

## Staff Report

<b>Applicant:</b> De Beers Canada Inc. - Gahcho Kué Project	
<b>Location:</b> Kennady Lake, NT	<b>Application:</b> MV2005L2-0015
<b>Date Prepared:</b> July 13, 2016	<b>Meeting Date:</b> July 21, 2016
<b>Subject:</b> Request to Modify a Compliance Date – Final Detailed Construction Plans	

### 1. Purpose/Report Summary

The purpose of this Report is to present to the Mackenzie Valley Land and Water Board (MVLWB/the Board) a request to modify a compliance date for the submission of final detailed construction plans for the Operational Diffuser as submitted by De Beers Canada Inc. (De Beers) under Water Licence (Licence) MV2005L2-0015 for the Gahcho Kué Project.

### 2. Background

- July 11, 2016 – De Beers submits the Final Detailed Construction Plans for the Operational Diffuser;
- July 12, 2016 – Request forwarded to Government of the Northwest Territories (GNWT) – Inspector for comments;
- July 13, 2016 – Comments received from GNWT-Inspector; and
- **July 21, 2016 – Board package presented to the Board for decision.**

### 3. Discussion

Final Detailed Construction Plans for the Operational Diffuser are required under Part E, item 11 of Licence MV2005L2-0015, which states:

“A minimum of sixty (60) days prior to the commencement of Construction of any Engineered Structures, the Licensee shall submit to the Board, the Final Detailed Construction Plans, in accordance with Schedule 4, item 2.”

De Beers submitted these Final Detailed Construction Plans on July 11, 2016. This also included a request to modify the compliance date for this submission as per Part B, item 7 of Licence MV2005L2-0015 which states:

“The Schedules, the Surveillance Network Program, and any compliance dates specified in this Licence may be amended at the discretion of the Board. If any compliance dates for the submission of a plan, report, or program falls on a weekend or holiday, the plan, report, or program shall be submitted on the following business day.”

De Beers has requested this compliance date change from the 60 days referenced in Part E, item 11 above (September 9, 2016) to 30 days (August 10, 2016) because it would allow De Beers to install the diffuser during an ice-free season. Installation in August is preferred because the weather is more favorable and there are fewer safety and logistical concerns.

#### **4. Comments**

The Final Detailed Construction Plans are not for Board approval; however, the request to modify the compliance date is. As such, Board staff forwarded the request to the GNWT-Inspector for notification and for any input on the request.

#### **5. Reviewer Comments**

This request was forwarded to the Inspector for notification on July 12, 2016. On July 13, 2016, the GNWT-Inspector commented (attached) that they did not have any concerns with the request and was pleased to see detailed engineering plans.

Board staff has not proposed changes to the Licence to reflect this request because Part E, item 11 applies to a multitude of submissions; it is not exclusive to the Operational Diffuser.

#### **6. Security**

The GNWT currently holds \$23,776,270.00 in reclamation security for the Gahcho Kué Project for Licence MV2005L2-0015. De Beers' next deposit of security (in the amount of \$40,713,234) is due prior to year 4 of Operations (the end of mining of the Hearn Pit).

#### **7. Conclusion**

Board staff concludes that the request to modify the compliance date will not adversely affect the receiving or downstream environment and will allow De Beers the flexibility to initiate construction of the Operational Diffuser and minimize any safety or logistical concerns.

#### **8. Recommendation**

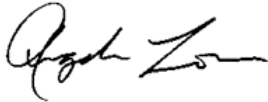
Board staff recommends the Board:

- Acknowledge the submission of the Final Detailed Construction Plans for the Operational Diffuser, submitted July 11, 2016; and
- Approve the request to modify the compliance date for the submission of the Final Detailed Construction Plans for the Operational Diffuser from 60 days to 30 days.

## 9. Attachments

- [Request to Modify Compliance Date](#);
- [GNWT Inspectors Comments](#);
- Draft Reasons for Decision; and
- Draft Decision Letter from the Board.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Angela Love', written in a cursive style.

Angela Love  
Regulatory Officer