

January 6, 2014

File: L020-01-01

Rebecca Chouinard
Regulatory Manager
Mackenzie Valley Land & Water Board
Box 2130
7th Floor, 4922 – 48th Street
Yellowknife NT X1A 2P6

Dear Ms. Chouinard:

Preliminary Screening Exemption - Type A Water Licence (MV 2005L2-0015) and Land Use Permit (LUP) (MV 2005C0032) – De Beers Canada Inc. (De Beers) Gahcho Kué Project

De Beers Canada Inc. (De Beers) submitted an application for a Water Licence (MV 2005L2-0015) and Land Use Permit (MV 2005C0032) for the Gahcho Kué Project (Project) to the Mackenzie Valley Land and Water Board (Board) on November 28, 2013. The application was submitted following the Mackenzie Valley Environmental Impact Review Board's (MVEIRB) Report of Environmental Impact Review (EIR Report) and Reasons for Decision EIR0607-001 for the Gahcho Kué Project which were released on July 19, 2013; and the subsequent Minister of Aboriginal Affairs and Northern Development Canada approval of the EIR, including the acceptance of the recommended measures to the Board, on October 22, 2013.

The Gahcho Kué Type A Water Licence and Land Use Permit applications included an Updated Project Description (UPD) as well as post-EIR information as requested in a letter from the Board on October 22, 2013. The information submitted was in accordance with section 16(2) of the *Northwest Territories Waters Act*, and section 19 of the Mackenzie Valley Land Use Regulations.

The UPD incorporated updates in the Project design resulting from the EIR process including relevant measures and developer commitments. In addition, there were minor refinements to the UPD based on detailed engineering that was undertaken in the nine months since the EIR public hearings concluded. These updates include:

- an adjustment in mine sequence with Hearne Pit being completed before 5034 Pit;
- an increase in depth of the Hearne and Tuzo Pits;
- an update to the water balance;



- an increase in fine process kimberlite material but no change to the fine process kimberlite facility footprint;
- an increase in mine rock resulting in an increase to the mine rock piles; and
- an increase, at closure, of the time to refill Kennady Lake from 8+ years to 12+ years, which will increase the overall life of mine (until Kennady Lake is refilled) from 20 to 23+ years.

These refinements were contemplated and assessed in the environmental impact assessment and subsequent EIR report and Ministerial decision. More specifically, the environmental impact statement considered and evaluated:

- the Project at full impact stage so changes in mine sequence and timing do not change the assessment outcomes;
- water balance changes are largely restricted to the water management pond and will not impact the downstream environment during operations and closure; changes to the water balance will result in an increase in the refilling time of Kennady Lake, which was considered under the conservative case with no additional supplemental pumping from N11; De Beers has made the commitment to provide updates to closure and reclamation plans as required in the WL;
- robust and conservative water quality modelling was undertaken to evaluate the full impacts, and De Beers will submit an updated water quality model assessment based on the extension of mine pit depths in Hearne and Tuzo pits to confirm/validate the impact predictions to Kennady Lake and downstream water bodies in January 2014; and
- mine rock pile height increases will not result in changes to the impact predictions; mitigation will be evaluated as part of the kimberlite and mine rock management plan, wildlife and wildlife habitat protection plan, closure and reclamation plan updates as well as other relevant plans as necessary.

Based on the above, De Beers submits that the Water Licence and Land Use Permit application is exempt from preliminary screening as per section 2 of the *Mackenzie Valley Resource Management Act* Exemption List Regulations which states:

2. Proposed or existing developments set out in Schedule 1 that are situated outside a national park, national park reserve or national historic site are developments for which preliminary screenings are not required by reason that their impact on the environment of the Mackenzie Valley is insignificant.



In addition, Section 2.1 of Schedule 1 provides as follows:

A development, or a part thereof, for which a permit, licence or authorization is requested that:

(a) was part of a development that fulfilled the requirements of the environmental assessment process established by the Mackenzie Valley Resource Management Act; and

(b) has not been modified since the development referred to in paragraph (a) fulfilled the requirements of the environmental assessment process established by the Mackenzie Valley Resource Management Act.

Accordingly, since the Project is a development that fulfilled the environmental assessment process established by the *Mackenzie Valley Resource Management Act* and which has not been modified, aside from the minor refinements which were all included and assessed in the environmental assessment process, De Beers submits that it is exempt from preliminary screening.

In addition to the above, De Beers has submitted 17 draft monitoring programs and management plans with the Water Licence and Land Use Permit applications to validate mitigation and impact predictions. Specifically, these draft plans have been developed to:

- manage the operation of the Gahcho Kué Mine to the highest standard;
- provide and evaluate mitigation, where required;
- monitor through all stages of the Mine operation to verify impact predictions and identify changes to the environment using a defined response framework approach; and
- take appropriate actions, if necessary.

The details around adaptive management are outlined in each draft plan, as well as synthesized in a separate draft adaptive management plan. The Board has a robust and comprehensive regulatory process where opportunities for interested parties to evaluate these plans are provided in the context of the licence and permitting process.



DE BEERS
GROUP OF COMPANIES

Should you have any questions please do not hesitate to contact me.

Sincerely,



Veronica Chisholm
Permitting Manager

Attachment

c: Zabey Nevitt, Executive Director, MVLWB
Tyree Mullaney, Regulatory Officer, MVLWB

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