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DE BEERS GAHCHO KUÉ WATER LICENCE AMENDMENT TECHNICAL SESSIONS PRESENTATION

Interim Closure and Reclamation Plan
Financial Security

Yellowknife (Northern United Place)
May 30 and 31, 2018

INTERIM CLOSURE AND RECLAMATION PLAN (ICRP) – PLAN UPDATE

- De Beers provided the MVLWB with an updated ICRP v.4 on May 14, 2018
- The ICRP V.4 was in accordance with the following.
 - Part J, Condition 1 of the Water Licence (MV2005L2-0015)
 - Condition 84 of the Land Use Permit (MV2005C0032)
 - Adhered to the MVLWB review process that commenced in 2016 with submission of the ICRP v.3.
- The WL amendment proposed the following primary activities that influence mine closure planning and financial security:
 - West Mine Rock Pile is larger
 - Diversion channel, connecting watershed D to Area 5, on north side of West Mine Rock Pile
 - Longer duration of supplemental flows to refill Kennady Lake
- No changes are anticipated with regards to the closure activities, objectives, criteria or reclamation research from that presented in ICRP v.4. (ECCC- 14, NHX- 19)
- De Beers anticipates updating the ICRP v.4 with the relevant WL amendment changes after completion of this WL amendment process

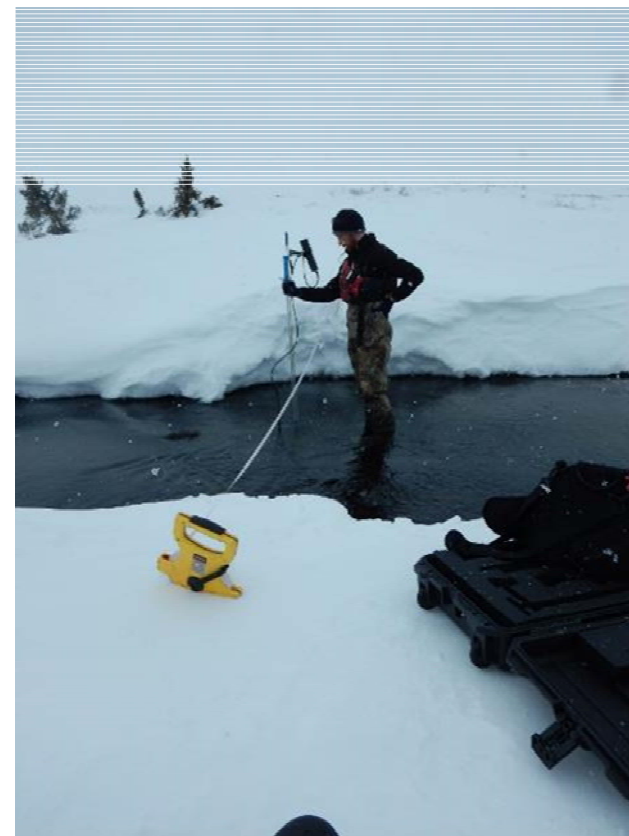
INTERIM CLOSURE AND RECLAMATION PLAN (ICRP) – PLAN UPDATE

- The use of Area 7 for flow augmentation is not anticipated to inhibit the potential to restore Area 7 earlier in the mine life. Lake N11 is the primary source of water for flow augmentation. (GNWT – 35)
- A larger West Mine Rock Pile footprint will result in a reduction in the Kennady Lake surface area at closure. This change is not expected to change the ability of Kennady Lake to support a functioning aquatic ecosystem or the return of aquatic species. The closure objectives for Kennady Lake remain the same. (GNWT –46, 47)
- De Beers is currently completing a revegetation research report as per Task 1 of the RRP. As directed by the MVLWB, the results will be presented in the ACRPPR. The completed research will inform revegetation planning and may have linkages to cover options for the Fine PK Facility. (NHX –19, 23)
- Materials not used in the construction and operations have been relocated to the overburden stockpile located as part of the South Mine Rock Pile for future use in construction and closure. (NHX – 20)



FINANCIAL SECURITY – ESTIMATE UPDATE

- De Beers will submit a financial security report as part of this WL amendment process.
 - Will include 2 distinct security estimates:
 - the currently approved project, and
 - the WL amendment
 - Part C, Condition 5 of the Water Licence (MV2005L2-0015)
 - MVLWB direction to submit an revised estimate by June 30, 2018
 - Uses RECLAIM v.7
- De Beers and the GNWT have agreed to a process to have the financial security estimate reviewed with the aim to achieve alignment on the proposed securities prior to submission to the MVLWB. (GNWT – 49)
 - De Beers provided GNWT with a draft in April, 2018.
 - GNWT will provide input to De Beers in early June, 2018
 - Beers will submit the estimate to MVLWB by June 30, 2018



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THANK-YOU

