystal.Mann@debeersgroup.com
Allan Knight / Ryan Marshall	Environmental Coordinator	416.645.1695 ext.6621	Allan.Knight@debeersgroup.com Ryan.Marshall@debeersgroup.com

De Beers Canada inc.

1601 Airport Road NE Suite 300 Calgary Alberta T2E 6Z8
Tel + 1 403 930 0991 | www.debeersgroup.com/canada | info.canada@debeersgroup.com
Incorporated in Canada | Registration number 889569596

A member of the Anglo American plc group

DE BEERS GROUP

Should you have any questions or concerns regarding this notification of commencement, please do not hesitate to contact me or any of the above-listed personnel at your convenience.

Regards,



Allan Knight
Environmental Coordinator
De Beers Canada Inc.

Cc: Colleen Hughes, DBCI
Ryan Marshall, DBC

Attachments:
MV2018C0001 – 2020 – On-Going Exploration

MV2018C0001 – Type A Land Use Permit – Amendment #1: May 10, 2018
Mineral Exploration, Gahcho Kue, NT

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On-going exploration

- 11 targets of interest: 3 targets drill ready; 8 targets recommended for ground geophysics
- Two phases with off-ramp decision to be taken by steering committee in Feb 2020

Phase 1 (7-1): [\$0.38M]

- Ground geophysics and kimberlite indicator mineral analysis
- All targets to be drill ready after Phase 1

Phase 2 (7-2): [\$2.5M]

- Discovery Drilling (300m per target area - 3300m)
- Total spend will be refined pending results of Phase 7-1

Activity	2019				2020		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Create Target Factsheets and Work Plan	[Black bar from Sep to Oct]						
Align on Geophysics and Drilling Work Plan		08/10/2019					
Mandate 7-1 Budget Approval		22/10/2019					
7-1: Execute Ground Geophysics				[Black bar from Dec to Feb]			
Review Geophysics and Finalize 7-2 Drill Plan					[Black bar from Jan to Feb]		
Mandate 7-2 Budget Approval							
7-2: Execute Diamond Drilling							[Black bar with arrow from Feb to Mar]





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

May 10, 2018

File: MV2018C0001

Sarah McLean
De Beers Canada Inc.
1601 Airport Road NE, Suite 300
Calgary, Alberta T2E 6Z8

Email: Sarah.McLean@debeersgroup.com

Dear Ms. McLean:

Issuance of Type A Land Use Permit – Amendment #1: May 10, 2018
Mineral Exploration, Gahcho Kue, NT

Attached is the amended Type A Land Use Permit MV2018C0001 granted by the Mackenzie Valley Land and Water Board (MVLWB or the Board) in accordance with the *Mackenzie Valley Resource Management Act*.

A copy of this Permit and all related correspondence and documents has been filed on the Public Registry at the MVLWB office. Please be advised that this letter, 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 requirements are being met. All Public Registry material will be considered if an amendment to the Permit is requested. The Board has considered the amount of security currently held on this Permit and has deemed it adequate.

The full cooperation of De Beers Canada Inc. is anticipated and appreciated. If you have any questions or concerns, please contact Jacqueline Ho at (867) 766 7465 or email jho@mvlwb.com.

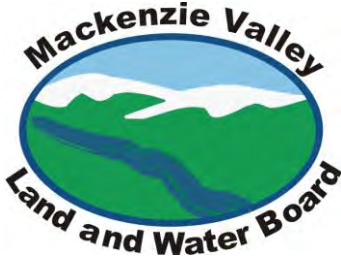
Yours sincerely,

A handwritten signature in blue ink, appearing to read "Mavis Cli-Michaud".

Mavis Cli-Michaud
MVLWB, Chair

Copied to: Distribution List
Clint Ambrose, Manager, GNWT-Lands

Attached: Land Use Permit MV2018C0001 – Amendment #1 May 10, 2018
Reasons for Decision



Land Use Permit

Permit Class	Permit No	Amendment No. and date
A	MV2018C0001	#1: May 10, 2018

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

De Beers Canada Inc.

Permittee

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

Signature Ms. Sarah McLean	Date February 20, 2018
Type of Land Use Operation Mineral Exploration	
Location Gahcho Kue Area, NT	

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

Dated at Yellowknife this 10 day of May, 2018

Signature Chair

Signature Witness

Mavis Cli-Michaud

Tanya Lantz

Effective Date
March 29, 2018

Expiry Date
March 28, 2023

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 # MV2018C0001

Part A: Scope of Permit

1. This Permit entitles the Permittee to conduct the following land-use operation:
 - a) Mineral exploration, including diamond drilling;
 - b) Use of equipment, vehicle, and machines;
 - c) Use and storage of fuel; and
 - d) Construction and maintenance of winter access road.
2. This 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 Permit does not excuse the Permittee from its obligation to comply with the requirements of any applicable Federal, Territorial, Tłıchǫ, or Municipal laws.

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

Act - the *Mackenzie Valley Resource Management Act*.

Archaeological Overview - as defined by the Prince of Wales Northern Heritage Centre – *Guidelines for Developers for the Protection of Archaeological Sites in the Northwest Territories*.

Archaeological Impact Assessment - as defined by the Prince of Wales Northern Heritage Centre – *Guidelines for Developers for the Protection of Archaeological Sites in the Northwest Territories*.

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

Borehole - a hole that is made in the surface of the ground by drilling or boring.

Durable Land - land that is able to withstand repeated use, such as gravel or sand with minimal vegetative cover.

Engagement Plan - a document, developed in accordance with the Board's *Engagement and Consultation Policy* and the *Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits*, that clearly describes how, when, and which engagement activities will occur with an affected party during the life of the project.

Flowing Artesian Well - a well in which water:

- a) Naturally rises above the ground surface or the top of any casing; and
- b) Flows naturally, either intermittently or continuously.

Fuel Storage Container - a container for the storage of petroleum or allied petroleum products with a capacity of less than 230 litres.

Fuel Storage Tank - a closed container for the storage of petroleum or allied petroleum products with a capacity of more than 230 litres.

Greywater - all liquid wastes from showers, baths, sinks, kitchens, and domestic washing facilities but not including toilet wastes.

Habitat - the area or type of site where a species or an individual of a species of wildlife naturally occurs or on which it depends, directly or indirectly, to carry out its life processes.

Inspector - an Inspector designated by the Minister under the *Act*.

Minister - the Minister of Indian Affairs and Northern Development Canada or the Minister of the Government of the Northwest Territories – Department of Lands, as the case may be.

Ordinary High Water Mark - the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing waters (rivers, streams) this refers to the “active channel/bank-full level” which is often the 1:2 year flood flow return level. In inland lakes, wetlands, or marine environments, it refers to those parts of the Watercourse bed and banks that are frequently flooded by water so as to leave a mark on the land and where the natural vegetation changes from predominately aquatic vegetation to terrestrial vegetation (excepting water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

Permittee - the holder of this permit.

Permafrost - ground (soil or rock) that remains at or below 0°C for at least two consecutive years.

Secondary Containment - containment that prevents liquids that leak from Fuel Storage Tanks or containers from reaching outside the containment area and includes double-walled Tanks, piping, liners, and impermeable barriers.

Sewage - all toilet wastes and Greywater.

Sewage Disposal Facilities - Sump(s) and/or Sewage collection tank(s) and/or storage containers designed to hold Sewage.

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.

Sump - a man-made pit or natural depression in the earth's surface used for the purpose of depositing Waste that does not contain Toxic Material, such as non-toxic Drilling Waste or Sewage, therein.

Toxic Material - any substance that enters or may enter the environment in a quantity or concentration or under conditions such that it:

- a) Has or may have an immediate or long-term harmful effect on the environment or its biological diversity;

- b) Constitutes or may constitute a danger to the environment on which life depends; or
- c) Constitutes or may constitute a danger in Canada to human life or health.

Waste - any garbage, debris, chemical, or Toxic Material to be used, stored, disposed of, or handled on land, and also as defined in section 51 of the Act.

Waste Management Plan - 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.

Watercourse - a natural body of flowing or standing water or an area occupied by water during part of the year, and includes streams, springs, swamps and gulches but does not include groundwater.

Part C: Conditions Applying to All Activities (headings correspond to subsection 26(1) of the Mackenzie Valley Land Use Regulations)

26(1)(a) Location and Area

- | | | |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 1. | The Permittee shall not conduct any part of the land-use operation within 300 metres of any privately owned or leased land or structure, unless otherwise authorized in writing by the Board. | PRIVATE PROPERTY |
| 2. | Prior to the commencement of drilling, the Permittee shall submit the drill target locations on a 1:50,000-scale map with coordinates and map datum to the Board and an Inspector. | DRILL LOCATIONS |
| 3. | The Permittee shall not construct parallel lines or roads, unless an existing line or road cannot be used. | PARALLEL ROADS |
| 4. | The Permittee shall locate all lines, trails, and right-of-ways to be constructed parallel to any Watercourse a minimum of 100 metres from the Ordinary High Water Mark, except at crossings. | PARALLEL WATERCOURSE |
| 5. | 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

- | | | |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 6. | At least 48 hours prior to the commencement of the land-use operation, the Permittee's Field Supervisor shall contact an Inspector at (867) 767-9188. | CONTACT INSPECTOR |
| 7. | At least 48 hours prior to commencement of the land-use operation, the Permittee shall provide the following information, in writing, to the Board and 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 |
| 8. | 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 |
| 9. | The Board, for the purpose of this operation, designates April 15 as spring break-up. | SPRING BREAK-UP |

26(1)(c) Type and Size of Equipment

10. 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

11. Prior to the movement of any vehicle that exerts pressure on the ground in excess of 35 kPa, the Permittee shall scout proposed lines and routes to select the best location for crossing streams and avoiding terrain obstacles. **DETOURS AND CROSSINGS**
12. Immediately upon completion of operations at each Borehole, the Permittee shall remove or cut off and seal each drill casing at ground level. **MINERAL EXPLORATION DRILL CASINGS**
13. The Permittee shall construct and maintain the overland portion of winter roads with a minimum of 10 cm of packed snow and/or ice at all times during this land-use operation. **WINTER ROADS**
14. The Permittee shall not erect camps or store material, other than that required for immediate use, on the ice surface of a Watercourse. **STORAGE ON ICE**

26(1)(e) Type, Location, Capacity, and Operation of All Facilities

15. The Permittee shall ensure that the land use area is kept clean at all times. **CLEAN WORK AREA**
16. The Permittee shall not locate any Sump within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. **SUMPS FROM WATER**

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

17. The Permittee shall insulate the ground surface beneath all structures associated with this land-use operation to prevent: **PERMAFROST PROTECTION**
- a) any vegetation present from being removed;
 - b) the melting of Permafrost; and
 - c) the ground settling and/or eroding.
18. The land-use operation shall not cause obstruction to any natural drainage. **NATURAL DRAINAGE**

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|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| 19. | The Permittee shall, where flowing water from a Borehole is encountered:
a) plug the Borehole in such a manner as to permanently prevent any further outflow of water; and
b) immediately report the occurrence to the Board and an Inspector. | FLOWING ARTESIAN
WEL |
| 20. | The Permittee shall not conduct off-road vehicle travel in areas without snow-covered surfaces. | OFF-ROAD VEHICLE
TRAVEL |
| 21. | The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface. | PREVENTION OF
RUTTING |
| 22. | The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting. | SUSPEND OVERLAND
TRAVEL |
| 23. | The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging. | VEHICLE MOVEMENT
FREEZE-UP |
| 24. | The Permittee shall not use any material other than clean water and snow in the construction of ice bridges. | ICE BRIDGE MATERIALS |
| 25. | The Permittee shall not use any materials other than clean snow and water in the construction of snow fills. | SNOWFILL MATERIALS |
| 26. | Prior to spring break-up or completion of the land-use operation, the Permittee shall clean up and either remove or v-notch all snowfills from stream crossings, unless otherwise authorized in writing by an Inspector. | REMOVE OR V-NOTCH
SNOWFILLS |
| 27. | Prior to spring break-up or completion of the land-use operation, the Permittee shall clean up and v-notch all ice bridges, unless otherwise authorized in writing by an Inspector. | V-NOTCH ICE BRIDGES |
| 28. | The Permittee shall not cut any stream bank, unless otherwise authorized in writing by an Inspector. | STREAM BANKS |
| 29. | The Permittee shall minimize approach grades on all Watercourse crossings. | MINIMIZE APPROACH |
| 30. | The Permittee shall not excavate land within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | EXCAVATE NEAR
WATERCOURSE |

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

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|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| 31. | At least seven days prior to the use of any chemicals that were not identified in the complete application, the MSDS sheets must be provided to the Board and an Inspector. | CHEMICALS |
| 32. | When drilling within 100 metres of the Ordinary High Water Mark of any Watercourse, and when drilling on ice, the Permittee shall contain all drill water and Drilling Waste in a closed circuit system for reuse, off-site disposal, or deposit into a land-based Sump or natural depression. | DRILLING NEAR WATER
OR ON ICE |
| 33. | The Permittee may deposit Drilling Waste that does not contain Toxic Material in a Sump or natural depression. Any Sumps or natural depressions used to deposit Drilling Waste must be located at least 100 metres from the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | DRILLING WASTE |
| 34. | The Permittee shall remove all Drilling Waste containing Toxic Material to an approved disposal facility. | DRILLING WASTE
DISPOSAL |
| 35. | The Permittee shall not allow any Drilling Waste to spread to the surrounding lands or Watercourses. | DRILLING WASTE
CONTAINMENT |
| 36. | Prior to the expiry date of this Permit or the end of the land-use operation whichever comes first, the Permittee shall backfill and restore all Sumps, unless otherwise authorized in writing by an Inspector. | BACKFILL SUMPS |
| 37. | The Permittee shall maintain a record of all spills. For all reportable spills, in accordance with the GNWT <i>Spill Contingency Planning and Reporting Regulations</i> , the Permittee shall:

a) implement the Spill Contingency Plan;
b) immediately report each spill to the 24-hour Spill Report Line (867) 920-8130;
c) report each spill to an Inspector within 24 hours; and
d) submit, to the Board and an Inspector, a detailed report on each spill within 30 days. | REPORT SPILLS |
| 38. | The Permittee shall dispose of all Toxic Material as described in the approved Waste Management Plan. | WASTE CHEMICAL
DISPOSAL |
| 39. | The Permittee shall dispose of all combustible Waste petroleum products by removal to an approved disposal facility. | WASTE PETROLEUM
DISPOSAL |

26(1)(h) Wildlife and Fish Habitat

40. The Permittee shall take all reasonable measures to prevent damage to wildlife and fish Habitat during this land-use operation. **HABITAT DAMAGE**

26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage

41. 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**

42. The Permittee shall keep all garbage and debris in a secure container until disposal. **GARBAGE CONTAINER**

43. The Permittee shall dispose of all garbage, Waste, and debris as described in the approved Waste Management Plan, unless otherwise authorized in writing by an Inspector. **REMOVE GARBAGE**

44. The Permittee shall dispose of all Sewage and Greywater as described in the approved Waste Management Plan. **SEWAGE DISPOSAL – PLAN**

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

45. The Permittee shall not operate any vehicle or equipment within 30 metres of a known or suspected historical or archaeological site or burial ground. **ARCHAEOLOGICAL BUFFER**

46. The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site. **SITE DISTURBANCE**

47. The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered: **SITE DISCOVERY AND NOTIFICATION**

- a) immediately suspend operations on the site; and
- b) notify the Board at (867) 669 0506 or an Inspector at (867) 767 9787, and the Prince of Wales Northern Heritage Centre at 767-9347 ext. 71251 or ext. 71255.

48. At least 30 days prior to any new land disturbance, including new drill sites, the Permittee shall conduct an Archaeological Overview to identify areas of high and low potential for archaeological and burial sites and shall submit a summary report to the Board and the Prince of Wales Northern Heritage Centre. **ARCHAEOLOGICAL OVERVIEW**

49. Prior to disturbance in areas of high potential for archaeological or burial sites identified in the Archaeological Overview, the Permittee shall conduct an Archaeological Impact Assessment of the sites where disturbance is planned and shall submit a summary report to the Board and the Prince of Wales Northern Heritage Centre. **AIA – HIGH POTENTIAL**

26(1)(k) Objects and Places of Recreational, Scenic, and Ecological Value

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26(1)(l) Security Deposit

50. The Permittee shall post security totalling \$101,000.00 based on the schedule set out below: **SECURITY DEPOSIT**
- a) prior to commencement of land use operation, the Permittee shall post and maintain a total security deposit of \$48,000.00; and
 - b) prior to construction of winter access road, the Permittee shall post an additional security deposit in the amount of \$53,000.00 to maintain a total security deposit of \$101,000.00.

51. All costs to remediate the area under this Permit are the responsibility of the Permittee. **RESPONSIBILITY FOR REMEDIATION COSTS**

26(1)(m) Fuel Storage

52. The Permittee shall not place any Fuel Storage Containers or Tanks within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. **FUEL NEAR WATER**

53. The Permittee shall ensure that all fuel caches have adequate Secondary Containment. **FUEL CACHE SECONDARY CONTAINMENT**

54. The Permittee shall set up all refueling points with Secondary Containment. **SECONDARY CONTAINMENT – REFUELING**

55. The Permittee shall locate mobile fuel facilities on land when the facilities are stationary for more than 12 hours. **FUEL ON LAND**

56. The Permittee shall mark all Fuel Storage Containers and Tanks with the Permittee's name. **MARK CONTAINERS AND TANKS**

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|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| 57. | The Permittee shall mark all stationary fuel caches and fuel storage facilities with flags, posts, or similar devices so that they are at all times plainly visible to local vehicle travel. | MARK FUEL LOCATION |
| 58. | The Permittee shall have a maximum of 112,000 litres of fuel stored on the land use site at any time, unless otherwise authorized in writing by the Board. | MAXIMUM FUEL ON SITE |
| 59. | Within ten days of the establishment of any fuel cache, the Permittee shall report the location and quantity of the cache in writing to the Board and an Inspector. | REPORT FUEL LOCATION |
| 60. | The Permittee shall seal all outlets of Fuel Storage Containers and store the containers on their sides with the outlets located at 3 and 9 o'clock, except for containers currently in use. | SEAL OUTLET |
| 61. | 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 |
| 62. | Prior to commencement of the land-use operation the Permittee shall ensure that spill-response equipment is in place to respond to any potential spills. | SPILL RESPONSE |
| 63. | All equipment that may be parked for two hours or more, shall have a haz-mat/drip tray under it or be sufficiently diapered. Leaky equipment shall be repaired immediately. | DRIP TRAYS |
| 64. | 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 | | |
| 65. | Prior to the expiry date of this Permit, the Permittee shall progressively dispose of all brush and trees and shall complete all brush disposal; all disposal shall be completed. | BRUSH DISPOSAL/ TIME |
| 66. | The Permittee shall not clear areas larger than identified in the complete application. | MINIMIZE AREA CLEARED |
| 26(1)(o) Restoration of the Lands | | |
| 67. | All areas affected by construction or removal activities shall be stabilized and landscaped to their pre-construction profiles, unless otherwise authorized in writing by an Inspector. | PRE-CONSTRUCTION PROFILES |

- | | | |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 68. | Prior to the expiry date of this Permit, the Permittee shall complete all cleanup and restoration of the lands used. | FINAL CLEANUP AND RESTORATION |
| 69. | Prior to the expiry date of this Permit, the Permittee shall prepare the site in such a manner as to facilitate natural revegetation. | NATURAL VEGETATION |
| 70. | The Permittee shall carry out progressive reclamation of disturbed areas as soon as it is practical to do so. | PROGRESSIVE RECLAMATION |
| 26(1)(p) Display of Permits and Permit Numbers | | |
| 71. | 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 | | |
| 72. | If any plan is not approved by the Board, the Permittee shall revise the plan according to the Board's direction and re-submit it to the Board for approval. | RESUBMIT PLAN |
| 73. | The Permittee shall adhere to the Engagement Plan , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | ENGAGEMENT PLAN |
| 74. | 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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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)

Land Use Permit Amendment Application	
Preliminary Screener	MVLWB
Reference/File Number	MV2018C0001
Company	De Beers Canada Inc.
Project	Gahcho Kue Mine, NT
Date of Decision	March 10, 2018

These Reasons for Decision set out the Mackenzie Valley Land and Water Board's (the Board or MVLWB) decision on an Amendment Application made by De Beers Canada Inc. (De Beers) to the Board on April 13, 2018 for Land Use Permit (Permit) MV2018C0001.

1.0 Background

On March 29, 2018, De Beers was issued Land Use Permit MV2018C0001 to conduct mineral exploration near the Gahcho Kue Mine starting in March 2018, including prospecting and glacial mapping, airborne and ground geochemical and geophysical surveys, surficial sediment sampling, mapping, and diamond drilling to test and delineate kimberlite targets. The 2018 drilling program will be facilitated by helicopters, and in future years a winter access road may be constructed from the existing Gahcho Kue winter road for transporting workers and equipment.

On April 13, 2018, De Beers submitted an Amendment Application to its Permit MV2018C0001 to add an additional mineral claim C13, which includes one drill target on Margaret Lake for the 2018 drilling program. An engagement record was included with the Amendment Application.

2.0 Public Review

By April 27, 2018, comments and recommendations on the Amendment Application were received from 2 reviewers:

- Government of Northwest Territories – Environment Natural Resources (GNWT-ENR); and
- GNWT – Department of Lands (GNWT-Lands).

De Beers responded on April 30, 2018. No concerns were raised during the review.

3.0 Security

The Board has already required De Beers to post \$48,000.00 of security, which was received and acknowledged by GNWT – Lands on April 16, 2018 (attached). De Beers has requested that no additional security be posted as the additional claim is within the scope of activities remains within the security

already required under the existing permit. The GNWT-Inspector did not recommend a security estimate during the public review.

Board staff have completed the reclamation security worksheet and have calculated that the cost to remediate the site would be \$48,061.13 (attached); a breakdown of the line items is presented below in Table 1. The difference between the estimate of the Amendment Application and posted security would be \$61.13. The additional security amount is as a result of an increase in the line item for Land Disturbance (L1).

Table 1: Security estimate based on Amendment Application

Line Item	MV2018C0001 Amendment estimate	Notes
Camp	\$0	No change.
Regulated/hazardous Materials	\$0	No change.
Hydrocarbon storage and transfer	\$30,375.00	No change.
Land Disturbance	\$1,680.00	Disturbed surface area increased from 0.18 ha to 0.27 ha. Total area occupied by sump increased from 100 m ² to 125 m ² .
Equipment	\$5,300.00	No change.
Total	\$48,061.13	-

*the numbers in these columns do not directly add up because of multipliers (for site access, performance, and environmental risks) in the Board's security template

The Board has decided that the security shall remain to be \$48,000 as the additional security estimate of \$61.13 is minimal.

4.0 Decision

In rendering its decision, the Board is satisfied that:

- notice of the Application was given in accordance with sections 63 and 64 of the MVRMA. The Board is satisfied that a reasonable period of notice was given to communities and First Nations so comments could be provided to the Board;
- the development has been screened 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 evidence and submissions of the Applicant, the written comments and submissions received by the Board and the Staff Report prepared for the Board, the Board, having due regard to the facts, 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 Amendment MV2018C0001 be issued subject to the term, scope, definitions, and conditions contained therein. The Board's determinations and reasons for this decision are set out below.

- 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.
- The use of land proposed by the Applicant is of a nature contemplated by the MVRMA.

- 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 April 27, 2018 Staff Report regarding environmental impacts and/or public concerns.
- The scope of the Permit ensures De Beers is entitled to conduct activities which have been applied for and screened by the Board. In setting the scope, the Board endeavored to provide enough detail to identify and describe the authorized activities without being unduly restrictive or prescriptive, and to allow for project flexibility throughout the life of the Permit.
- The conditions set forth in the Permit have been imposed to address the Board's statutory responsibilities and ensure the land-use operation is conducted in a manner which ensures impacts to surrounding lands and waters are minimized.

5.0 Conclusion

Land Use Permit Amendment MV2018C0001 contains provisions that the Board deems necessary to ensure and monitor compliance with the MVRMA and the Regulations made thereunder, and to provide appropriate safeguards in respect of De Beers' use of the land affected by the Permit.

SIGNATURE

Mackenzie Valley Land and Water Board



Mavis Cli-Michaud, Chair

May 10, 2018

Date