

Mackenzie Valley Land and Water Board
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Staff Report

Applicant: De Beers Canada Ltd.				
Location: Kennady Lake, NT	Application: MV2005C0032 & MV2005L2-0015			
Date Prepared: July 22, 2014 Meeting Date: July 30, 2014				
Subject: Type A Land Use Permit and Type A Water Licence				

1. Purpose/Report Summary

The purpose of this report is to present applications to the Mackenzie Valley Land and Water Board (MVLWB, the Board) made by De Beers Canada Inc. (De Beers) for a Type A Land Use Permit (LUP) and a Type A Water Licence (WL). These applications are for the construction, development and operation of the Gahcho Kué Project at Kennady Lake, Northwest Territories.

2. Background

- November 24, 2005 LUP MV2005C0032 and WL MV2005L2-0015 applications submitted to the Board;
- December 22, 2005 LUP MV2005C0032 and WL MV2005L2-0015 applications referred to Environmental Assessment (EA) by Environment Canada (EC);
- January 4, 2006 Mackenzie Valley Environmental Impact Review Board (MVEIRB) commenced EA (EA 0506-008);
- June 12, 2006 MVEIRB ordered an Environmental Impact Review (EIR 0607-001);
- July 19, 2013 MVEIRB released its Report of EIR and Reasons for Decision;
- October 22, 2013 Minister of Aboriginal Affairs and Northern Development Canada (AANDC) approved EIR;
- October 22, 2013 Letter from Board Staff to De Beers regarding Submission Requirements for Mining and Milling Water Licence and Land Use Permit Applications;
- November 5, 2013 Board Staff distributed a letter (dated November 1, 2013) regarding the Notification of Technical Support for Upcoming Applications for De Beers Canada Inc. – Gahcho Kué Project;

- November 14, 2013 Board determination to require further studies and investigations for LUP MV2005C0032 under paragraph 22(2)(b) of the Mackenzie Valley Land Use Regulations (MVLUR);
- November 28, 2013 Updated Project Description received from De Beers;
- December 9, 2013 Review initiated;
- January 6, 2014 De Beers submits a letter to the Board outlining their position on an exemption from a Preliminary Screening;
- January 16, 2014 Review comments due;
- January 27, 2014 De Beers responses due;
- February 11-13, 2014 Technical Sessions;
- February 17, 2014 Information Requests issued;
- February 24, 2014 Responses from Information Requests submitted;
- March 10, 2014 Draft WL (v.1) sent for review;
- March 18, 2014 Pre-hearing conference;
- March 20, 2014 Preliminary screening exemption determination made by the Board;
- April 7, 2014 Interventions from reviewers due;
- April 14, 2014 De Beers responses to interventions;
- May 5-6, 2014 Public Hearing;
- May 15, 2014 Undertakings due;
- May 22, 2014 Draft WL (v.2) and draft LUP (v.1) sent for review;
- June 10, 2014 Reviewer comments due on draft WL (v.2) and draft LUP (v.1);
- June 17, 2014 De Beers comments due on draft WL (v.2) and draft LUP (v.1);
- June 24, 2014 Written closing arguments due from interveners;
- June 30, 2014 Written closing arguments due from De Beers; and
- July 30, 2014 Applications presented to the Board.

3. Discussion

During the course of the Public Hearing, which was held on May 5 and 6, 2014, undertakings were requested from both De Beers and the Government of the Northwest Territories – Environment and Natural Resources (GNWT-ENR) with due dates of May 9 and 15, 2014 (attached).

Following the submission of the undertakings, Board staff prepared a draft WL (v.2) and a draft LUP (v.1) and distributed them for review on May 23, 2014. When these drafts were distributed, the MVLWB clearly indicated that:

- The purpose of the draft Permit and Licence was to allow parties to comment on Board staff's suggested conditions;
- These draft materials were not intended to limit in any way the scope of parties' closing arguments; and
- The Board was not bound by the contents of the draft Permit and Licence and would make its decision at the close of the proceeding on the basis of all the evidence and arguments filed by all parties.

Closing arguments were provided to the Board in writing, from Interveners by June 24, 2014 and from De Beers on July 1, 2014 (attached). Parties had an opportunity, in their closing arguments, to update their position on issues raised during the public hearing and to summarize their final recommendations to the Board. De Beers also provided updates to numerous management plans on or before July 1, 2014.

4. Review Comments

The draft WL (v.2) and draft LUP (v.1) were sent out for review on May 22, 2014 and all comments were received by June 17, 2014. The reviewer and proponent comments were added to the draft conditions, where appropriate, and are addressed in the attached Reasons for Decision.

The comments received are detailed in the attached Online Review System Comment Summary Table draft WL (v.2) and Online Review System Comment Summary Table draft LUP (v.1). The following reviewer's provided comments on the drafts:

- Deninu K'ue First Nation
- Environment Canada
- Department of Fisheries and Oceans
- GNWT-ENR
- Lutsel K'e Dene First Nation
- De Beers Canada Inc.

5. Conclusion

The draft LUP conditions are based upon the Working Group 4 list of standard conditions, evidence submitted by reviewers and the proponent during this regulatory process, MVLWB staff recommendations, and consistency with existing conditions in the Type A LUPs MV2013C0019 and MV2014Q0008 and other similar Type A LUPs. The draft WL conditions are based on evidence submitted by reviewers and the proponent during this review process, MVLWB staff recommendations, and consistency with existing conditions in the Type B WL MV2003L2-0005 and other similar Type A WLs. Board staff concludes that the conditions contained within this draft LUP and WL should mitigate the potential environmental impacts this development may have on the land and water.

6. Recommendation

Board staff recommends that the Board:

- 1) forward the WL with the proposed terms and conditions along with the associated Reasons for Decision to the Minister recommending approval; and
- 2) approve the draft LUP with the proposed terms and conditions.

7. Attachments

Public Hearing Undertakings

Undertaking 1

Undertaking 2

Undertaking 3

Undertaking 4

Undertaking 5

Undertakings 6 and 7

Undertaking 8

Undertaking 9

Undertaking 10

- Online Review System Comment Summary Table draft WL (v.2)
- Online Review System Comment Summary Table draft LUP (v.1)
- Closing Arguments

NSMA

GNWT-ENR

EC

DKFN

YKDFN

De Beers

- Draft LUP Cover Page and Conditions
- Draft WL Cover Page and Conditions
- Draft LUP and WL Reasons for Decision
- Draft LUP Issuance Letter
- Draft WL Letter to the Minister
- Draft Notification Letter of WL sent to Minister
- Draft WL Issuance Letter to the Proponent
- Draft General Procedures for the Administration of Licences

Respectfully submitted,

Angela Love

Regulatory Officer

Review Comment Table

Board:	MVLWB
Review Item:	De Beers Gahcho Kue Project - Draft Land Use Permit v.1 (MV2005C0032)
File(s):	MV2005C0032
Proponent:	De Beers Canada Inc - Gahcho Kue
Document(s):	Gahcho Kue Draft Land Use Permit (339 KB)
Item For Review Distributed On:	May 23 at 13:20 <u>Distribution List</u>
Reviewer Comments Due By:	June 10, 2014
Proponent Responses Due By:	June 17, 2014
Item Description:	The purpose of this draft Land Use Permit v.1 is to allow parties to comment on Board staff's suggested conditions. These draft materials are not intended to limit in any way the scope of parties' closing arguments, which are due to be submitted to the Board June 24 (interveners) and June 30 (proponent). The Board is not bound by the contents of the draft Permit and will make its decision at the close of the proceeding on the basis of all the evidence and arguments filed by all parties. Board staff would like to advise reviewers of the following: 1. Board staff has made a conscious effort to ensure that all Measures in the Report of Environmental Impact Review that are within the Board's jurisdiction are implemented through conditions in the draft Permit.
General Reviewer Information:	In addition to the email distribution list, faxes were sent to the Akaitcho fax distribution list.
Contact Information:	Angela Love 867-766-7456 Jen Potten 867-766-7468 Rebecca Chouinard 867-766-7459

Comment Summary

De Be	ers Canada Inc - Gah	acho Kue (Proponent)	
ID	Topic	Reviewer Comment/Recommendation	Proponent Response
1	Comments and De Beers' Responses	Comment (doc) (Submitted after Due Date) (Submitted after Due Date) Please see attached conformity table for the MV2005C0032 Land Use Permit conditions with Parties comments and recommendations and De Beers' responses Recommendation n/a	
	u K'ue First Nation:		
ID	Topic	Reviewer Comment/Recommendation	Proponent Response
1	General File	Comment (doc) The Deninu Kue First Nation (DKFN) has reviewed the draft conditions annexed to and forming part of the land use permit #MV2005C0032 for the Gahcho Kue Mine dated May 23, 2014. We have the following comments: Recommendation GENERALFILE	
2	Permit	Comment Part A: Scope of the Permit Recommendation we recommend that the project description details outlined in this section be consistent with the corresponding section of the draft water license.	June 17: De Beers follows the regulation requirements for LUP and WL as specified in the MVRMA, NWT Lands Act and NWT Waters Act.
3	Permit	Comment Item 20 Recommendation This items should make specific reference to the Erosion and Sediment Management Plan.	June 17: De Beers do not have any comment regarding this recommendation.

4	make reference to a land-based sump or and		June 17: This is a standard LUP condition, and is appropriate for activities that will undertaken on site by De Beers.
5	Fish Habitat Recommendation We recommend that similar provisions as described in the land use permit for the Snap Lake Mine be added here. These include specific references to the Wildlife Effects Monitoring Program, the provisions for		June 17: De Beers made a commitment as part of the EIR process to develop a Wildlife Effects Monitoring Program and Wildlife and Wildlife Habitat Protection Plan, and updates to those plans were submitted to MVLWB on May 30, 2014. De Beers currently does undertake wildlife awareness training (e.g., Bear Awareness) at site.
6	Permit	Comment Items 47 and 48. Recommendation These items should be updated to specifically mention the Wildlife and Wildlife Habitat Protection Plan (WWHPP).	June 17: De Beers agrees with this recommendation.
7	Permit	Comment Section 26(1)(o) Restoration of Lands. Recommendation this section should be consistent with the water licence in specific regards to the provisions relating to the Closure and Reclamation Plan.	June 17: De Beers agree with this recommendation as it relates to the schedule of submission of the <i>Interim C&R Plan</i> and the <i>Final C&R Plan</i> (the <i>Interim C&R Plan</i> to be submitted 18 months following issuance of the water Licence, and a minimum of two years prior to the end of operations for the <i>Final C&R Plan</i>). All other conditions appear to be standard conditions that apply to this section of the draft Land Use Permit.

8	Permit	Comment Item 89. Recommendation We recommend the revised Engagement Plan be submitted within 60 days of the issuance of the permit.	June 17: De Beers does not agree with this recommendation, and recommend that the revised Engagement Plan be submitted within ninety (90) days of the issuance of the Land Use Permit.
9	Permit	Comment Item 90. Recommendation The details regarding the Engagement Plan should remain consistent with the provisions in the water licence.	June 17: De Beers agrees with the wording of this condition in the draft Land Use Permit.
10	Permit	Comment Item 94 Recommendation We recommend that annual reports be submitted by March 31st.	June 17: De Beers requests that the reporting timeframe for the annual report remain as requested; that being May 1st of each year.
11	Permit	Comment Item 95. Recommendation This provision seems out of place and should be consistent with the standard operating procedures for project activities around caribou.	June 17: De Beers agrees that this condition is out of place, and recommends that it be placed within Part 26(1)(h) Wildlife and Fish Habitat.
12	Permit	Comment The direction provided on completing revisions or submission on any monitoring and management plans or program should include consistent workding that was put forth in the draft water license in regard to the Response Framework. Recommendation Specifically, we recommend the following be included in the draft land use permit for annual reporting purposes: Include any Action Level exceedances and a description of the actions taken in response to any Action Level exceedances under the Response Framework.	June 17: De Beers agrees with this recommendation.

13	Permit	Comment In closing we are concerned that the draft land use permit does not address the measures put forth in the Report of the Environmental Impact Review (EIR0607-001) by the Mackenzie Valley Review Board. Measure 1 states that governments, land manageers and regulators will include conditions for habitat protection in the Land Use Permit and any land tenures issued for the Project. Recommendation In this regard, the land use permit needs to be consistent with the draft water license in terms of the direction it provides to the proponent for the	June 17: De Beers does not agree that this recommendation is required.
	implementation and reporting of protection plans and monitoring programs, particularly in reference to the implementation of the Response Framework.		
Fisher	ies and Oceans Cana	da: Kelly Eggers	
ID	Topic	Reviewer Comment/Recommendation	Proponent Response
1	Draft Land Use Permit	Comment DFO Fisheries Protection Program has reviewed the draft Land Use Permit and has no comments or concerns. Recommendation None.	
GNWT - Environment and		Natural Resources: Central Email GNW	Γ
ID	Topic	Reviewer Comment/Recommendation	Proponent Response
3	General File	Comment (doc) ENR Comments and Recommendations Recommendation	

Topic 1: 26(1)(i)
Storage, Handling,
and Disposal of
Refuse or Sewage

Comment Comment(s): ENR notes that the Mackenzie Valley Land and Water Board (the Board) authorizes the proponent's disposal of site refuse described in MV2005C0032, Part C Section 26(1)(i) conditions 49-52, through the proponents Waste Management Plan. In addition, ENR notes that the Board approves of the proponent's Waste Management Plan as per condition 49. Since the primary method of waste disposal in the Waste Management Plan is by incineration, the Board is ultimately authorizing the incineration of waste in the NWT. As is consistent with the MVLWB, Guidelines for Developing a Waste Management Plan, on page 19 it states: "Waste Combustion equipment Incineration of waste may include the use of an incinerator. If incineration is employed, the incineration device must be designed and operated to treat the waste types and quantities. Further, proponents shall ensure that any on site incinerator meets the requirements of the Canada-wide Standards for Dioxins and Furans xiii and the Canada-wide Standards for Mercury Emissions xiv. Proponents who use incineration may be required to provide an incineration management plan and design and operate the facility in a manner that is consistent with Environment Canada's Technical Document for Batch Waste Incineration (2009) xv and may seek additional guidance on incinerator management by referencing Operating and Emission Guidelines for Municipal Solid

June 17: De Beers does not agree with this recommendation. As per the Incinerator Management Plan (De Beers 2014), De Beers is committed to undertake stack testing, which will be carried out post-commissioning of the incinerators and there after on a three-year cycle, contingent upon compliant test results. De Beers also understands that when proper operating procedures are followed, the incinerator will be capable of meeting the Canada-wide Standards (CWS) for dioxins/furans (CCME 2001) and mercury (CCME 2000).

Waste Incinerators (1989) xvi." (MVLWB) ENR notes that the only way to ensure that efforts to operate and maintain the incinerator are effective and that the formation and release of point source toxic, persistent and bio-accumulative compounds to the environment, such as dioxins, furans and mercury, are in compliance with the Canadian Council Ministers of the Environment (CCME) Guidelines for Canada Wide Standards (CWS) for Dioxins, Furans and Mercury Emissions, is through formalized stack testing. This is the most effective form of quantitative testing available.

Recommendation Recommendation(s): 1) As the Board authorizes the disposal of waste, ENR recommends that the proponents Land Use Permit include the following condition under 26(1)(i): a) The Permittee shall conduct stack testing every other year for any incineration device(s), in accordance with national standard stack testing protocols, during typical operations to ensure representative performance of the unit. Stack testing results (Certificate of Analysis) shall be provided to the board annually, 60 days after the completion of the test. b) The Permittee shall include in its annual submission to the board and inspector, the stack testing report by a competent professional, in addition to but not limited to the following: i. the batch operational loads used in the test: batch operational loads will include volumes or weights of each waste stream used during stack testing. ii. Certificate of Analysis

from an ISO 17025 accredited facility. The results shall be compared to the CCME CWS for Dioxins, Furans and Mercury Emissions. c) Any exceedance of the CCME standards shall require the development of an adaptive management response plan to address incineration deficiencies. 2 Topic 2: Draft land Use Permit Comment Comment(s): A Wildlife and Wildlife Habitat Protection Plan (WWHPP) outlines the steps necessary to protect personnel, wildlife and wildlife habitat within the Project Development Arca (PDA), also commonly described as a project's direct "footprint A WWHPP is a management tool to develop and implement clear procedures for employees and contractors in the field, to promote due diligence and to ensure compliance. Condition 47 states: Revised Wildlife Habitat Protection Plan Prior to the commencement of the land-use operation, the Permittee shall not commence this land-use operation until this Plan has been approved by the Board. The habitat protection measures outlined in the plan shall be for approval by the Board. Condition 48 states: Wildlife Habitat protection measures outlined in the plan shall be for approval by the Board. Condition 48 states: Wildlife Habitat protection Plan Propertites shall operate			
Use Permit Wildlife Habitat Protection Plan (WWHPP) outlines the steps necessary to protect personnel, wildlife and wildlife habitat within the Project Development Area (PDA), also commonly described as a project's direct "footprint A WWHPP is a management tool to develop and implement clear procedures for employees and contractors in the field, to promote due diligence and to ensure compliance. Condition 47 states: Revised Wildlife Habitat Protection Plan Prior to the commencement of the land-use operation, the Permittee shall submit a revised Wildlife Habitat Protection Plan to the Board. The Permittee shall not commence this land-use operation until this Plan has been approved by the Board. The habitat protection measures outlined in the plan shall be for approval by the Board. Condition 48 states: Wildlife Habitat		results shall be compared to the CCME CWS for Dioxins, Furans and Mercury Emissions. c) Any exceedance of the CCME standards shall require the development of an adaptive management response plan to address incineration	
in accordance with the approved habitat protection measures in the Wildlife Habitat Protection Plan and shall annually review the plan and make any necessary revisions to reflect any changes in operations or as	2	Wildlife Habitat Protection Plan (WWHPP) outlines the steps necessary to protect personnel, wildlife and wildlife habitat within the Project Development Area (PDA), also commonly described as a project's direct "footprint A WWHPP is a management tool to develop and implement clear procedures for employees and contractors in the field, to promote due diligence and to ensure compliance. Condition 47 states: Revised Wildlife Habitat Protection Plan Prior to the commencement of the land-use operation, the Permittee shall submit a revised Wildlife Habitat Protection Plan to the Board. The Permittee shall not commence this land-use operation until this Plan has been approved by the Board. The habitat protection measures outlined in the plan shall be for approval by the Board. Condition 48 states: Wildlife Habitat Protection Plan The Permittee shall operate in accordance with the approved habitat protection measures in the Wildlife Habitat Protection Plan and shall annually review the plan and make any necessary revisions	

directed by the Board. Revisions to the Plan shall be submitted to the Board and any revisions to the habitat protection measures outlined in the Plan shall be for approval by the Board. **Recommendation** Recommendation(s): 1) Condition 47: Revised Wildlife Habitat Protection Plan Prior to the commencement of the land-use operation, the Permittee shall submit a revised Wildlife and Wildlife Habitat Protection Plan to the Board. The Permittee shall not commence this land-use operation until this Plan has been approved by the Board. The habitat protection measures outlined in the plan shall be for approval by the Board. 2) Condition 48: Wildlife Habitat Protection Plan The Permittee shall operate in accordance with the approved habitat protection measures in the Wildlife and Wildlife Habitat Protection Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations or as directed by the Board. Revisions to the plan shall be submitted to the Board and any revisions to the habitat protection measures outlined in the plan shall be for approval by the Board.

Lutsel K'e Dene First Nation - Chief or Wildlife, Lands and Environment: Mike Tollis

ID	Topic	Reviewer Comment/Recommendation	Proponent Response
1	General File	Comment (doc) General Topic	
		Recommendation	
2	General	Comment The position of the Lutsel K'e	June 17: De Beers has extended a number
			of opportunities to the Lutsel K'e Dene
		changed and we have still yet to give our	First Nation (LKDFN) to engage and

consent to the Gahcho Kue Project. It was upon direction from the membership of the First Nation that staff should not engage in any consultation for this project, and true to that direction, LKDFN staff have not been participating in the water license or land use permit applications. Though the position of the community may change in the future, as of now, we have yet to be consulted and still do not support De Beers opening another mine on the Lockhart River Watershed. It is clear from the recent environmental assessment for the Snap Lake Water License Amendment that De Beers has great difficulty achieving water license limits, and in general, complying with water licenses issued by the Land and Water Board. This is cause for significant concern from the LKDFN that the Board is considering granting the company another water license, after such serious failures to comply with the one they currently hold. We want to see that progress is being made Lake, there is a separate Environmental at Snap Lake to conduct a cleaner operation before we allow a company that had spills totaling over 12,000L of hydrocarbons in 2 months of this year get another permit to work on the same watershed. As the project seems to be proceeding contrary to the wishes of the First Nation, we find it necessary to point out the concerns of the LKDFN as points for the Board to consider when reviewing these permit applications. First, this license Environment Canada established a cannot be the standard water license that is granted to proponents with only minor site specific alterations. We believe for the

provide input on the Gahcho Kué Project Water Licence and Land Use Permit. However, the LKDFN has declined to participate in these opportunities. These opportunities, which were the same opportunities that were extended to the five other Aboriginal Communities, included: 2013 and 2014 Spring Community Visits, 2013 Site Visits, AEMP Workshop (March 2013, February 2014, March 2014), Fish Out Workshop (March 2014) and Wildlife Updates (February 2014 and April 2014). When LKDFN responded that the community was not available on the dates offered. De Beers sent follow-up letters indicating that they would change the dates to better accommodate LKDFN community. De Beers will continue to extend these opportunities to LKDFN and will send information on the Project. With respect to concerns raised about Snap Assessment and Permitting Process for that Mine. Specific to the concern regarding groundwater for Gahcho Kué, De Beers undertook groundwater monitoring as part of the Hydrogeology Baseline Report presented the 2010 Environmental Impact Statement. In addition, based directly on concerns from the LKDFN regarding connection between Kirk Lake and Fletcher Lake (Hoarfrost Watershed), hydrometric station to assess connection. The data, captured in the 2013 Hydrology Supplemental Monitoring

protection of this sacred watershed, there must be conditions set that learn from the failures of the previous license. For example, a letter from the Snap Lake **Environmental Monitoring Agency** (SLEMA) raised concerns in 2009 about elevated levels of certain effluents in the water seeping into the underground, and it wasn't until 2011 that the company claims they realized there were higher than predicted levels, and no action has been taken even until now in 2014 No. mitigations were placed into effect and now the company is looking to increase discharge limits instead of invoking strong mitigation measures for protection of the water. We request of the Board that timelines be set on mitigation strategies coming into effect, as the response of "studies are being undertaken" is not sufficient for this site and its proximity to the Lady of the Falls spiritual site. Second, we request that no limits, even site specific limits be set above aquatic health or drinking water quality guidelines. It was clear in the Snap Lake review that De Beers does not view "drinking water quality" in the same light that LKDFN views the same term. When we mentioned water being of drinking water quality, we mean it in the way that we can dip a cup into area 8 or Lake N11 and drink the water without chlorination or any other treatment. Third, that the Board seriously consider stronger enforcement under the Mackenzie Valley Land Use Regulations (MVLUR) section 35.1 (d), that failure to

Report has been submitted to MVLWB. and is publicly available on Environment Canada's website. Moreover, De Beers undertook an assessment on the potential impacts on Lady of Falls as part of the impact assessment including the closing statements for the Environmental Assessment. The assessment indicated that there would be no measurable changes to either the Hoarfrost Watershed or Lady of Falls. Assessment on groundwater, hydrology, and water quality form part of the evidence that was considered in the MVEIRB Report of EIR and Reasons for Decision (July 2013). De Beers remains hopeful that LKDFN members will be provided the opportunity from their leadership to participate in future community visits, site visits, workshops and meetings so that their concerns can be expressed and De Beers has the opportunity to address those concerns in monitoring and management plans and or other information sources De Beers submitted a draft Spill Contingency Plan (November 28, 2013; an update will be submitted on or before June 30, 2014) that defines the response, monitoring and reporting of spills. De Beers will follow the regulations with respect to spill reporting.

comply with the conditions of the permit be met with written notice from the Board of non-compliance and consideration of suspension of the water license. Too often has the Snap Lake mine been out of compliance with their water license without repercussion, so what is the message that is being sent about water licenses? If non-compliance is acceptable then why issue the water license or require a security posting? LKDFN believes that water license limits and conditions are set for the protection of the land and water from significant adverse impacts, and going beyond the limits set in a water license constitutes grounds for significant impacts, and therefore there should be repercussions for failure to meet these criteria. With the chronic failure of Snap Lake to comply, we are not setting the bar too high for the same company with a new water license, and we don't think the Board should put faith in De Beers' ability to accomplish the limits set in the water license. Lastly, LKDFN had disagreement with the company during the environmental impact review about surface and groundwater flows. As part of the groundwater monitoring program, we want to see comprehensive groundwater flow diagrams showing the distribution and movement of groundwater. We expect this to be included in the hydrogeological description. For the land use permit, condition 42 mentions spill reporting, and as spills are a regular occurrence at Snap Lake, we request of the Board that the

parties to the assessment receive notification as soon as possible after a spill. This request focuses on transparency and ensures effective communication with the incidents that happen on the territory. We do not intend that this be an onerous process, simply carbon copying the parties on the letter or email would suffice. Further with regard to spills, the permit mentions an activity associated with the project to be a landfarm, but there are no further conditions set on it. By the nature and significance of the spills at Snap Lake, we would request that there be a timeline for the establishment of the landfarm, also considering there was a landfarm promise by De Beers for Snap Lake that hasn't come to realization yet. The landfarm should be developed to federal and territorial guidelines. These recommendations and requests come out of a very brief overview of the water license and land use permit drafts. LKDFN reiterates that we do not support the project at this time, and certainly are not in favour of granting De Beers a second water license, when they have so much difficulty complying with the one they currently hold. For any further information, please contact the undersigned.

Recommendation See above.



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Mackenzie Valley Land
& Water Board
File

JUN 1 0 2014

Application #_MV20050032

Copied To A

June 10, 2014

Re: Comments on the De Beers Gahcho Kue Project - Draft Land Use Permit v.1 (MV2005C0032)

Dear Mr. Hagen,

The Deninu Kue First Nation (DKFN) has reviewed the draft conditions annexed to and forming part of the land use permit #MV2005C0032 for the Gahcho Kue Mine dated May 23, 2014. We have the following comments:

- Part A: Scope of the Permit we recommend that the project description details
 outlined in this section be consistent with the corresponding section of the draft water
 license.
- Item 20. This items should make specific reference to the Erosion and Sediment Management Plan.
- Items 37 and 38. These items make reference to a land-based sump or the deposition of drilling waste into a natural depression. We recommend that these references be removed and that all drilling waste be contained in a closed circuit system for reuse or off-site disposal.
- Section 26(1)(h) Wildlife and Fish Habitat We recommend that similar provisions as
 described in the land use permit for the Snap Lake Mine be added here. These include
 specific references to the Wildlife Effects Monitoring Program, the provisions for
 ensuring wildlife awareness training is conducted and that a Wildlife and Wildlife
 Habitat Protection Plan is implemented.
- Items 47 and 48. These items should be updated to specifically mention the Wildlife and Wildlife Habitat Protection Plan (WWHPP).

- Section 26(1)(o) Restoration of Lands this section should be consistent with the water license in specific regards to the provisions relating to the Closure and Reclamation Plan.
- Item 89. We recommend the revised Engagement Plan be submitted within 60 days of the issuance of the permit.
- Item 90. The details regarding the Engagement Plan should remain consistent with the provisions in the water license.
- Item 94. We recommend that annual reports be submitted by March 31st.
- Item 95. This provision seems out of place and should be consistent with the standard operating procedures for project activities around caribou.
- The direction provided on completing revisions or submissions on any monitoring and management plans or program should include consistent wording that was put forth in the draft water license in regard to the Response Framework. Specifically, we recommend the following be included in the draft land use permit for annual reporting purposes: Include any Action Level exceedances and a description of the actions taken in response to any Action Level exceedances under the Response Framework.

In closing we are concerned that the draft land use permit does not address the measures put forth in the Report of the Environmental Impact Review (EIR0607-001) by the Mackenzie Valley Review Board. Measure 1 states that governments, land managers and regulators will include conditions for habitat protection in the Land Use Permit and any land tenures issued for the Project. In this regard, the land use permit needs to be consistent with the draft water license in terms of the direction it provides to the proponent for the implementation and reporting of protection plans and monitoring programs, particularly in reference to the implementation of the Response Framework.

We thank the MVLWB for the opportunity to be part of this permitting process and we look forward to reviewing the next version of the draft permit.

Sincerely.

Chief Louis Balsillie

Encl.

cc. Angela Love, Regulatory Officer MVLWB

Jen Potten, Regulatory Officer MVLWB

Linda Vanden Berg, LVB Strategic Negotiations and Research

Marc d'Entremont, LGL Limited



June 10, 2014

Marc Casas
Regulatory Officer
Mackenzie Valley Land and Water Board
7th Floor - 4910 50th Avenue
P.O. Box 2130
Yellowknife, NT
X1A 2P6

Dear Mr. Casas,

Re: DeBeers Canada Inc.

DeBeers Gahcho Kue Project

Draft Land Use Permit - MV2005C0032 Draft Water Licence - MV2005L2-0015 Request for Review and Comment

The Department of Environment and Natural Resources has reviewed the application and draft Land Use Permit at reference based on its mandated responsibilities under the *Environmental Protection Act*, the *Forest Management Act*, the *Forest Protection Act*, the *Waters Act* and the *Wildlife Act* and has the following comments and recommendations for the consideration of the Board.

Draft Water Licence Comments

Topic 1: Scope

Comment(s):

A Board Staff comment indicates that the scope is tied to a table in the Updated Project Description. The paragraph in the licence references the Updated Project Description, but not the specific table.

Recommendation(s):

1) Include specifics on the table that is being referred to, i.e. Table x.x, Section Y.

Topic 2: Part C and Schedule 2 (Security)

Comment(s):

Schedule 2 includes provision for scheduling payment of security installments. GNWT provided recommendations on the timing of security payments during the public hearing.

Recommendation(s):

- GNWT recommends that the first payment amount be scheduled in conjunction with construction. The total construction liability could be scheduled as two equal payments over the two year construction period: one occurring prior to starting construction and the second prior to year 2.
- 2) GNWT recommends the next payment be required prior to mining and milling, which is expected to be year 1 of operations.
- 3) GNWT recommends the next payment be scheduled for year 4 of operations, which is expected to coincide with the end of mining in the Hearne Pit.

Topic 3: Part E Clause 8

Comment(s):

As worded, this clause is unclear. The clause should be re-worded to clarify whether a revised Standard Operating Procedures (SOP) is to be submitted annually or in response to changes to the approved SOP or at the request of the Board.

Recommendation(s):

1) Clarify the intended timing.

Topic 4: Part F Clauses 2 and 3

Comment(s):

These clauses refer to modifications under Part G, Item 1. GNWT expects that the reference should be to Part F, Item 1.

Recommendation(s):

1) Confirm the reference.

Topic 5: Part G Clauses 4 and 5

Comment(s):

Clause 4 refers to a Construction Water Management Plan which is to be in place to address the Dyke Construction and Drawdown phases of the project. Clause 5 refers to an Operational Water Management Plan which shall be in place 60 days prior to discharge from the Water Management Pond.

The transition from one phase to the next is not clear, i.e. when does Kennady Lake cease being Kennady Lake and become a Water Management Pond. A clear transition point should be determined.

Recommendation(s):

1) The Water Licence Reasons for Decision should clearly define when it is anticipated that Kennady Lake becomes the Water Management Pond.

Topic 6: Part I Clause 2

Comment(s):

Clause 2 requires the Licensee to adhere to the AEMP Design Plan submitted April 16, 2014 until a revised plan is approved by the Board.

A revised plan should be submitted for Board approval soon after Licence issuance.

Recommendation(s):

1) A revised AEMP Design Plan should be submitted for Board approval within 30 days of the Licence issuance.

Topic 7: Schedule 6, Clause 1. c) iv.

Comment(s):

This clause requires a description of procedures to analyze and interpret data including integrating the results of individual monitoring streams. Weight of evidence analysis is identified as a potential method.

ENR agrees with the general intent of this clause, but notes that different methods are available for integrating the results of different lines of evidence. Whatever methodology is chosen, it is key that the analysis does not lose sight of the implicit management goals for the ecosystem. For example, the CCME's guiding principle for developing long term exposure guidelines is protecting all the species all the time. CCME guidelines derived using an SSD approach assumes that 95% of the species will be protected to a no effect level and that low-level effects could occur on

the most sensitive species. Selecting CCME guidelines implies this level of protection and management is desired for the exposure area. Weight-of-evidence evaluations often place greater emphasis on larger changes to abundance or community structure in exposed ecosystems than on surface water chemistry or toxicity. This can result in misleading results because the inherent variability in natural systems means that changes in the abundance of individual species or the structure of communities can only be detected when large changes occur in the receiving environment. Therefore, analyses and interpretation of monitoring data should focus on the most sensitive indicators of effects, rather than relying exclusively on a weight-of-evidence.

The GNWT feels that specifically referring to a "weight of evidence approach" may limit the analytical methods that are used by the proponent, and would prefer that reference to a specific method is not used.

Recommendation(s):

Remove the portion of the sentence "such as a weight-of-evidence analysis".
 This is something that should be reviewed and approved as part of the AEMP development process.

Topic 8: SNP 01

Comment(s):

Physical parameters are only measured twice during drawdown of Kennady Lake – once at the beginning of the discharge period and once on the final day of discharge. Weekly monitoring occurs for water elevation in "Lake N11".

GNWT notes that daily inline monitoring will occur for physical parameters during discharge into N11 (SNP 02). Nevertheless, GNWT believes that more frequent monitoring should also be conducted at SNP 01 within "Lake N11" during dewatering to ensure that mixing is occurring as predicted and the water quality objectives are being achieved. GNWT recommends weekly monitoring for pH, TSS and turbidity.

Recommendation(s):

1. Include weekly monitoring for pH, TSS and turbidity during drawdown of Kennady Lake.

Topic 9: SNP 03

Comment(s):

Physical parameters are only measured twice during drawdown of Kennady Lake – once at the beginning of the discharge period and once on the final day of discharge. Weekly monitoring occurs for water elevation in "Area 8".

GNWT notes that daily inline monitoring will occur for physical parameters during discharge into Area 8 (SNP 04). Nevertheless, GNWT believes that more frequent monitoring should also be conducted at SNP 03 within "Area 8" during dewatering to ensure that mixing is occurring as predicted and the water quality objectives are being achieved. GNWT recommends weekly monitoring for pH, TSS and turbidity.

Recommendation(s):

1. Include weekly monitoring for pH, TSS and turbidity during drawdown of Kennady Lake.

Draft Land Use Permit Comments

Topic 1: 26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage

Comment(s):

ENR notes that the Mackenzie Valley Land and Water Board (the Board) authorizes the proponent's disposal of site refuse described in MV2005C0032, Part C Section 26(1)(i) conditions 49-52, through the proponents Waste Management Plan. In addition, ENR notes that the Board approves of the proponent's Waste Management Plan as per condition 49. Since the primary method of waste disposal in the Waste Management Plan is by incineration, the Board is ultimately authorizing the incineration of waste in the NWT.

As is consistent with the MVLWB, *Guidelines for Developing a Waste Management Plan*, on page 19 it states:

"Waste Combustion equipment Incineration of waste may include the use of an incinerator. If incineration is employed, the incineration device must be designed and operated to treat the waste types and quantities. Further, proponents shall ensure that any on site incinerator meets the requirements of the Canada-wide Standards for Dioxins and Furans xiii and the Canada-wide Standards for Mercury Emissions xiv. Proponents who use incineration may be required to provide an incineration management plan and design and operate the facility in a manner that is consistent with Environment Canada's Technical Document for Batch Waste Incineration (2009) xv and may seek additional guidance on incinerator management by referencing Operating and Emission Guidelines for Municipal Solid Waste Incinerators (1989) xvi." (MVLWB)

ENR notes that the only way to ensure that efforts to operate and maintain the incinerator are effective and that the formation and release of point source toxic, persistent and bio-accumulative compounds to the environment, such as dioxins, furans and mercury, are in compliance with the Canadian Council Ministers of the Environment (CCME) Guidelines for Canada Wide Standards

(CWS) for Dioxins, Furans and Mercury Emissions, is through formalized stack testing. This is the most effective form of quantitative testing available.

Recommendation(s):

- 1) As the Board authorizes the disposal of waste, ENR recommends that the proponents Land Use Permit include the following condition under 26(1)(i):
 - a) The Permittee shall conduct stack testing every other year for any incineration device(s), in accordance with national standard stack testing protocols, during typical operations to ensure representative performance of the unit. Stack testing results (Certificate of Analysis) shall be provided to the board annually, 60 days after the completion of the test.
 - b) The Permittee shall include in its annual submission to the board and inspector, the stack testing report by a competent professional, in addition to but not limited to the following:
 - the batch operational loads used in the test: batch operational loads will include volumes or weights of each waste stream used during stack testing.
 - Certificate of Analysis from an ISO 17025 accredited facility. The results shall be compared to the CCME CWS for Dioxins, Furans and Mercury Emissions.
 - c) Any exceedance of the CCME standards shall require the development of an adaptive management response plan to address incineration deficiencies.

Topic 2: Draft land Use Permit

Comment(s):

A Wildlife and Wildlife Habitat Protection Plan (WWHPP) outlines the steps necessary to protect personnel, wildlife and wildlife habitat within the Project Development Area (PDA), also commonly described as a project's direct "footprint A WWHPP is a management tool to develop and implement clear procedures for employees and contractors in the field, to promote due diligence and to ensure compliance.

Condition 47 states: Revised Wildlife Habitat Protection Plan

Prior to the commencement of the land-use operation, the Permittee shall submit a revised *Wildlife Habitat Protection Plan* to the Board. The Permittee shall not commence this land-use operation until this Plan has been approved

by the Board. The habitat protection measures outlined in the plan shall be for approval by the Board.

Condition 48 states: Wildlife Habitat Protection Plan

The Permittee shall operate in accordance with the approved habitat protection measures in the *Wildlife Habitat Protection Plan* and shall annually review the plan and make any necessary revisions to reflect any changes in operations or as directed by the Board. Revisions to the Plan shall be submitted to the Board and any revisions to the habitat protection measures outlined in the Plan shall be for approval by the Board.

Recommendation(s):

1) Condition 47: Revised Wildlife Habitat Protection Plan

Prior to the commencement of the land-use operation, the Permittee shall submit a revised *Wildlife and Wildlife Habitat Protection Plan* to the Board. The Permittee shall not commence this land-use operation until this Plan has been approved by the Board. The habitat protection measures outlined in the plan shall be for approval by the Board.

2) Condition 48: Wildlife Habitat Protection Plan

The Permittee shall operate in accordance with the approved habitat protection measures in the *Wildlife and Wildlife Habitat Protection Plan* and shall annually review the plan and make any necessary revisions to reflect changes in operations or as directed by the Board. Revisions to the plan shall be submitted to the Board and any revisions to the habitat protection measures outlined in the plan shall be for approval by the Board.

Comments and recommendations were provided by ENR technical experts in Environment Division, Water resources and the North Slave Region and were coordinated and collated by the Environmental Assessment and Monitoring Section (EAM).

If you have any questions or concerns, please do not hesitate to contact Patrick Clancy, Environmental Regulatory Analyst at 920-6118 or email at patrick_clancy@gov.nt.ca.

Sincerely,

Patrick Clancy

Environmental Regulatory Analyst Environmental Impact Assessment

Conservation, Assessment and Monitoring Division Department of Environment and Natural Resources

Government of the Northwest Territories

Wildlife, Lands and Environment Department



Lutsel K& Dene First Nation P.O. Box 28 Lutsel K&, N.T. X0E 1A0

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Tuesday June 10th 2014

Angela Love
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Re: Gahcho Kue Water License application

To Ms. Love,

The position of the Lutsel K'e Dene First Nation (LKDFN) has not changed and we have still yet to give our consent to the Gahcho Kue Project. It was upon direction from the membership of the First Nation that staff should not engage in any consultation for this project, and true to that direction, LKDFN staff have not been participating in the water license or land use permit applications.

Though the position of the community may change in the future, as of now, we have yet to be consulted and still do not support De Beers opening another mine on the Lockhart River Watershed. It is clear from the recent environmental assessment for the Snap Lake Water License Amendment that De Beers has great difficulty achieving water license limits, and in general, complying with water licenses issued by the Land and Water Board. This is cause for significant concern from the LKDFN that the Board is considering granting the company another water license, after such serious failures to comply with the one they currently hold. We want to see that progress is being made at Snap Lake to conduct a cleaner operation before we allow a company that had spills totaling over 12,000L of hydrocarbons in 2 months of *this year* get another permit to work on the same watershed.

As the project seems to be proceeding contrary to the wishes of the First Nation, we find it necessary to point out the concerns of the LKDFN as points for the Board to consider when reviewing these permit applications.

First, this license cannot be the standard water license that is granted to proponents with only minor site specific alterations. We believe for the protection of this sacred watershed, there must be conditions set that learn from the failures of the previous license. For example, a letter from the Snap Lake Environmental Monitoring Agency (SLEMA) raised concerns in 2009 about elevated levels of certain effluents in the water seeping into the underground, and it wasn't until 2011 that the company claims they realized there were higher than predicted levels, and no action has been taken even until now in 2014. No mitigations were placed into effect and now the company is looking to increase discharge limits instead of invoking strong mitigation measures for protection of the water. We request of the Board that timelines be set on mitigation strategies coming into effect, as the response of "studies are being undertaken" is not sufficient for this site and its proximity to the Lady of the Falls spiritual site.

Second, we request that no limits, even site specific limits be set above aquatic health or drinking water quality guidelines. It was clear in the Snap Lake review that De Beers does not view "drinking water quality" in the same light that LKDFN views the same term. When we mentioned water being of drinking water quality, we mean it in the way that we can dip a cup into area 8 or Lake N11 and drink the water without chlorination or any other treatment.

Third, that the Board seriously consider stronger enforcement under the Mackenzie Valley Land Use Regulations (MVLUR) section 35.1 (d), that failure to comply with the conditions of the permit be met with written notice from the Board of non-compliance and consideration of suspension of the water license. Too often has the Snap Lake mine been out of compliance with their water license without repercussion, so what is the message that is being sent about water licenses? If non-compliance is acceptable then why issue the water license or require a security posting? LKDFN believes that water license limits and conditions are set for the protection of the land and water from significant adverse impacts, and going beyond the limits set in a water license constitutes grounds for significant impacts, and therefore there should be repercussions for failure to meet these criteria. With the chronic failure of Snap Lake to comply, we are not setting the bar too high for the same company with a new water license, and we don't think the Board should put faith in De Beers' ability to accomplish the limits set in the water license.

Lastly, LKDFN had disagreement with the company during the environmental impact review about surface and groundwater flows. As part of the groundwater monitoring program, we want to see comprehensive groundwater flow diagrams showing the distribution and movement of groundwater. We expect this to be included in the hydrogeological description.

For the land use permit, condition 42 mentions spill reporting, and as spills are a regular occurrence at Snap Lake, we request of the Board that the parties to the assessment receive notification as soon as possible after a spill. This request focuses on transparency and ensures effective communication with the incidents that happen on

the territory. We do not intend that this be an onerous process, simply carbon copying the parties on the letter or email would suffice.

Further with regard to spills, the permit mentions an activity associated with the project to be a landfarm, but there are no further conditions set on it. By the nature and significance of the spills at Snap Lake, we would request that there be a timeline for the establishment of the landfarm, also considering there was a landfarm promise by De Beers for Snap Lake that hasn't come to realization yet. The landfarm should be developed to federal and territorial guidelines.

These recommendations and requests come out of a very brief overview of the water license and land use permit drafts. LKDFN reiterates that we do not support the project at this time, and certainly are not in favour of granting De Beers a second water license, when they have so much difficulty complying with the one they currently hold.

For any further information, please contact the undersigned.

Sincerely,

Mike Tollis

Wildlife, Lands and Environment Department

Lutsel K'e Dene First Nation

P: 867-370-3197 F: 867-370-3143

Ikdfnlands@gmail.com

CC:

Chief Felix Lockhart

Stephanie Poole Akaitcho IMA Office

LKDFN

MVLWB DRAFT CONDITION / ITEM VERSION 2	PROPOSED CHANGE	RATIONALE	ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
Part A: Scope of Permit						
This Permit entitles the Permittee to conduct the following land-use operation:	This Permit entitles the Permittee to conduct the following land-use operation:	Added in "xv. The Landfill.	DKFN-1	Part A: Scope of the Permit	We recommend that the project description details outlined in this section be consistent with the corresponding section	De Beers follows the regulation requirements for LUP and WL as specified in the MVRMA, NWT
Mining and directly associated activities on the De Beers Canada Inc. Gahcho Kue Diamond Mine Project and includes the following:	Mining and directly associated activities on the De Beers Canada Inc. Gahcho Kue Diamond Mine Project and includes the following:				of the draft water license.	Lands Act and NWT Waters Act.
i. dykes and berms to facilitate the dewatering of Kennady Lake; ii. open pit mining of the Hearne, 5034 and Tuzo kimberlite	i. dykes and berms to facilitate the dewatering of Kennady Lake;					
pipes; iii. milling facilities and infrastructure;	ii. open pit mining of the Hearne, 5034 and Tuzo kimberlite pipes;					
iv. ore and low grade ore stockpiles; v. a Fine Processed Kimberlite Containment Facility;	iii. milling facilities and infrastructure; iv. ore and low grade ore stockpiles;					
vi. a Coarse Processed Kimberlite Containment Facility; vii. a West Mine Rock Pile;	v. a Fine Processed Kimberlite Containment Facility; vi. a Coarse Processed Kimberlite Containment Facility;					
viii. a South Mine Rock Pile; ix. deposition of kimberlite and waste rock into the Hearne and	vii. a West Mine Rock Pile; viii. a South Mine Rock Pile;					
5034 open pits; x. quarrying;	ix. deposition of kimberlite and waste rock into the Hearne and 5034 open pits;					
xi. the existing exploration camp, winter access spur road camp, and a mining camp;	x. quarrying; xi. the existing exploration camp, winter access spur					
xii. fuel, lubricant, and glycol storage facilities and laydown areas; xiii. explosives storage facilities and use of explosives;	road camp, and a mining camp; xii. fuel, lubricant, and glycol storage facilities and					
xiv. a Landfarm; xv. construction and operation of the winter access spur road;	laydown areas; xiii. explosives storage facilities and use of explosives;					
xvi. site facilities and infrastructure including but not limited to the Water supply facility, Sewage treatment plant, pipelines,	xiv. a Landfarm; xv. the Landfill;					
incinerator, site roads, all-season airstrip and apron, power plant, electrical distribution, and material storage and sorting	xvi. construction and operation of the winter access spur road;					
facilities; and xvii. use of equipment, vehicles and machines.	xvii. site facilities and infrastructure including but not limited to the Water supply facility, Sewage treatment plant, pipelines, incinerator, site roads, all-season					
All Activities will be bounded by the following locations:	airstrip and apron, power plant, electrical distribution, and material storage and sorting facilities; and					
63° 25' 12.5" N, 109° 06' 13.7" W and 63° 58' 49.3" N, 110° 17' 59.7" W.	xviii. use of equipment, vehicles and machines.					
	All Activities will be bounded by the following locations: 63° 25' 12.5" N, 109° 06' 13.7" W and 63° 58' 49.3" N, 110° 17' 59.7" W					
This Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, item 1 of this Permit.						
3. Compliance with the terms and conditions of this Permit does not excuse the Permittee from its obligation to comply with the requirements of any applicable Federal, Territorial, or Municipal laws.						
Part B: Definitions						
2. Definitions						
Act - the Mackenzie Valley Resource Management Act.						
Board - the Mackenzie Valley Land and Water Board established under Part 4 of the Act.						
Borehole - a hole that is made in the surface of the ground by drilling or boring.						
Construction - means any activities undertaken to construct or build any components of, or associated with, the development of the Project, including any Construction activities undertaken during operations and closure phases of the project.						

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MVLWB DRAFT CONDITION / ITEM VERSION 2	PROPOSED CHANGE	RATIONALE ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
Dogleg – the clearing of a line, trail, or right-of-way that is curved sufficiently so that no part of the clearing beyond the curve is visible when approached from either direction.					
Drilling Fluids - any liquid mixture of water, sediment, drilling muds, chemical additives or other wastes that are pumped down hole while drilling and are specifically related to drilling activity.					
Drilling Waste - all materials or chemicals, solid or liquid, associated with drilling, including drill cuttings and Drilling Fluids.					
Durable Land - land that is able to withstand repeated use, such as gravel or sand with minimal vegetative cover.					
Environmental Impact Review - means the totality of the Mackenzie Valley Environmental Impact Review Board Public Registry, for Environmental Impact Review 06070-001, as established under the authority of Part 5 of the Act for this Permit application. This includes, without limiting the foregoing, all documents, records, and materials of any kind submitted to the Mackenzie Valley Environmental Impact Review Board Public Registry which are relevant to Land Use Permit Application MV2005C0032 made by De Beers Canada Inc.					
Flowing Artesian Well - a well in which water: a) Naturally rises above the ground surface or the top of any casing; and					
b) Flows naturally, either intermittently or continuously. Fuel Storage Container - a container for the storage of petroleum or allied petroleum products with a capacity of less than 230 litres.					
Fuel Storage Tank - a closed container for the storage of petroleum or allied petroleum products with a capacity of more than 230 litres.					
Greywater - all liquid wastes from showers, baths, sinks, kitchens, and domestic washing facilities but not including toilet wastes.					
Habitat - the area or type of site where a species or an individual of a species of wildlife naturally occurs or on which it depends, directly or indirectly, to carry out its life processes.					
Inspector - an Inspector designated by the Minister under the Mackenzie Valley Resource Management Act.					
Minister - the Minister of Indian Affairs and Northern Development.					
Operations - means the activities which occur following the commencement of mining ore for milling in the process plant.					
Ordinary High Water Mark - the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing waters (rivers, streams) this refers to the "active channel/bank-full level" which is often the 1:2 year flood flow return level. In inland lakes, wetlands, or marine environments, it refers to those parts of the Watercourse bed and banks that are frequently flooded by water so as to leave a mark on the land and where the natural vegetation changes from predominately aquatic vegetation to terrestrial vegetation (excepting water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).					
Permafrost - ground (soil or rock) that remains at or below 0°C for at least two consecutive years.					
Project - means the Gahcho Kue application in its entirety as described in the Report of Environmental Impact Review 0607-001, dated October 22, 2013 and in the Updated Project Description and supporting materials submitted on November 28, 2013.					

MVLWB DRAFT CONDITION / ITEM VERSION 2	PROPOSED CHANGE	RATIONALE ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
Secondary Containment - containment that prevents liquids that leak from Fuel Storage Tanks or containers from reaching outside the containment area and includes double-walled Tanks, piping, liners, and impermeable barriers.					
Sewage - all toilet wastes and Greywater.					
Sewage Disposal Facilities - Sump(s) and/or Sewage collection tank(s) and/or storage containers designed to hold Sewage.					
Spill Contingency Plan - a document, developed in accordance with Aboriginal Affairs and Northern Development Canada's <i>Guidelines for Spill Contingency Planning</i> (April 2007), that describes the set of procedures to be implemented to minimize the effects of a spill.					
Sump - a man-made pit or natural depression in the earth's surface used for the purpose of depositing waste that does not contain Toxic Material, such as non-toxic Drilling Waste or Sewage, therein.					
Toxic - any substance that enters or may enter the environment in a quantity or concentration or under conditions such that it: a) Has or may have an immediate or long-term harmful effect on					
the environment or its biological diversity; b) Constitutes or may constitute a danger to the environment on					
which life depends; or c) Constitutes or may constitute a danger to the environment on which life depends; or c) Constitutes or may constitute a danger in Canada to human					
life or health.					
Waste - any garbage, debris, chemical, or Toxic Material to be used, stored, disposed of, or handled on land, and also as defined in section 51 of the Act.					
Waste Management Plan (WMP) - a document, developed in accordance with the Board's Guidelines for Developing a Waste Management Plan, that describes the methods of waste management from waste generation to final disposal.	Waste Management Plan (WMP) - a document, developed in accordance with the Board's Guidelines for Developing a Waste Management Plan, which describes the methods of hazardous and non-hazardous waste management from waste generation to final disposal.	In November 2013, De Beers submitted a Waste Management Framework document, which provided an overview of the planned waste management practices and processes that would be adopted at the Gahcho Kué mine. This framework document linked directly to specific waste management plans, which included the Processed Kimberlite and Mine Rock Management Plan; the Water Management Plan; the Erosion and Sediment Management Plan; the Incinerator Management Plan; the Non-hazardous Solid Waste Management Plan; the Hazardous Materials and Waste Management Plan; and the Landfarm Management Plan. Following permitting review, De Beers have integrated the Non-hazardous Solid Waste Management and Hazardous Materials and Waste Management plans to form a revised Waste Management Plan, with the other plans, including the Incinerator Management Plan and the Landfarm Management Plan, remaining as standalone management plans.	The direction provided on completing revisions or submission on any monitoring and management plans or program should include consistent wording that was put forth in the draft water license in regard to the Response Framework.	Specifically, we recommend the following be included in the draft land use permit for annual reporting purposes: Include any Action Level exceedances and a description of the actions taken in response to any Action Level exceedances under the Response Framework.	De Beers agrees with this recommendation.
Watercourse - a natural body of flowing or standing water or an area occupied by water during part of the year, and includes streams, springs, swamps and gulches but does not include groundwater.					
Part C: Conditions Applying to All Activities (headings correspond to subsection 26(1) of the <i>Mackenzie Valley Land Use Regulations</i>)					
26(1)(a) Location and Area					
The Permittee shall locate all camps on Durable Land or previously cleared areas. Camp Location Camp Location					
The Permittee shall use an existing campsite, as described in the complete application. Existing Camp Existing Camp					

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MVLWB DRAFT CONDITION / I' VERSION 2	PROPOSED CHANGE	RATIONALE	ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
The Permittee shall not conduct a quarry operation within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	Quarry Setback					
The Permittee shall not construct parallel lines or roads, unless an existing line or road cannot be used.	Parallel Roads					
5. The Permittee shall locate all lines, trails, and right-of-ways to be constructed parallel to any Watercourse a minimum of 100 metres from the Ordinary High Water Mark, except at crossings.	Parallel Watercourse					
6. The Permittee shall not conduct this land-use operation on any lands not designated in the complete application.	Location of Activities					
7. Prior to the commencement of the land-use operation, the Permittee shall accompany an Inspector during an inspection of the proposed land use area.	Inspect Locations					
26(1)(b) Time						
8. At least 48 hours prior to the commencement of this land-use operation, the Permittee's Field Supervisor shall contact an Inspector at (867) 765-6651.	Contact Inspector					
9. At least 48 hours prior to commencement of this land-use operation, the Permittee shall provide the following information, in writing, to the Board and an Inspector: (a) the name(s) of the person(s) in charge of the field operation; (b) alternates; and (c) all methods for contacting the above person(s).	Identify Agent					
At least ten (10) days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of: (a) the plan for removal or storage of equipment and materials; and (b) when final cleanup and reclamation of the land used will be completed.	Reports Before Removal					
11. The Board, for the purpose of this operation, designates April 25th, as spring break-up.	Spring Break - up					
26(1)(c) Type and Size of Equipment						
12. The Permittee shall not use any equipment except of a similar type, size, and number to that listed in the complete application.	Only Approved Equipment					
26(1)(d) Methods and Techniques						

MVLWB DRAFT CONDITION / VERSION 2	PROPOSED CHANGE RA	ATIONALE ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
13. Prior to the movement of any vehicle that exerts pressure on the ground in excess of 35 kPa, the Permittee shall scout proposed lines and routes to select the best location for crossing streams and avoiding terrain obstacles.	Detours and Crossings				
14. The Permittee shall construct and maintain the overland portion of winter roads with a minimum of 10 cm of packed snow and/or ice at all times during this land-use operation	Winter Roads				
6. The Permittee shall not conduct this land-use operation on any lands not designated in the complete application.	Location of Activities				
7. Prior to the commencement of the land-use operation, the Permittee shall accompany an Inspector during an inspection of the proposed land use area.	Inspect Locations				
26(1)(b) Time					
8. At least 48 hours prior to the commencement of this land-use operation, the Permittee's Field Supervisor shall contact an Inspector at (867) 765-6651.	Contact Inspector				
9. At least 48 hours prior to commencement of this land-use operation, the Permittee shall provide the following information, in writing, to the Board and an Inspector: (a) the name(s) of the person(s) in charge of the field operation; (b) alternates; and (c) all methods for contacting the above person(s).	Identify Agent				
At least ten (10) days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of: (a) the plan for removal or storage of equipment and materials; and (b) when final cleanup and reclamation of the land used will be completed.					
11. The Board, for the purpose of this operation, designates April 25th, as spring break-up.	Spring Break - up				
26(1)(c) Type and Size of Equipment					
The Permittee shall not use any equipment except of a similar type, size, and number to that listed in the complete application.	Only Approved Equipment				
26(1)(d) Methods and Techniques					

	MVLWB DRAFT CONDITION / IT VERSION 2	PROPOSED CHANGE	RATIONALE	ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
13.	Prior to the movement of any vehicle that exerts pressure on the ground in excess of 35 kPa, the Permittee shall scout proposed lines and routes to select the best location for crossing streams and avoiding terrain obstacles.	Detours and Crossings					
14.	The Permittee shall construct and maintain the overland portion of winter roads with a minimum of 10 cm of packed snow and/or ice at all times during this land-use operation.	Winter Roads					
15.	The Permittee shall not erect camps or store material, other than that required for immediate use, on the ice surface of a Watercourse.	Storage on Ice					
	26(1)(e) Type, Location, Capacity, and Operation of All Facilities						
16.	The Permittee shall ensure that the land use area is kept clean at all times.	Clean Work Area					_
17.	The Permittee shall not locate any Sump within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	Sumps From Water					
	26(1)(f) Control or Prevention of Ponding of Water, Flooding, Erosion, Slides, and Subsidence of Land						
18.	The Permittee shall install and maintain culverts such that scouring does not occur.	Culvert Size					
19.	The Permittee shall insulate the ground surface beneath all structures associated with this landuse operation to prevent: (a) any vegetation present from being removed; (b) the melting of Permafrost; and (c) the ground settling and/or eroding.	Permafrost Protection					
20.	The land-use operation shall not cause obstruction to any natural drainage outside of those areas that will be modified as part of the Project.	Natural Drainage		DKFN-3	Item 20	This items should make specific reference to the Erosion and Sediment Management Plan.	De Beers do not have any comment regarding this recommendation.
21.	The Permittee shall minimize erosion by installing erosion control structures as the land-use operation progresses.	Progressive Erosion Control					
22.	The Permittee shall not conduct off- road vehicle travel in areas without snow-covered surfaces.	Off-road Vehicle Travel					
23.	The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface.	Prevention of Rutting					_
24.	The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting.	Suspend Overland Travel					

	MVLWB DRAFT CONDITION / IT VERSION 2	ТЕМ	PROPOSED CHANGE	RATIONALE	ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
25.	The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.	Vehicle Movement Freeze-up						
26.	The Permittee shall not use any material other than clean water and snow in the construction of ice bridges.	Ice Bridge Materials						
27.	The Permittee shall not use any materials other than clean snow and water in the construction of snow fills.	Snowfill Materials						
28.	Prior to spring break-up or completion of the land-use operation, the Permittee shall clean up and either remove or v-notch all snowfills from stream crossings, unless otherwise authorized in writing by an Inspector.	Remove or V- Notch Snowfills						
29.	Prior to spring break-up or completion of the land-use operation, the Permittee shall clean up and v-notch all ice bridges, unless otherwise authorized in writing by an Inspector.	V-notch Ice Bridges						
30.	The Permittee shall not cut any stream bank, unless otherwise authorized in writing by an Inspector.	Stream Banks						
31.	The Permittee shall minimize approach grades on all Watercourse crossings.	Minimize Approach						
32.	The Permittee shall not ford wet streams.	No Fording of Streams						
33.	The Permittee shall slope the sides of waste material piles, excavations, and embankments — except in solid rock — to a minimum ratio of 2:1 vertical, unless otherwise authorized in writing by an Inspector.	Excavation and Embankments						
34.	The Permittee shall not excavate land within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	Excavate Near Watercourse						
35.	Prior to the commencement of the land-use operation, the Permittee shall submit a revised Erosion and Sediment Management Plan, for approval by the Board. The Permittee shall not commence this land-use operation until this Plan has been approved by the Board. The Permittee shall annually review the Plan and make revisions to reflect any changes in operations, or as directed by the Board. Revisions of the Plan shall be submitted to the Board for approval.	Erosion and Sediment Management Plan	A minimum of sixty (60) days prior to the commencement of Construction, the Permittee shall submit an updated Erosion and Sediment Management Plan to the Board for approval. The Plan shall address the Construction and Operation phases of the Project. The Permittee shall implement the draft Erosion and Sediment Management Plan submitted on November 28, 2014 and updated on June 30, 2014 until the Board has approved the updated Plan. The Permittee shall annually review the Plan and make revisions to reflect any changes in operations, or as directed by the Board. Revisions of the Plan shall be submitted to the Board for approval.	De Beers clearly communicated during the regula process their intent to commence with mining construction activities upon issuance of the Land I Permit and Water Licence. Delays to the construs schedule would represent significant costs to the Project. With this in mind, De Beers submitted initial draft management plans on November 28, 2013 so tha parties had the opportunity to review and provide feedback as part of the regulatory process. Plans being updated that include comments and feedba documented during the process (e.g., commitmen preliminary comments, technical sessions, interve and public hearings), which will be submitted on obefore June 30, 2014.	Use ction at all their s are cck tas, entions,			
	26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material							

	MVLWB DRAFT CONDITION / IT	ТЕМ	PROPOSED CHANGE	RATIONALE	ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
36.	VERSION 2 At least seven (7) days prior to the use of any chemicals that were not identified in the complete application, the MSDS sheets must be provided to an Inspector and the Board.	Chemicals	At least seven (7) days prior to the use of any chemicals that were not identified in the complete application, the MSDS sheets must be provided in electronic form to an Inspector and the Board.	These sheets should be provided in electronic form.				
37.	When drilling within 100 metres of the Ordinary High Water Mark of any Watercourse, and when drilling on ice, the Permittee shall contain all drill water and waste in a closed circuit system for reuse, off-site disposal, or deposit into a landbased Sump or natural depression.	Drilling Near Water or On Ice			DKFN-4	Items 37 and 38. These items make reference to a land-based sump or the deposition of drilling waste into a natural depression.	We recommend that these references be removed and that all drilling waste be contained in a closed circuit system for reuse or off-site disposal.	This is a standard LUP condition, and is appropriate for activities that will be undertaken on site by De Beers.
38.	The Permittee may deposit Drilling Waste that does not contain Toxic Material in a Sump or natural depression. Any Sumps or natural depressions used to deposit Drilling Waste must be located at least 100 metres from the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	Drilling Waste			DKFN-4	Items 37 and 38. These items make reference to a land- based sump or the deposition of drilling waste into a natural depression.	We recommend that these references be removed and that all drilling waste be contained in a closed circuit system for reuse or off-site disposal.	This is a standard LUP condition, and is appropriate for activities that will be undertaken on site by De Beers.
39.	The Permittee shall remove all Drilling Waste containing Toxic Material to an approved disposal facility.	Drilling Waste Disposal						
40.	The Permittee shall not allow any Drilling Waste to spread to the surrounding lands or Watercourses.	Drilling Waste Containment						
41.	Prior to the expiry date of this Permit or the end of operations, whichever comes first, the Permittee shall backfill and restore all Sumps, unless otherwise authorized in writing by an Inspector.	Backfill Sumps						
42.	The Permittee shall maintain a record of all spills. For all reportable spills, in accordance with the GNWT Spill Contingency Planning and Reporting Regulations, the Permittee shall:	Report Spills						
	(a) implement the Spill Contingency Plan; (b) report the incident immediately via the 24-hour Spill Report Line (867) 920-8130 in accordance with the instructions contained in the Spill Report form NWT 1752/0593 or subsequent editions;							
	(c) report each spill and unauthorized discharge to the Board and an Inspector within 24 hours; and							
	(d) submit a detailed report on each spill and unauthorized discharge, including details of root causes, response actions, and any changes to procedures to prevent similar occurrences in the future, to the Board, within thirty (30) days.							
43.	The Permittee shall dispose of all Toxic Material as described in the	Waste Chemical Disposal						

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	MVLWB DRAFT CONDITION / ITEM VERSION 2	PROPOSED CHANGE	RATIONALE	ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
44.	The Permittee shall dispose of all waste petroleum products by removal to an approved disposal facility or by incineration in a device designed for this purpose, as described in the approved Waste Management Plan.						
45.	Prior to the commencement of the land-use operation, the Permittee shall submit a revised Explosives Management Plan, for approval by the Board. The Permittee shall not commence this land-use operation until this Plan has been approved by the Board. The Permittee shall annually review the Plan and make revisions to reflect any changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions of the Plan shall be submitted to the Board for approval.	A minimum of sixty (60) days prior to the commencement of Construction, the Permittee shall submit an updated Explosives Management Plan to the Board for approval. The Plan shall address the Construction and Operation phases of the Project. The Permittee shall implement the draft Explosives Management Plan submitted on November 28, 2014 and updated on June 30, 2014 until the Board has approved the updated Plan. The Permittee shall annually review the Plan and make revisions to reflect any changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions of the Plan shall be submitted to the Board for approval.	Refer to Item 35 for rationale.				
	26(1)(h) Wildlife and Fish Habitat						
46.	The Permittee shall take all reasonable measures to prevent damage to wildlife and fish Habitat during this land-use operation.			DKFN-5	Section 26(1)(h) Wildlife and Fish Habitat	We recommend that similar provisions as described in the land use permit for the Snap Lake Mine be added here. These include specific references to the Wildlife Effects Monitoring Program, the provisions for ensuring wildlife awareness training is conducted and that a Wildlife and Wildlife Habitat Protection Plan is implemented.	De Beers made a commitment as part of the EIR process to develop a Wildlife Effects Monitoring Program and Wildlife and Wildlife Habitat Protection Plan, and updates to those plans were submitted to MVLWB on May 30, 2014. De Beers currently does undertake wildlife awareness training (e.g., Bear Awareness) at site.
47.	Prior to the commencement of the land-use operation, the Permittee shall submit a revised Wildlife Habitat Protection Plan to the Board. The Permittee shall not commence this land-use operation until this Plan has been approved by the Board. The habitat protection measures outlined in the plan shall be for approval by the Board.	The Permittee shall implement the Wildlife and Wildlife Habitat Protection Plan submitted on May 8, 2013, and updated on May 30, 2014. The habitat protection measures outlined in the plan shall be for approval by the Board.	De Beers have submitted a plan for implementation Also, changed Wildlife Habitat Protection Plan to Wildlife and Wildlife Habitat Protection Plan	GNWT-ENR-2	Items 47 and 48. A Wildlife and Wildlife Habitat Protection Plan (WWHPP) outlines the steps necessary to protect personnel, wildlife and wildlife habitat within the Project Development Area (PDA), also commonly described as a project's direct "footprint A WWHPP is a management tool to develop and implement clear procedures for employees and contractors in the field, to promote due diligence and to ensure compliance. Condition 47 states: Revised Wildlife Habitat Protection Plan Prior to the commencement of the land-use operation, the Permittee shall submit a revised Wildlife Habitat Protection Plan to the Board. The Permittee shall not commence this landuse operation until this Plan has been approved by the Board. The habitat protection measures outlined in the plan shall be for approval by the Board. Revisions to the Plan shall be submitted to the Board and any revisions to the habitat protection measures outlined in the Plan shall be for approval by the Board.	These items should be updated to specifically mention the Wildlife and Wildlife Habitat Protection Plan (WWHPP). 1) Condition 47: Revised Wildlife Habitat Protection Plan Prior to the commencement of the land-use operation, the Permittee shall submit a revised Wildlife and Wildlife Habitat Protection Plan to the Board. The Permittee shall not commence this land-use operation until this Plan has been approved by the Board. The habitat protection measures outlined in the plan shall be for approval by the Board.	De Beers agree with this recommendation. De Beers support this recommendation

MVLWB DRAFT CONDITION / ITEM VERSION 2	PROPOSED CHANGE	RATIONALE	ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
48. The Permittee shall operate in accordance with the approved habitat protection measures in the Wildlife Habitat Protection Plan and shall annually review the plan and make any necessary revisions to reflect any changes in operations or as directed by the Board. Revisions to the Plan shall be submitted to the Board and any revisions to the habitat protection measures outlined in the Plan shall be for approval by the Board.	The Permittee shall operate in accordance with the approved habitat protection measures in the Wildlife and Wildlife Habitat Protection Plan and shall annually review the plan and make any necessary revisions to reflect any changes in operations or as directed by the Board. Revisions to the Plan shall be submitted to the Board and any revisions to the habitat protection measures outlined in the Plan shall be for approval by the Board.	Changed Wildlife Habitat Protection Plan to Wildlife and Wildlife Habitat Protection Plan	DKFN-6 GNWT- ENR-2	A Wildlife and Wildlife Habitat Protection Plan (WWHPP) outlines the steps necessary to protect personnel, wildlife and wildlife habitat within the Project Development Area (PDA), also commonly described as a project's direct "footprint A WWHPP is a management tool to develop and implement clear procedures for employees and contractors in the field, to promote due diligence and to ensure compliance. Condition 48 states: Wildlife Habitat Protection Plan The Permittee shall operate in accordance with the approved habitat protection measures in the Wildlife Habitat Protection Plan and shall annually review the plan and make any necessary revisions to reflect any changes in operations or as directed by the Board. Revisions to the Plan shall be submitted to the Board and any revisions to the habitat protection measures outlined in the Plan shall be for approval by the Board.	These items should be updated to specifically mention the Wildlife and Wildlife Habitat Protection Plan (WWHPP). 2) Condition 48: Wildlife Habitat Protection Plan The Permittee shall operate in accordance with the approved habitat protection measures in the Wildlife and Wildlife Habitat Protection Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations or as directed by the Board. Revisions to the plan shall be submitted to the Board and any revisions to the habitat protection measures outlined in the plan shall be for approval by the Board.	De Beers agree with this recommendation.
26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage			GNWT- ENR-1	ENR notes that the Mackenzie Valley Land and Water Board (the Board) authorizes the proponent's disposal of site refuse described in MV2005C0032, Part C Section 26(1)(i) conditions 49-52, through the proponents Waste Management Plan. In addition, ENR notes that the Board approves of the proponent's Waste Management Plan as per condition 49. Since the primary method of waste disposal in the Waste Management Plan is by incineration, the Board is ultimately authorizing the incineration of waste in the NWT. As is consistent with the MVLWB, Guidelines for Developing a Waste Management Plan, on page 19 it states: "Waste Combustion equipment Incineration of waste may include the use of an incinerator. If incineration is employed, the incineration device must be designed and operated to treat the waste types and quantities. Further, proponents shall ensure that any on site incinerator meets the requirements of the Canada-wide Standards for Dioxins and Furans xiii and the Canada-wide Standards for Mercury Emissions xiv. Proponents who use incineration may be required to provide an incineration management plan and design and operate the facility in a manner that is consistent with Environment Canada's Technical Document for Batch Waste Incineration (2009) xv and may seek additional guidance on incinerator management by referencing Operating and Emission Guidelines for Municipal Solid Waste Incinerators (1989) xvi." (MVLWB) ENR notes that the only way to ensure that efforts to operate and maintain the incinerator are effective and that the formation and release of point source toxic, persistent and bio-accumulative compounds to the environment, such as dioxins, furans and Mercury Emissions, is through formalized stack testing. This is the most effective form of quantitative testing available.	1) As the Board authorizes the disposal of waste, ENR recommends that the proponents Land Use Permit include the following condition under 26(1)(i): a) The Permittee shall conduct stack testing every other year for any incineration device(s), in accordance with national standard stack testing protocols, during typical operations to ensure representative performance of the unit. Stack testing results (Certificate of Analysis) shall be provided to the board annually, 60 days after the completion of the test. b) The Permittee shall include in its annual submission to the board and inspector, the stack testing report by a competent professional, in addition to but not limited to the following: i. the batch operational loads used in the test: batch operational loads will include volumes or weights of each waste stream used during stack testing. ii. Certificate of Analysis from an ISO 17025 accredited facility. The results shall be compared to the CCME CWS for Dioxins, Furans and Mercury Emissions. c) Any exceedance of the CCME standards shall require the development of an adaptive management response plan to address incineration deficiencies.	De Beers do not agree with this recommendation. As per the Incinerator Management Plan (De Beers 2014), De Beers is committed to undertake stack testing, which will be carried out post-commissioning of the incinerators and thereafter on a three-year cycle, contingent upon compliant test results. De Beers also understand that when proper operating procedures are followed, the incinerator will be capable of meeting the Canadawide Standards (CWS) for dioxins/furans (CCME 2001) and mercury (CCME 2000).

	MVLWB DRAFT CONDITION / IT VERSION 2	ГЕМ	PROPOSED CHANGE	RATIONALE	ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
49.	Prior to the commence of this land-use operation, the Permittee shall submit a revised Waste Management Plan to the Board for approval, in accordance with the Mackenzie Valley Land and Water Board's March 2011, or subsequent editions, Guidelines for the Development of a Waste Management Plan. The Permittee shall not commence this land-use operation until the Board has approved the Plan. The Permittee shall annually review the Plan and make revisions to reflect any changes, or as directed by the Board. Revisions of the Plan shall be submitted to the Board for approval.	Waste Management Plan	A minimum of sixty (60) days prior to the commencement of Construction, the Permittee shall submit an updated Waste Management Plan to the Board for approval, in accordance with the Mackenzie Valley Land and Water Board's March 2011, or subsequent editions, <i>Guidelines for the Development of a Waste Management Plan</i> . The Plan shall address the Construction and Operation phases of the Project. The Permittee shall implement the draft Waste Management Plans submitted on November 28, 2014 and updated on June 30, 2014 until the Board has approved the updated Plan. The Permittee shall annually review the Plan and make revisions to reflect any changes, or as directed by the Board. Revisions of the Plan shall be submitted to the Board for approval.	Refer to Item 35 for rationale.				
50.	The Permittee shall keep all garbage and debris in a secure container until disposal.	Garbage Container						
51.	The Permittee shall dispose of all garbage, waste, and debris as described in the approved Waste Management Plan, unless otherwise authorized in writing by an Inspector.	Remove Garbage						
	26(1)(j) Protection of Historical, Archaeological, and Burial Sites							
53.	The Permittee shall not operate any vehicle or equipment within 30 metres of a known or suspected historical or archaeological site or burial ground.	Archaeologica I Buffer						
54.	The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site.	Site Disturbance						
55.	The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered: (a) immediately suspend operations on the site; and (b) notify the Board at (867) 669-0506 or an Inspector at (867) 765-6651, and the Prince of Wales Northern Heritage Centre at (867) 920-6182 or 873-7688.	Site Discovery and Notification						
56.	Prior to any new land disturbance of areas that have not been subject to Archaeological Impact Assessment, the Permittee shall conduct an Archaeological Impact Assessment of the areas where disturbance is planned and shall submit a summary report to the Board and the Prince of Wales Northern Heritage Centre.	AIA	Archaeological Impact Assessment	Provided full text for the abbreviated summary item				
	26(1)(k) Objects and Places of Recreational, Scenic, and Ecological Value							
	Intentionally left blank.							
	26(1)(/) Security Deposit							

	MVLWB DRAFT CONDITION / IT VERSION 2	PROPOSED CHANGE	RATIONALE	ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
57.	Prior to the commencement of the land-use operation, the Permittee shall deposit with the Minister a security deposit in the amount of \$XXXX.	Security Deposit					
58.	All costs to remediate the area under this Permit are the responsibility of the Permittee.	Responsibility for Remediation Costs					
	26(1)(m) Fuel Storage						
59.	The Permittee shall: a) examine all Fuel Storage Tanks and containers for leaks a minimum once per day; and b) repair all leaks immediately.	Check for Leaks					
60.	The Permittee shall not place any Fuel Storage Containers or Tanks within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	Fuel Near Water					
61.	The Permittee shall ensure that all fuel caches have adequate Secondary Containment.	Fuel Cache Secondary Containment					
62.	The Permittee shall set up all refueling points with Secondary Containment.	Secondary Containment - Refueling					
63.	The Permittee shall only use stands approved by an Inspector for supporting Fuel Storage Containers that are in use.	Fuel Container Stands					
64.	The Permittee shall not allow petroleum products to spread to surrounding lands or Watercourses.	Fuel Containment					
65.	The Permittee shall locate mobile fuel facilities on land when the facilities are stationary for more than 12 hours.	Fuel on Land					
66.	The Permittee shall mark all Fuel Storage Containers and Tanks with the Permittee's name.	Mark Containers					
67.	The Permittee shall mark all stationary fuel caches and fuel storage facilities with flags, posts, or similar devices so that they are at all times plainly visible to local vehicle travel.	Mark Fuel Location					
68.	Within ten (10) days of the establishment of any fuel cache, the Permittee shall report the location and quantity of the cache in writing to an Inspector and the Board.	Report Fuel Location					
69.	The Permittee shall seal all outlets of Fuel Storage Containers and store the containers on their sides with the outlets located at 3 and 9 o'clock, except for containers currently in use.	Seal Outlet					_

	MVLWB DRAFT CONDITION / IT VERSION 2	ГЕМ	PROPOSED CHANGE	RATIONALE	ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
70.	Prior to the commence of this land-use operation, the Permittee shall submit a revised Spill Contingency Plan to the Board for approval, in accordance with Indian and Northern Affairs Canada's 2007, or subsequent editions, Guidelines for Spill Contingency Planning. The Permittee shall not commence this land-use operation until the Board has approved the Plan. The Permittee shall annually review the Plan and make any revisions to reflect any changes operations, technology, chemicals, or fuels, or as directed by the Board. Revisions of the Plan shall be submitted to the Board for approval.	Spill Contingency Plan	A minimum of sixty (60) days prior to the commencement of Construction, the Permittee shall submit an updated Spill Contingency and Emergency Response Plan to the Board for approval, in accordance with Indian and Northern Affairs Canada's 2007, or subsequent editions, <i>Guidelines for Spill Contingency Planning</i> . The Plan shall address the Construction and Operation phases of the Project. The Permittee shall implement the draft Spill Contingency and Emergency Response Plan submitted on November 28, 2014 and updated on June 30, 2014 until the Board has approved the updated Plan. The Permittee shall annually review the Plan and make any revisions to reflect any changes operations, technology, chemicals, or fuels, or as directed by the Board. Revisions of the Plan shall be submitted to the Board for approval.	Refer to Item 35 for rationale.				
71.	Prior to commencement of operations, the Permittee shall ensure that spill-response equipment is in place to respond to any potential spills.	Spill Response						
72.	All equipment that may be parked for two hours or more, shall have a haz-mat/drip tray under it or be sufficiently diapered. Leaky equipment shall be repaired immediately.	Drip Trays						
73.	The Permittee shall clean up all leaks, spills, and contaminated material.	Clean Up Spills						
	26(1)(n) Methods and Techniques for Debris and Brush Disposal							
74.	The Permittee shall progressively dispose of all brush and trees and shall complete all brush disposal; all disposal shall be completed prior to the expiry date of this Permit.	Brush Disposal/ Time						
75.	The Permittee shall not clear areas larger than identified in the complete application.	Minimize Area Cleared						
	26(1)(o) Restoration of the Lands				DKFN-7	Section 26(1)(o) Restoration of Lands.	this section should be consistent with the water licence in specific regards to the provisions relating to the Closure and Reclamation Plan.	De Beers agree with this recommendation as it relates to the schedule of submission of the Interim C&R Plan and the Final C&R Plan (the Interim C&R Plan to be submitted 18 months following issuance of the water Licence, and a minimum of two years prior to the end of operations for the Final C&R Plan). All other conditions appear to be standard conditions that apply to this section of the draft Land Use Permit
76.	All areas affected by construction or removal activities shall be stabilized and landscaped to their preconstruction profiles, unless otherwise authorized in writing by an Inspector.	Pre- construction Profiles						
77.	The Permittee shall dispose of all overburden as instructed by an Inspector.	Disposal of Overburden						

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	MVLWB DRAFT CONDITION / IT VERSION 2	ЕМ	PROPOSED CHANGE	RATIONALE	ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
78.	The Permittee shall store overburden and use it to recontour the site after operations are complete, unless otherwise authorized in writing by an Inspector.	Save and Place Organic Soil						
79.	The Permittee shall level all stockpiles of granular material located within the land use area prior to the expiry date of this Permit.	No Stockpiles						
80.	Prior to the expiry date of this Permit, the Permittee shall complete all cleanup and restoration of the lands used.	Final Cleanup and Restoration						
81.	Prior to the expiry date of this Permit, the Permittee shall prepare the site in such a manner as to facilitate natural revegetation.	Natural Vegetation						
82.	The Permittee shall carry out progressive reclamation of disturbed areas as soon as it is practical to do so.	Progressive Reclamation						
83.	The Permittee shall restore any trails impacted by the land-use operation by removing fallen trees and any other obstructions from the trails.	Trails Restoration						
84.	The Permittee shall submit an Interim Closure and Reclamation Plan to the Board for approval, in accordance with the Mackenzie Valley Land and Water Board and Aboriginal Affairs and Northern Development's November 2013, or subsequent editions, Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories.	Interim Closure and Reclamation Plan						
85.	Interim Closure and Reclamation Plan, as approved by the Board, and	Revised Interim Closure and Reclamation Plan						
86.	the end of commercial Operations,	Final Closure and Reclamation Plan						
87.		Revised Final Closure and Reclamation Plan						
88.	The Permittee shall display a copy of this Permit in each campsite established to carry out this land-use operation.	Display Permit						
	26(1)(<i>q</i>) Biological and Physical Protection of the Land							

Gahcho Kué Project

MV2005C0032 Land Use Permit Conditions Conformity Table Aligned with Parties Comments
and De Beers' Responses

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	MVLWB DRAFT CONDITION / IT VERSION 2	ГЕМ	PROPOSED CHANGE	RATIONALE	ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
89.	The Permittee shall submit a revised Engagement Plan to the Board for approval, in accordance with the Mackenzie Valley Land and Water Board's June 2013, or subsequent editions, Engagement Guidelines for Applicants and Holders of Land Use Permits and Water Licences.	Revised Engagement Plan			DKFN-8	Item 89.	We recommend the revised Engagement Plan be submitted within 60 days of the issuance of the permit.	De Beers do not agree with this recommendation, and recommend that the revised Engagement Plan be submitted within ninety (90) days of the issuance of the Land Use Permit.
90.	The Permittee shall annually review the Engagement Plan and make any necessary revisions to reflect any changes in operations or as directed by the Board. Revisions to the Plan shall be submitted to the Board for approval.	Engagement Plan			DKFN-9	Item 90.	The details regarding the Engagement Plan should remain consistent with the provisions in the water licence.	De Beers agrees with the wording of this condition in the draft Land Use Permit
91.	Prior to the commencement of this land-use operation, the Permittee shall submit a revised Vegetation and Soils Monitoring Program to the Board for approval. The Permittee shall not commence this land-use operation until the Board has approved the Plan.	Revised Vegetation and Soils Monitoring Program						
92.	The Permittee shall annually review the Vegetation and Soils Monitoring Program, and make any necessary revisions to reflect any changes in operations or as directed by the Board. The revised Program shall be submitted to the Board for approval at the following times: a) At least sixty (60) days prior to any proposed changes to the requirements in the approved Program; b) And upon the request of the Board.	Vegetation and Soils Monitoring Program	The Permittee shall implement the Vegetation and Soils Monitoring Plan submitted on May 9, 2013, November 28, 2013, and updated on June 30, 2014. The habitat protection measures outlined in the plan shall be for approval by the Board. A revised Program shall be submitted to the Board for approval at the following times: a) At least sixty (60) days prior to any proposed changes to the requirements in the approved Program; b) And upon the request of the Board.	De Beers will submit the updated Vegetation and Soils Monitoring Program on or before June 30, 2014 for implementation.				
93.	All revised Plans and Programs submitted to the Board shall include a brief summary of the changes made to the plan.	Summary of Changes						
94.	Beginning DATE, and no later than every DATE thereafter, the Permittee shall submit an Annual Report to the Board, which shall contain a table detailing all commitments listed in the Report of Environmental Impact Review that are related to the content of this Permit, with descriptions of how each commitment is being or has been met.	Annual Reporting	Beginning May 1, 2015, and no later than every May 1 thereafter, the Permittee shall submit an Annual Report to the Board, which shall contain a table detailing all commitments listed in the Report of Environmental Impact Review that are related to the content of this Permit, with descriptions of how each commitment is being or has been met.		DKFN- 10	Item 94	We recommend that annual reports be submitted by March 31st.	De Beers request that the reporting timeframe for the annual report remain as requested; that being May 1st of each year.
95.	The Permittee shall not move any equipment when one or more caribou are within five hundred (500) metres.	Caribou Disturbance		This item should be moved to 26(1)(h) Wildlife and Fish Habitat.	DKFN- 11	Item 95	This provision seems out of place and should be consistent with the standard operating procedures for project activities around caribou.	De Beers agree that this condition is out of place, and recommends that it be placed with Part 26(1)(h) Wildlife and Fish Habitat.
Supple	emental Information							
Permit					DKFN- 13	In closing we are concerned that the draft land use permit does not address the measures put forth in the Report of the Environmental Impact Review (EIR0607-001) by the Mackenzie Valley Review Board. Measure 1 states that governments, land managers and regulators will include conditions for habitat protection in the Land Use Permit and any land tenures issued for the Project.	In this regard, the land use permit needs to be consistent with the draft water license in terms of the direction it provides to the proponent for the implementation and reporting of protection plans and monitoring programs, particularly in reference to the implementation of the Response Framework.	De Beers does not agree that this recommendation is required.

MVLWB DRAFT CONDITION / ITEM VERSION 2	PROPOSED CHANGE	RATIONALE	ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
General			LKDFN-	The position of the Lutsel K'e Dene First Nation	n/a	De Beers has extended a number of opportunities
			1	(LKDFN) has not changed and we have still yet to give		to the Lutsel K'e Dene First Nation (LKDFN) to
				our consent to the Gahcho Kue Project. It was upon		engage and provide input on the Gahcho Kué
				direction from the membership of the First Nation that		Project Water Licence and Land Use Permit.
				staff should not engage in any consultation for this project, and true to that direction, LKDFN staff have not		However, the LKDFN has declined to participate in these opportunities. These opportunities, which
				been participating in the water license or land use permit		were the same opportunities that were extended to
				applications.		the five other Aboriginal Communities, included:
						2013 and 2014 Spring Community Visits, 2013 Site
				Though the position of the community may change in the		Visits, AEMP Workshop (March 2013, February
				future, as of now, we have yet to be consulted and still		2014, March 2014), Fish Out Workshop (March
				do not support De Beers opening another mine on the		2014) and Wildlife Updates (February 2014 and
				Lockhart River Watershed. It is clear from the recent environmental assessment for the Snap Lake Water		April 2014). When LKDFN responded that the community was not available on the dates offered.
				License Amendment that De Beers has great difficulty		De Beers sent follow-up letters indicating that they
				achieving water license limits, and in general, complying		would change the dates to better accommodate
				with water licenses issued by the Land and Water		LKDFN community. De Beers will continue to
				Board. This is cause for significant concern from the		extend these opportunities to LKDFN and will send
				LKDFN that the Board is considering granting the		information on the Project.
				company another water license, after such serious		
				failures to comply with the one they currently hold. We		With respect to concerns raised about Snap Lake,
				want to see that progress is being made at Snap Lake to conduct a cleaner operation before we allow a company		there is a separate Environmental Assessment and Permitting Process for that Mine.
				that had spills totaling over 12,000L of hydrocarbons in 2		remitting Frocess for that wille.
				months of this year get another permit to work on the		Specific to the concern regarding groundwater for
				same watershed.		Gahcho Kué, De Beers undertook groundwater
						monitoring as part of the Hydrogeology Baseline
				As the project seems to be proceeding contrary to the		Report presented the 2010 Environmental Impact
				wishes of the First Nation, we find it necessary to point		Statement. In addition, based directly on concerns
				out the concerns of the LKDFN as points for the Board		from the LKDFN regarding connection between Kirk Lake and Fletcher Lake (Hoarfrost Watershed),
				to consider when reviewing these permit applications. First, this license cannot be the standard water license		Environment Canada established a hydrometric
				that is granted to proponents with only minor site specific		station to assess connection. The data, captured in
				alterations. We believe for the protection of this sacred		the 2013 Hydrology Supplemental Monitoring
				watershed, there must be conditions set that learn from		Report has been submitted to MVLWB, and is
				the failures of the previous license. For example, a letter		publicly available on Environment Canada's
				from the Snap Lake Environmental Monitoring Agency (SLEMA) raised concerns in 2009 about elevated levels		website. Moreover, De Beers undertook an assessment on the potential impacts on Lady of
				of certain effluents in the water seeping into the		Falls as part of the impact assessment including the
				underground, and it wasn't until 2011 that the company		closing statements for the Environmental
				claims they realized there were higher than predicted		Assessment. The assessment indicated that there
				levels, and no action has been taken even until now in		would be no measurable changes to either the
				2014. No mitigations were placed into effect and now the		Hoarfrost Watershed or Lady of Falls.
				company is looking to increase discharge limits instead		Assessment on groundwater, hydrology, and water
				of invoking strong mitigation measures for protection of the water. We request of the Board that timelines be set		quality form part of the evidence that was
				on mitigation strategies coming into effect, as the		considered in the MVEIRB Report of EIR and
				response of "studies are being undertaken" is not		Reasons for Decision (July 2013).
				sufficient for this site and its proximity to the Lady of the		
				Falls spiritual site.		De Beers remains hopeful that LKDFN members
				Cooped we request that we limite arrange it and ""		will be provided the opportunity from their
				Second, we request that no limits, even site specific limits be set above aquatic health or drinking water		leadership to participate in future community visits, site visits, workshops and meetings so that their
				quality quidelines. It was clear in the Snap Lake review		concerns can be expressed and De Beers has the
				that De Beers does not view "drinking water quality" in		opportunity to address those concerns in monitoring
				the same light that LKDFN views the same term. When		and management plans and or other information
				we mentioned water being of drinking water quality, we		sources.
				mean it in the way that we can dip a cup into area 8 or		
				Lake N11 and drink the water without chlorination or any		De Beers submitted a draft Spill Contingency Plan
				other treatment.		(November 28, 2013; an update will be submitted
						on or before June 30, 2014) that defines the response, monitoring and reporting of spills. De
						Beers will follow the regulations with respect to spill
						reporting.
					l	-13.

Gahcho Kué Project
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MV2005C0032 Land Use Permit Conditions Conformity Table Aligned with Parties Comments

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and De Beers' Responses

MV2005C0032 Land Use Permit Conditions Conformity Table Aligned with Parties Comments and De Beers' Responses (continued)

MVLWB DRAFT CONDITION / ITEM VERSION 2	PROPOSED CHANGE	RATIONALE	ID	PARTIES COMMENT	PARTIES RECOMMENDATION	DE BEERS RESPONSE
General			LKDFN- 1 (con't)	Third, that the Board seriously consider stronger enforcement under the Mackenzie Valley Land Use Regulations (MVLUR) section 35.1 (d), that failure to comply with the conditions of the permit be met with written notice from the Board of non-compliance and consideration of suspension of the water license. Too often has the Snap Lake mine been out of compliance with their water license without repercussion, so what is the message that is being sent about water licenses? If non-compliance is acceptable then why issue the water license or require a security posting? LKDFN believes that water license limits and conditions are set for the protection of the land and water from significant adverse impacts, and going beyond the limits set in a water license constitutes grounds for significant impacts, and therefore there should be repercussions for failure to meet these criteria. With the chronic failure of Snap Lake to comply, we are not setting the bar too high for the same company with a new water license, and we don't think the Board should put faith in De Beers' ability to accomplish the limits set in the water license.		
				Lastly, LKDFN had disagreement with the company during the environmental impact review about surface and groundwater flows. As part of the groundwater monitoring program, we want to see comprehensive groundwater flow diagrams showing the distribution and movement of groundwater. We expect this to be included in the hydrogeological description.		
				For the land use permit, condition 42 mentions spill reporting, and as spills are a regular occurrence at Snap Lake, we request of the Board that the parties to the assessment receive notification as soon as possible after a spill. This request focuses on transparency and ensures effective communication with the incidents that happen on the territory. We do not intend that this be an onerous process, simply carbon copying the parties on the letter or email would suffice.		
				Further with regard to spills, the permit mentions an activity associated with the project to be a landfarm, but there are no further conditions set on it. By the nature and significance of the spills at Snap Lake, we would request that there be a timeline for the establishment of the landfarm, also considering there was a landfarm promise by De Beers for Snap Lake that hasn't come to realization yet. The landfarm should be developed to federal and territorial guidelines.		
				These recommendations and requests come out of a very brief overview of the water license and land use permit drafts. LKDFN reiterates that we do not support the project at this time, and certainly are not in favour of granting De Beers a second water license, when they have so much difficulty complying with the one they currently hold. For any further information, please contact the		

AEMP = Aquatic Effects Monitoring Program; ARD = acid rock drainage; CDA = Canadian Dam Association; DSG = Dam Safety Guidelines; EQC = Effluent Quality Criteria; i.e. = that is; ML = metal leaching; MVEIRB = Mackenzie Valley Environmental Impact Review Board; non-PAG = non-potentially acid generating; PAG = potentially acid generating; SNP = surveillance network program; NWT = Northwest Territories.

mm = millimetre; km = kilometre; m³/d = cubic metres per day.

Review Comment Table

Board:	MVLWB				
Review Item:	De Beers Gahcho Kue Project - Draft Water Licence v.2 (MV2005L3-0015)				
File(s):	MV2005L2-0015				
Proponent:	De Beers Canada Inc - Gahcho Kue				
Document(s):	Gahcho Kue Draft Water Licence (1 MB)				
Item For Review Distributed On:	May 23 at 13:17 <u>Distribution List</u>				
Reviewer Comments Due By:	ne 10, 2014				
Proponent Responses Due By:	June 17, 2014				
Item Description:	The purpose of this draft Water Licence v.2 is to allow parties to comment on Board staff's suggested conditions. These draft materials are not intended to limit in any way the scope of parties' closing arguments, which are due to be submitted to the Board June 24 (interveners) and June 30 (proponent). The Board is not bound by the contents of the draft Licence and will make its decision at the close of the proceeding on the basis of all the evidence and arguments filed by all parties. Board staff would like to advise reviewers of the following: 1. Board staff has made a conscious effort to ensure that all Measures in the Report of Environmental Impact Review that are within the Board's jurisdiction are implemented through conditions in the draft Licence.				
General Reviewer Information:	In addition to the email distribution list, faxes were sent to the Akaitcho fax distribution list.				
Contact Information:	Angela Love 867-766-7456 Jen Potten 867-766-7468 Rebecca Chouinard 867-766-7459				

Comment Summary

De Beer	De Beers Canada Inc - Gahcho Kue (Proponent)			
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	
1		Comment (doc) (Submitted after Due Date) (Submitted after Due Date) Please see attached conformity table for the MV2005L2-0015 Water License conditions with Parties comments and recommendations and De Beers' responses. Recommendation n/a		
Deninu	K'ue First Nation: Louis B	alsillie		
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	
1	General File	Comment (doc) The Deninu Kue First Nation (DKFN) has reviewed the Draft Type A Water Licence v.2 (MV2005L2-0015) for the Gahcho Kue Mine dated May 23, 2014. We have the following comments: Recommendation GENERALFILE		
2	Water Licence	Comment In regard to the filing of annual reports (e.g., Annual Water License Report, AEMP Annual Report) to meet certain conditions of the water lilcense, as mentionedin in our intervention at the public hearings on May 7, 2014 Recommendation we request that these reports be submitted by March 31st of the year following the monitoring period	June 17: De Beers requests that the reporting timeframe remain as requested; that being May 1st of each year. This would allow for final data to be compiled and engagement prior to final submission to the Board.	
3	Water Licence	Comment Schedule 5 of the draft license identifies several monitoring programs and plans to be implemented as part of the license. We note that there is standard terminology regarding informatino about	June 17: De Beers is in agreement with the wording as is currently drafted in the draft Water Licence.	

4	Water Licence	responses to monitoring results which states: - For each Action Level, a description of how exceedances of the Action Level will be assessed and generally, which types of actions may be taken for the Action Level exceeded. Recommendation Since this license imposes the conditions that DeBeers Canada Inc. must adhere to, we recommend stronger language be applied for the above statement where it occurs in the license. As such we recommend the following changes: - For each Action Level, a description of how exceedances of the Action Level will be assessed and specifically, which types of actions will be taken for the Action Level exceeded (emphasis added). Comment The term of the license is not indicated in the second draft. Recommendation We therefore ask for clarification on what the term of the water license for the Gahcho Kue Project will be.	June 17: De Beers recommends that the term of the water licence be twenty (20) years. De Beers has filed the Type A Water Licence following Ministerial Approval of the MVEIRB Report of Environmental Impact Review, which approved the Gahcho Kué Project subject to Measures, Developer Commitments and Follow-up Programs. De Beers requested a term of twenty (20) years which is consistent with the MVRMA regulations 73.02 (2) (2) A Licence issued under subsection (1) may be issued for a term (a) of not more than 25 years, in the case of a Type A Licence that is in respect of a class of undertakings prescribed by the regulations or a Type B Licence; or (b) of not more than the anticipated duration of the appurtenant undertaking, in the case of a Type A Licence other than one described in paragraph (a).
Environ	ment Canada: Sarah-Lace	y McMillan	
ID	Topic	Reviewer Comment/Recommendation	Proponent Response
5	General File	Comment (doc) EC's cover letter Recommendation	
1	Part A. Definitions	Comment The NWT Waters Act was repealed on April 1st, and replaced by the territorial Waters Act	June 17: De Beers is in agreement with this recommendation.

2	Part A. Definitions	(and its federal provisions rolled into the Mackenzie Valley Resource Management Act.) Recommendation For clarity, it may be useful to reference the definition of Act as "Waters Act S.N.W.T. 2014" Comment Overburden is defined as including materials that overlie waste rock. Recommendation EC recommends rewording this definition as follows: Overburden - the materials (i.e.,	June 17: De Beers is in agreement with this recommendation.
		lake-bottom sediments and/or till) that overlie the host (or country) rock and kimberlite deposits.	
3	Part G. Item 31	Comment This section references the requirement for acute toxicity testing as described in Part A of the Surveillance Network Program (SNP). There is no reference in Part A to acute bioassay tests, although the footnotes to Part B. include the sublethal tests at end-of-pipe for discharges to Lake N-11 and Area 8. Recommendation EC recommends adding reference to the Rainbow Trout and Daphnia magna acute bioassay tests in the SNP.	June 17: De Beers has agreed to undertake sublethal (chronic) toxicity testing, which includes <i>Ceriodaphnia dubia, Pseudokirchneriella subcapitata</i> , and fathead minnow OR rainbow trout, at the end-of-pipe as part of the SNP monitoring (refer to WL intervention response EC_3.2 and YKDFN_4 submitted to the Board registry in April 2014). As stated in the AEMP Design Plan (De Beers 2014), the significance threshold for water quality includes a finding of acute lethality to fish at the edge of the mixing zone. Although toxicity testing is not currently planned at these stations, it is anticipated that acute testing of rainbow trout and Daphnia magna would be included at the edge of the mixing zone if concurrent or two consecutive sublethal test results (i.e., sublethal toxic effects) were obtained in the laboratory toxicity tests performed with <i>Ceriodaphnia dubia</i> and <i>Pseudokirchneriella subcapitata</i> on end-of-pipe samples. References to the methods for acute toxicity testing that would be applied, if required as part of the SNP, are EPS 1/RM/13 – Biological Test Method: Reference Method for Determining Acute Lethality of Effluents to Rainbow Trout (Environment Canada 2007); and EPS 1/RM/14 – Biological Test Method: Reference Method for Determining Acute Lethality of Effluents to <i>Daphnia magna</i> (Environment Canada

			2000).
4	Annex A - Surveillance Network Program: Part B. Site Description and Monitoring Requirements	Comment Lakes D2 and D3 will be dyked, and with the rise in water levels will become effectively one lake. With the impoundment, there will be short-term potential effects which include sedimentation and erosion (covered by Schedule 5) but also medium term effects as water levels rise (such as floating peat mats or permafrost erosion) and/or longer term effects around the methylation and uptake of mercury. As there may need to be operational decisions and approvals with the involvement of the Inspector, SNP monitoring of water and sediment quality is more appropriate than having this fall under the AEMP (which can pick up biological monitoring). Recommendation EC recommends SNP stations be added for water impoundment areas as appropriate.	June 17: De Beers do not agree with this recommendation. As the raised lakes lie outside of the "controlled area", monitoring under the AEMP is appropriate. Construction of the diversion dykes will be undertaken in the winter and appropriate mitigation will be provided to minimize the risk of effects to the lakes to be raised, particularly during the subsequent freshet period. The proposed monitoring schedule, as per the AEMP Design Plan (De Beers 2014), focuses on Lakes D2 and D3 as they are considered representative of the diverted lakes, and includes hydrology (e.g., continuous water level monitoring), water and sediment quality, lower trophic organisms, and fish tissue chemistry monitoring components.
Fisherie	s and Oceans Canada: Ke	lly Eggers	
ID	Topic	Reviewer Comment/Recommendation	Proponent Response
1	Part D, Condition 5 - winter water withdrawal	Comment DFO's "Protocol for Winter Water Withdrawal from Ice-covered Waterbodies in the Northwest Territories and Nunavut" is being referenced in this Condition. Note that this Protocol is applied by DFO only to waterbodies that support fish and fish habitat. Condition 5 of the draft Water Licence does not make that distinction, and reads as though it applies to all waterbodies. Recommendation Clarification should be added regarding the intent of this Condition. If the Water Board is using the DFO Protocol as a surrogate for the Water Board's own policies regarding protection of all waterbodies in general from potential impacts of winter water withdrawal, then the condition may be appropriate as is. However if the intent is to protect fish and fish habitat, this condition should stipulate that it is for water withdrawal from a single waterbody which supports fish and fish habitat.	June 17: De Beers can clarify that water withdrawal is planned from Area 8 and Lake N11, each of which supports fish and fish habitat. Therefore DFO's recommendation is supported as the intent is to protect fish and fish habitat.

GNWT	- Environment and Natur	al Resources: Central Email GNWT	
ID	Topic	Reviewer Comment/Recommendation	Proponent Response
10	General File	Comment (doc) ENR Comments and Recommendations Recommendation	
1	Topic 1: Scope	Comment Comment(s): A Board Staff comment indicates that the scope is tied to a table in the Updated Project Description. The paragraph in the licence references the Updated Project Description, but not the specific table. Recommendation Recommendation(s): 1) Include specifics on the table that is being referred to, i.e. Table x.x, Section Y.	June 17: De Beers reviewed the intervention and presentation on reclamation security bonds submitted by the GNWT-ENR. De Beers has provided the following updates to the security payment and installment amounts. De Beers proposes the following Reclamation Security Payment and Schedule (Attachment 1).
2	Topic 2: Part C and Schedule 2 (Security)	Comment Comment(s): Schedule 2 includes provision for scheduling payment of security installments. GNWT provided recommendations on the timing of security payments during the public hearing. Recommendation Recommendation(s): 1) GNWT recommends that the first payment amount be scheduled in conjunction with construction. The total construction liability could be scheduled as two equal payments over the two year construction period: one occurring prior to starting construction and the second prior to year 2. 2) GNWT recommends the next payment be required prior to mining and milling, which is expected to be year 1 of operations. 3) GNWT recommends the next payment be scheduled for year 4 of operations, which is expected to coincide with the end of mining in the Hearne Pit.	June 17: 1) De Beers agrees with the GNWT-ENR that the first security payment should be scheduled in conjunction with construction and that the total liability for the LUP and WL could be scheduled as two equal payments over the two year construction period (upon issuance of the LUP and WL and by June 1, 2015): one occurring prior to starting construction and the second prior to Year 2. 2) De Beers agrees with the recommendation that the next payment be required prior to mining and milling, which is expected to be Year 1 of operations. 3) De Beers agrees that the next payment be scheduled for Year 4 of operations, which is expected to coincide with the end of mining in the Hearne Pit.
3	Topic 3: Part E Clause 8	Comment Comment(s): As worded, this clause is unclear. The clause should be re-worded to clarify	June 17: De Beers does not have a specific response to this comment; however, De Beers do not agree with

		whether a revised Standard Operating Procedures (SOP) is to be submitted annually or in response to changes to the approved SOP or at the request of the Board. Recommendation Recommendation(s): 1) Clarify the intended timing.	the requirement of a Verification Program as part of the SOP referred to in Part E, Items, 6, 7, and 8 of the draft Water Licence. The monitoring described in detail under the Geochemical Characterization Plan (De Beers 2014) fulfills the Verification Program requirements. This is appropriate in this Plan because modifications and recommendations as a result of monitoring would be captured in annual report and plan updates.
4	Topic 4: Part F Clauses 2 and 3	Comment Comment(s): These clauses refer to modifications under Part G, Item 1. GNWT expects that the reference should be to Part F, Item 1. Recommendation Recommendation(s): 1) Confirm the reference.	June 17: De Beers is in agreement with this recommendation.
5	Topic 5: Part G Clauses 4 and 5	Comment Comment(s): Clause 4 refers to a Construction Water Management Plan which is to be in place to address the Dyke Construction and Drawdown phases of the project. Clause 5 refers to an Operational Water Management Plan which shall be in place 60 days prior to discharge from the Water Management Pond. The transition from one phase to the next is not clear, i.e. when does Kennady Lake cease being Kennady Lake and become a Water Management Pond. A clear transition point should be determined. Recommendation Recommendation(s): 1) The Water Licence Reasons for Decision should clearly define when it is anticipated that Kennady Lake becomes the	June 17: De Beers recommend that Areas 3 and 5 of Kennady Lake become the water management pond upon commencement of milling and the first production of processed kimberlite, which is initiated at the end of Year -1; this would denote the start of the operations phase. Up until that point, the mine would be in the construction phase.
6	Topic 6: Part I Clause 2	Water Management Pond. Comment Comment(s): Clause 2 requires the Licensee to adhere to the AEMP Design Plan submitted April 16, 2014 until a revised plan is approved by the Board. A revised plan should be	June 17: De Beers does not agree with this recommendation. De Beers has submitted a final version of the AEMP Design Plan, which has been updated to include feedback received through the

		submitted for Board approval soon after Licence issuance. Recommendation Recommendation(s): 1) A revised AEMP Design Plan should be submitted for Board approval within 30 days of the Licence issuance.	Water Licence permitting process, as well as from the three workshops conducted in March 2013, February 2014 and March 2014. Additionally, De Beers has committed to the forming an AEMP Working Group that will contribute, and provide feedback, to the AEMP process moving forward.
7	Topic 7: Schedule 6, Clause 1. c) iv.	Comment Comment(s): This clause requires a description of procedures to analyze and interpret data including integrating the results of individual monitoring streams. Weight of evidence analysis is identified as a potential method. ENR agrees with the general intent of this clause, but notes that different methods are available for integrating the results of different lines of evidence. Whatever methodology is chosen, it is key that the analysis does not lose sight of the implicit management goals for the ecosystem. For example, the CCME's guiding principle for developing long term exposure guidelines is protecting all the species all the time. CCME guidelines derived using an SSD approach assumes that 95% of the species will be protected to a no effect level and that low-level effects could occur on the most sensitive species. Selecting CCME guidelines implies this level of protection and management is desired for the exposure area. Weight-of-evidence evaluations often place greater emphasis on larger changes to abundance or community structure in exposed ecosystems than on surface water chemistry or toxicity. This can result in misleading results because the inherent variability in natural systems means that changes in the abundance of individual species or the structure of communities can only be detected when large changes occur in the receiving environment. Therefore, analyses and interpretation of monitoring data should focus on the most sensitive indicators of effects, rather than relying exclusively on a weight-of-evidence. The GNWT feels that	from the AEMP, whether they are water quality or sediment quality results, or species composition of plankton or benthic invertebrates, are considered in the evaluation of change and effect.

		specifically referring to a "weight of evidence approach" may limit the analytical methods that are used by the proponent, and would prefer that reference to a specific method is not used. Recommendation Recommendation(s): 1) Remove the portion of the sentence $\tilde{A}\phi\hat{A}\in\hat{A}$ esuch as a weight-of-evidence analysis $\tilde{A}\phi\hat{A}\in\hat{A}$. This is something that should be reviewed and approved as part of the AEMP development process.	
8	Topic 8: SNP 01	on the final day of discharge. Weekly monitoring occurs for water elevation in "Lake N11". GNWT notes that daily inline monitoring will occur for physical parameters during discharge into N11 (SNP	operations) of 'physical' water quality parameters, which includes DO, pH, conductivity, temperature, TSS, and turbidity. Additionally, a station in the water management pond (SNP 6) provides for monthly monitoring during construction (and
9	Topic 9: SNP 03	•	June 17: As per the response to ENR Recommendation 8.

I utcol V	'a Dana First Nation (Chi	parameters during discharge into Area 8 (SNP 04). Nevertheless, GNWT believes that more frequent monitoring should also be conducted at SNP 03 within "Area 8" during dewatering to ensure that mixing is occurring as predicted and the water quality objectives are being achieved. GNWT recommends weekly monitoring for pH, TSS and turbidity. Recommendation Recommendation(s): 1. Include weekly monitoring for pH, TSS and turbidity during drawdown of Kennady Lake. ief or Wildlife, Lands and Environment: Mike Tollis	
ID	Topic	Reviewer Comment/Recommendation	Proponent Response
1	General File	Comment (doc) General Topic Recommendation	· · · · · · · · · · · · · · · · · · ·
2	General	achieving water license limits, and in general,	participate in these opportunities. These opportunities, which were the same opportunities that were extended to the five other Aboriginal Communities, included: 2013 and 2014 Spring Community Visits, 2013 Site Visits, AEMP Workshop (March 2013, February 2014, March 2014), Fish Out Workshop (March 2014) and Wildlife Updates (February 2014 and April 2014). When LKDFN responded that the community was not available on the dates offered, De Beers sent follow-up letters indicating that they would change the dates to better accommodate LKDFN community. De Beers will continue to extend these opportunities to

allow a company that had spills totaling over 12,000L of hydrocarbons in 2 months of this year get another permit to work on the same watershed. As the project seems to be proceeding contrary to the wishes of the First Nation, we find it necessary to point out the concerns of the LKDFN as points for the Board to consider when reviewing these permit applications. First, this license cannot be the standard water license that is granted to proponents with only minor site specific alterations. We believe for the protection of this sacred watershed, there must be conditions set that learn from the failures of the previous license. For Canada's website. Moreover, De Beers undertook an example, a letter from the Snap Lake Environmental Monitoring Agency (SLEMA) raised concerns in 2009 about elevated levels of certain effluents in the water seeping into the underground, and it wasn't until assessment indicated that there would be no 2011 that the company claims they realized there were measurable changes to either the Hoarfrost Watershed higher than predicted levels, and no action has been taken even until now in 2014. No mitigations were placed into effect and now the company is looking to increase discharge limits instead of invoking strong mitigation measures for protection of the water. We request of the Board that timelines be set on mitigation strategies coming into effect, as the response of "studies are being undertaken" is not sufficient for this site and its proximity to the Lady of the Falls spiritual site. Second, we request that no limits, even site specific limits be set above aquatic health or drinking water quality guidelines. It was clear in the Snap Lake review that De Beers does not view "drinking water quality" in the same light that LKDFN views the same term. When we mentioned water being of drinking water quality, we mean it in the way that we can dip a cup into area 8 or Lake N11 and drink the water without chlorination or any other treatment. Third, that the Board seriously consider stronger enforcement under the Mackenzie Valley Land Use Regulations (MVLUR) section 35.1 (d),

concern regarding groundwater for Gahcho Kué, De Beers undertook groundwater monitoring as part of the Hydrogeology Baseline Report presented the 2010 Environmental Impact Statement. In addition, based directly on concerns from the LKDFN regarding connection between Kirk Lake and Fletcher Lake (Hoarfrost Watershed), Environment Canada established a hydrometric station to assess connection. The data, captured in the 2013 Hydrology Supplemental Monitoring Report has been submitted to MVLWB, and is publicly available on Environment assessment on the potential impacts on Lady of Falls as part of the impact assessment including the closing statements for the Environmental Assessment. The or Lady of Falls. Assessment on groundwater, hydrology, and water quality form part of the evidence that was considered in the MVEIRB Report of EIR and Reasons for Decision (July 2013). De Beers remains hopeful that LKDFN members will be provided the opportunity from their leadership to participate in future community visits, site visits, workshops and meetings so that their concerns can be expressed and De Beers has the opportunity to address those concerns in monitoring and management plans and or other information sources. De Beers submitted a draft Spill Contingency Plan (November 28, 2013; an update will be submitted on or before June 30. 2014) that defines the response, monitoring and reporting of spills. De Beers will follow the regulations with respect to spill reporting.

that failure to comply with the conditions of the permit be met with written notice from the Board of non-compliance and consideration of suspension of the water license. Too often has the Snap Lake mine been out of compliance with their water license without repercussion, so what is the message that is being sent about water licenses? If non-compliance is acceptable then why issue the water license or require a security posting? LKDFN believes that water license limits and conditions are set for the protection of the land and water from significant adverse impacts, and going beyond the limits set in a water license constitutes grounds for significant impacts, and therefore there should be repercussions for failure to meet these criteria. With the chronic failure of Snap Lake to comply, we are not setting the bar too high for the same company with a new water license, and we don't think the Board should put faith in De Beers' ability to accomplish the limits set in the water license. Lastly, LKDFN had disagreement with the company during the environmental impact review about surface and groundwater flows. As part of the groundwater monitoring program, we want to see comprehensive groundwater flow diagrams showing the distribution and movement of groundwater. We expect this to be included in the hydrogeological description. For the land use permit, condition 42 mentions spill reporting, and as spills are a regular occurrence at Snap Lake, we request of the Board that the parties to the assessment receive notification as soon as possible after a spill. This request focuses on transparency and ensures effective communication with the incidents that happen on the territory. We do not intend that this be an onerous process, simply carbon copying the parties on the letter or email would suffice. Further with regard to spills, the permit mentions an activity associated with the project to be a landfarm, but there are no further conditions set on it.

By the nature and significance of the spills at Snap Lake, we would request that there be a timeline for the establishment of the landfarm, also considering there was a landfarm promise by De Beers for Snap Lake that hasn't come to realization yet. The landfarm should be developed to federal and territorial guidelines. These recommendations and requests come out of a very brief overview of the water license and land use permit drafts. LKDFN reiterates that we do not support the project at this time, and certainly are not in favour of granting De Beers a second water license, when they have so much difficulty complying with the one they currently hold. For any further information, please contact the undersigned.

Recommendation See above