July 2, 2020

Wek’èezhìı Land and Water Board
1-4905 8th Street
Yellowknife, NT X1A 3S3

Attention: Chris Hotson, Acting Executive Director

Dear Mr. Hotson:

Re: Update on Tłı̨chǫ Government ongoing negotiation with DDMI in context of proceeding for Amendment to Water Licence W2015L2-0001

Tłı̨chǫ Government is in receipt of the letter dated June 4, 2020 that Acting Executive Director Chris Hotson of the Wek’èezhìı Land and Water Board (“Board”) sent to Diavik Diamond Mines (2012) Inc. (“DDMI”), wherein the Board declined the request of DDMI to suspend its ongoing amendment application for Water Licence W2015L2-001. We are further in receipt of the Mr. Hotson’s June 17, 2020 letter to Tłı̨chǫ Government, wherein he advised that he was “following up to ask about progress and whether the TG has any additional information it would like to provide at this time with respect to ongoing discussions with DDMI.”

Both Tłı̨chǫ Government and DDMI are mindful of the fact that the review period for the draft Water Licence is nearing completion and that closing arguments from interveners and the proponent are due on July 2 and July 9, respectively. We note Mr. Hotson’s comment in his letter that Board staff “anticipate being in a position to provide an amended Water License for Board review and decision at a meeting in late July or early August.”

Accordingly, we are writing to inform you that Tłı̨chǫ Government and DDMI continue to negotiate towards an agreement in respect of DDMI’s proposal to carry out underground mining of the A21 Kimberlite pipe at the Diavik Diamond Mine. We remain optimistic that an agreement between Tłı̨chǫ Government and DDMI will be reached in short order. Given staffing and operational constraints, DDMI has advised Tłı̨chǫ Government that it will not be in a position to confirm its agreement to a draft term sheet the parties have negotiated until after July 2, 2020. DDMI and Tłı̨chǫ have discussed timing as between themselves, and are of the shared view that it will be possible to conclude negotiations towards a term sheet by July 31, 2020.

Accordingly, Tłı̨chǫ Government is writing to request that the Board defer consideration of the draft amended Water Licence until after that date, to provide Tłı̨chǫ Government and DDMI with a small
amount of additional time to conclude their negotiations and provide an update on the outcome of the negotiations to the Board. Tłı̨chǫ Government and DDMI have discussed the foregoing and it is our understanding that DDMI is in agreement with the above request.

Subject to further direction from the Board, Tłı̨chǫ Government will update the Board about the status of an agreement between Tłı̨chǫ Government and DDMI on or before July 31, 2020.

In Tłı̨chǫ Unity,

Laura Duncan
Tłı̨chǫ Executive Officer