December 20th, 2011  
File: W2007L2-0003

Mr. Robert Jenkins  
Manager, Water Resources Division  
Aboriginal Affairs and Northern Development  
4914 50th St.  
Yellowknife, NT X1A 2R3

Dear Mr. Jenkins,

Re: Wek’èezhìi Land and Water Board Request for Information to AANDC

The Wek’èezhìi Land and Water Board (WLWB) respectfully requests additional information from Aboriginal Affairs and Northern Development Canada (AANDC) regarding the estimate of the security deposit held under the Diavik Diamond Mine Inc. (DDMI) water licence (W2007L2-0003).

On November 25th, 2011, DDMI responded to the WLWB’s information request regarding the availability of Type I rock. The purpose of the information request was to increase the Board’s level of confidence that at the end of the mine’s life, there will be enough Type I rock to close the mine as described in the approved Interim Closure and Reclamation Plan (ICRP).

In order to finalize the amount of the security deposit, the WLWB requests the following information:

1. Based on the information provided in DDMI’s November 25th, 2011 submission to the Board, and setting aside any concerns related to rock accessibility, is AANDC sufficiently confident that the North Country Rock Pile (NCRP) will contain enough Type I rock at closure to close the mine according to the ICRP?

2. Assuming that the amount of Type I rock in the NCRP at closure is enough to close the mine as described in the ICRP, does AANDC have concerns that the Type I rock may not be accessible? If so:
   a. Please describe these concerns.
   b. Please describe, in detail, what information AANDC would like to see from DDMI in the future (once closure planning has progressed) that would address these concerns such
that AANDC is reasonably confident that the amount of Type I rock required to close the mine will be accessible. This information may be used by the Board to set requirements for future submissions related to the ICRP.

3. In its November 25th, 2011 submission to the WLWB, AANDC provided its rationale for assuming a quarry would be required to make up for a shortfall of Type I rock in the NCRP. AANDC noted that “should the Board decide further information is not required to resolve this issue, the AANDC estimate will have to be revisited to ensure costs associated with recovering and collecting material from within the NCRP for cover purposes are adequate”.

As such, please confirm the appropriate unit cost for obtaining all of the required Type I rock from the NCRP. This unit cost would be used if the Board decides not to include quarry costs in the security deposit. Specifically, please confirm that if the Board decides to remove the two “quarry shortfall of rock for cover” line items (6.237 Mm$^3$ of rock in total) in AANDC’s October 24, 2011 Reclaim Cost Estimate, the unit costs for obtaining the same amount of rock from the NCRP would be $3.6/m$^3$ and $3.96/m^3$, for the PKC and NCRP (respectively).

We would appreciate it if you could provide this information by December 30, 2011. The WLWB appreciates the significant amount of time and expertise that AANDC has contributed towards estimating DDMI’s security deposit.

If you have any questions, please feel free to contact me at mark_cp@wlwb.ca.

Sincerely,

Mark Cliffe-Phillips
Executive Director, WLWB