August 6, 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: Further update from Tłı́chǫ Government ongoing negotiation with DDMI in context of proceeding for Amendment to Water Licence W2015L2-0001

Tłı́chǫ Government and Diavik Diamond Mines (2012) Inc. (“DDMI”) write in response to the letter of July 8, 2020, from Acting Executive Director Chris Hotson of the Wek’èezhii Land and Water Board (“Board”). That letter requested that, on or before 5:00pm on August 6, 2020, both Tłı́chǫ and DDMI submit a final response to the Board addressing whether an agreement has been reached between Tłı́chǫ Government and DDMI with respect DDMI’s proposal to carry out underground mining of the A21 kimberlite pipe at the Diavik Diamond Mine (“A21 Underground Project”), which is the subject of DDMI’s ongoing amendment application for Water Licence W2015L2-001. The Board further requested that, if no agreement has been reached, that Tłı́chǫ Government and DDMI provide information about the negotiation process sufficient to indicate whether the process was conducted in good faith.

Accordingly, we are writing to inform you that Tłı́chǫ Government and DDMI have continued negotiations towards an agreement with respect to the A21 Underground Project, but an agreement has not—at this time—been concluded. A draft term sheet has been negotiated and the parties anticipate that it will receive the necessary internal approvals from their respective leaderships in very short order. While the parties remain optimistic that the term sheet will be approved and an agreement will ultimately been reached, negotiations are not yet complete.

Accordingly, Tłı́chǫ Government and DDMI are writing to request that the Board does not make a decision on the Water Licence Amendment, nor transmit any decision on the Water Licence Amendment to Minister Thompson of the Ministry of Environment and Natural Resources, Government of the Northwest Territories, at this time. DDMI accepts this delay in order to ensure negotiations between Tłı́chǫ Government and DDMI towards a term sheet can conclude. In order to ensure that no statutory timelines elapse while negotiations are ongoing, Tłı́chǫ Government and DDMI suggest that the Board may—if necessary—wish to consider sending an Information Request
("IR") to both DDMI and Tłı̨chǫ Government seeking information as to the status of negotiations and whether an agreement has been concluded. Such an IR would “pause” the applicable statutory timelines to facilitate continued negotiations.

Tłı̨chǫ Government and DDMI can confirm that negotiations continue and we remain optimistic that a mutually acceptable, good faith, agreement between the parties will be reached. A small amount of additional time from the Board in order to ensure those negotiations can be successful would be valuable.

In Tłı̨chǫ Unity,

Laura Duncan
Tłı̨chǫ Executive Officer

Gord Macdonald