24 July 2020

Dear Mr. Mackenzie:

Subject: DDMI Update on Submission of Responses to the WLWB Information Request re: Water Licence W2015L2-0001 Amendment Request for the Deposition of Processed Kimberlite into Mine Workings

Diavik Diamond Mines (2012) Inc.’s (DDMI) is pleased to provide the Wek’eezhii Land and Water Board (WLWB or Board) with an update on DDMI’s planned submission of responses to an Information Request (IR) in the Board’s June 5, 2020 correspondence to DDMI. The intent of the Board’s IR is to ensure that Measures 1-5 in the Mackenzie Valley Environmental Impact Review Board’s (MVEIRB) Report of Assessment (REA) for the Water Licence Amendment Application (the Application) to deposit processed kimberlite into the Mine Workings (the PKMW Project) are implemented by DDMI either as part of the water licencing process for the PKMW Project or prior to Project initiation.

DDMI notes the Board’s acknowledgement that while the REA makes it clear that the deposition of processed kimberlite into mine workings cannot proceed without the satisfactory implementation of REA Measures 1-5, the MVEIRB did not require these measures to be implemented prior to the issuance of an amended water licence.

DDMI hereby presents components of the Board’s requirements that DDMI requests be considered during or after issuance of an amended water licence for the PKMW Project:

- Approval of water quality modelling for Stage 1 (Before depositing processed kimberlite into the pit(s) and underground) – prior to the issuance of an amended water licence (REA Measure 3).
- Approval of water quality modelling for Stage 2 (Before filling the pit(s) with water from Lac de Gras) – after issuance of an amended water licence (REA Measure 3).
- Approval of water quality modelling for Stage 3 (Before reconnecting (partially or fully) the pit lake(s) containing processed kimberlite to Lac de Gras) – after issuance of an amended water licence (REA Measure 3).
• Approval of evidence/demonstration that water quality objective 1: safe for people\(^1\), aquatic life, wildlife will be achieved based on water quality modelling for Stage 1 – prior to the issuance of an amended water licence (REA Measure 1).
• Approval of criteria for determining if water in the pit lake(s) is acceptable for cultural use – prior to the issuance of an amended water licence (REA Measures 1 and 2).
• Approval of evidence/demonstration that water quality objective 2: water in pit lakes(s) suitable for cultural use – after issuance of an amended water licence (REA Measures 1 and 2).
• Completion of Independent Review Panel review of water quality modelling for Stage 1 – prior to the issuance of an amended water licence (REA Measure 4)
• Completion of Independent Review Panel review of water quality modelling for Stages 2 and 3 – after the issuance of an amended water licence (REA Measure 4)
• Approval of PKMW Engagement Plan which includes evidence of DDMI’s additional and more effective engagement with potentially affected Indigenous groups – prior to the issuance of an amended water licence (REA Measure 5).
• Approval of updates to existing management plans or monitoring programs, necessary to fulfill the requirements of REA measure 3 for Stages 2 and 3 – prior to the issuance of an amended water licence (REA Measure 3).

Based on DDMI’s preferred timing for implementation of the REA Measures, as indicated above, DDMI plans to address the following components of the Board’s IR in a response package to WLWB in August 2020:
• Summary of the PKMW Project (WLWB IR, Attachment #1).
• Status update for all commitments made throughout the EA process (WLWB IR, Attachment #1).
• Updated Draft Water Licence W2015L2-0001 (WLWB IR, Attachment #1).
• PKMW Engagement Plan, representing an overarching framework of DDMI’s PKMW-specific engagement, reviewed by potentially affected parties/Indigenous Groups (WLWB IR, Attachment #2).
• Confirmation from Potentially Affected Party/Indigenous Group that they accept Engagement Protocols proposed by DDMI (WLWB IR, Attachment #2).
• Draft criteria for determining if water in the pit lake(s) is acceptable for cultural use (WLWB IR, Attachment #2).
• Updated water quality modelling results for Stage 1 (WLWB IR, Attachment #2).
• List of updates to existing management plans or monitoring programs, necessary to fulfill the requirements of REA Measure 3 (WLWB IR, Attachment #2).
• Convey the Report or other relevant analysis of the water quality modelling for Stage 1 from the Independent Review Panel (WLWB IR, Attachment #2). This deliverable is not to be completed by DDMI and is dependant on the timeline of Panel formation by the WLWB. Once the Panel has been assembled by the WLWB, DDMI intends to host a series of public webinars to support the Panels timely review through a transparent process that can also assist other interested reviewers and affected parties.

\(^{1}\) Defined in the MVEIRB’s REA for PKMW as “water quality that meets the Canadian Drinking Water Quality Guidelines”.

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DDMI wishes to highlight that discussions with Indigenous Group on the establishment of these individual engagement protocols (i.e. details of engagement methods, frequency, and types of engagement, etc.) are ongoing and that these engagement protocols or joint letters indicating that mutually agreed engagement protocols are in place, will be submitted to the Board as they are established.

DDMI also notes that the proposed schedule for submission of DDMI’s Response to the WLWB IR may change based on timing for the establishment of the Water Quality Independent Review Panel and date of completion of the Panel’s report following its review of DDMI’s water quality modelling for Stage 1. Hence, DDMI encourages timely approval of Panel Membership by the Board.

DDMI appreciates the WLWB’s consideration of this submission. Please do not hesitate to contact the undersigned or Kofi Boa-Antwi (867 447 3001 or kofi.boa-antwi@riotinto.com) if you have any questions related to this submission.

Yours sincerely,

Sean Sinclair
Principal Advisor, Environment and Closure Readiness

cc: Chris Hotson, WLWB
    Anneli Jokela, WLWB
    Kassandra DeFrancis, WLWB