



May 26, 2021

Mr. William Liu
Regulatory Specialist
De Beers Canada Inc.
SUITE 300 - 1601 AIRPORT ROAD NE
Airport Corporate Center
CALGARY AB T2E 6Z8

Dear Mr. Liu:

Mackenzie Valley Land and Water Board - De Beers Canada Inc. - Gahcho Kué Mine - Type A Water Licence MV2005L2-0015 - Acceptance of Security Deposit

The Government of the Northwest Territories (GNWT), Department of Environment and Natural Resources (ENR) formally acknowledges receipt of an original Standby Letter of Credit (ILOC) dated May 17, 2021 for the amount \$755,312.00 which was issued by the Bank of Nova Scotia on behalf of De Beers Canada Incorporated. On May 20, 2021, the ILOC was received by our Department.

The security deposit is required under Part C, Item 1 and Schedule 2, Item 1. e) of Water Licence MV2005L2-0015. The security deposit is acceptable to the Government of the Northwest Territories as prescribed by Section 35. (1) of the *Waters Act* and Section 11. (3) of the *Waters Regulations*.

Currently, GNWT - ENR holds \$42,264,067.00 in security deposits for the noted Type A Water Licence. The security deposit is further described in Attachment 1 - Summary Table.

The security deposit is held in safekeeping by the Assistant Comptroller General and Superintendent of Insurance, Department of Finance.

If you have any further comments or questions, please contact Mr. Rick Walbourne, Manager, Water Regulatory and Assessment at (867) 767-9234, extension 53113 or Rick.Walbourne@gov.nt.ca or Mr. David Jessiman, Water Management Advisor at (867) 767-9234, extension 53114 or David.Jessiman@gov.nt.ca.

Sincerely,

Nathen Richea
Director,
Water Management and Monitoring

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Enclosure

c.

Mr. Nestor Alvarez
De Beers Canada Inc.
Senior Accountant Financial Reporting

Ms. Sarah McLean
De Beers Canada Inc.
Environment and Permitting Manager

Ms. Chervahun Emilien
Department of Finance
Assistant Comptroller General and Superintendent of Insurance

Mr. Scott Stewart
Department of Lands
Regional Superintendent

Dr. Shelagh Montgomery
Mackenzie Land and Water Board
Executive Director

Attachment 1 – Summary Table:

Mackenzie Valley Land and Water Board

De Beers Canada Inc. - Gahcho Kué Mine

1. Type A Water Licence MV2005L2-0015

Acceptance of Security Deposit

**a) Security deposit – First increment
(Prior to the commencement of Construction)**

	Water Licence	ILOC No.	Date	Amount
1.	MV2005L2-0015	Toronto Dominion Bank No. [REDACTED]	April 10, 2015	\$3,613,466.00
2.	MV2005L2-0015	Toronto Dominion Bank No. [REDACTED] (GNWT [REDACTED]) Amendment 1 (Bank, ILOC reference, and DBCI address changes only)	October 20, 2016	\$3,613,466.00

**b) Security deposit – Second increment
(One year following the date the security was posted under Schedule 2, item 1(a))**

	Water Licence	ILOC No.	Date	Amount
1.	MV2005L2-0015	Toronto Dominion Bank No. GNWT3614	October 14, 2015	\$3,613,465.00
2.	MV2005L2-0015	Toronto Dominion Bank No. [REDACTED] (GNWT [REDACTED]) Amendment 1 (Bank, ILOC reference, and DBCI address changes only)	October 20, 2016	\$3,613,465.00

**c) Security deposit – Third increment
(Prior to Year 1 of Operations)**

	Water Licence	ILOC No.	Date	Amount
1.	MV2005L2-0015	Toronto Dominion Bank No. [REDACTED]	June 15, 2016	\$16,549,339.00

**d) Security deposit – Fourth increment
(Prior to Year 5 of Operations) (2018 Water Licence Amendment)**

	Water Licence	ILOC No.	Date	Amount
1.	MV2005L2-0015	Royal Bank of Canada No. [REDACTED]	August 21, 2020	\$17,732,485.00
2.	MV2005L2-0015	Royal Bank of Canada No. [REDACTED] Amendment 1, (Water Licence reference changes only)	September 8, 2020	\$17,732,485.00

e) Security deposit – Amendment #3 Application (March 10, 2021)

	Water Licence	ILOC No.	Date	Amount
1.	MV2005L2-0015	Bank of Nova Scotia No. [REDACTED]	May 17, 2021	\$755,312.00