

November 16, 2016

Angela Love
Regulatory Officer
Mackenzie Valley Land and Water Board
7th Floor, 4922 48th St.
PO Box 2130, Yellowknife, NT
Canada | X1A 2P6

Dear Ms. Love:

Re: Request for extension for re-submission of the Standard Operating Procedure

We received the Board's approval letter for the Mine Rock Placement Verification Program Report (dated November 3, 2016) on November 7, 2016. We understand that approval of the Report is conditional upon a re-submission of the revised Report, consistent with the proponent responses and the Boards direction. We will be pleased to submit the revised report on November 17th, 2016 as requested.

The Boards approval letter also included a request for De Beers to revise and re-submit the Standard Operating Procedure (SOP) as per Part E, item 8 of the license by November 17, 2016. The Board indicated that De Beers was welcome to request additional time to complete the updates if necessary. While we will be able to meet the Board's deadline for re-submission of the Mine Rock Placement Verification Program Report, we will not be able to meet the deadline for re-submission of the SOP.

We would like to respectfully request additional time to complete the revisions to the SOP with the following rationale.

1. The sampling, delineation, handling, and storage of mine rock waste is an essential element of our mining operations. The current SOP was developed to align with our approved mine plan, our environmental requirements and our operational constraints. If changes to that SOP are proposed, then we must have sufficient time to bring the mine planners, engineers, environmental, and technical services teams together to evaluate the implications of those changes on each area of responsibility. A rushed change to the SOP could have significant cost and operational implications on the mine which have not been evaluated by company.
2. The water license requires us to conduct an annual review of several of our environmental monitoring and management plans, including our SOP (see Part E, item 8). The Geochemical Characterization Plan and the SOP are both scheduled to undergo this annual review beginning in January of 2017 once the full set of 2016 geochemistry data

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are available. We expect the laboratory results to be available mid to late January and our review of those data, along with our operational experience will commence at that time. We would like the opportunity to consider these data prior to any revisions of the SOP.

3. Based on our experience to date in managing the requirements of the SOP, it is our expectation that we will require additional revisions beyond those methodological adjustments requested by the Board. Rather than making a few changes to the SOP now, and then again requesting additional changes in early 2017 we think it prudent to address all of the anticipated revisions in a single submission so that they may be considered in entirety, and with the benefit of supporting data analysis. This will allow for more informed decision both by ourselves and the Board.
4. The Board's direction was to review the MEND report for guidance on the approach to selection, storage and preparation of samples. The Board did not indicate exactly what adjustments should be made to the SOP in light of MEND, but rather recommended that De Beers review the document for guidance. Review of this document, and consideration of how it may apply to our mine and our SOP will take additional time. We cannot complete this review within the time frame allotted.

We would therefore like to request an extension of the requirement to resubmit the SOP to April 15, 2017. This date was selected to allow us sufficient time to analyze data, to consult all departments, to consider the MEND report, and to prepare a solid revision to the SOP which De Beers will be prepared to implement for Board consideration. We will continue to adhere to the current SOP until such time as a revised SOP is approved by the Board.

Thank you for your consideration of this request,

Sincerely,



Sarah McLean
Regulatory Specialist

Cc: Patrick Kramers, DBCI
Jen Potten, MVLWB

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