Dear Mr. Mackenzie:

Subject: DDMI Operational Notification - PKC Facility Phase VII Construction

Please be advised that Diavik Diamond Mines (2012) Inc. (DDMI) has initiated preliminary construction activities (horizontal liner placement) at the Processed Kimberlite Containment (PKC) Facility. This work will proceed as described in the PKC Facility Design Report and Design Drawing, which were submitted to the Wek’èezhii Land and Water Board (WLWB) on 27 July 2018. The 2018 work planned for the Phase VII PKC Design was endorsed by the experts on the Diavik Geotechnical Review Panel (DGRP), as provided on 7 August 2018 to support the above-noted submission, and there were no substantial concerns identified during the WLWB public review of the Design.

PKC Dam raises are multi-phase construction projects that require approximately three years of staged construction activities. The activities planned for fall 2018 will focus on horizontal liner placement. It is critical that this activity occurs during thawed conditions in 2018 so that construction proceeds on schedule to provide the required storage capacity within the PKC Facility by 2020.

While DDMI’s preference was to receive regulatory confirmation of the updated PKC Facility Design prior to initiating construction, DDMI understands that a final decision on this Design is not likely to be available until late September. DDMI is unable to accept the operational risks of possibly delaying PKC Dam construction. We are confident that the PKC Dam Design developed by a Professional Geotechnical Engineer and endorsed by the DGRP is acceptable and safe. As noted in our cover letters to the 27 July and 7 August submissions, should the PKC Facility Design require modifications or not be approved by the WLWB, DDMI assumes all responsibility to modify construction in accordance with the final approved design.
Should you have any questions or require any further information regarding this notification, please contact us directly.

Yours sincerely,

Sean Sinclair
Superintendent, Environment

David Janes
Manager – Process Operations

cc: Kassandra DeFrancis, WLWB
Sarah Elsasser, WLWB
Ryan Fequet, WLWB
Jamie Steele, GNWT