

## Reviewer Comments and Proponent Responses

**Project: Kennady North Project**

**Board: Mackenzie Valley Land and Water Board**

**Organization: Kennady Diamonds**

No.	Topic	Reviewer Comment	Reviewer Recommendation	Proponent Response	Board Decision
<b>GNWT-Lands - North Slave Region - Miss Karine Gignac</b>					
1	Draft land use permit	A few typos were noticed during the review of the drafted land use permit. Scope of Permit, item h) 'All reasons site roads' should read 'all seasons' , Condition #67 Security Deposit Phase 3 '200,00 m3' should read '200,000 m3' as per old permit, and Condition #69 Security Deposit Phase 5 'Processing Plan' should read 'Processing Plant'.	Please make corrections to the highlighted Sections / Conditions	Agreed.	Edits have been made as noted by the Inspector.
2	Draft land use permit	26(1)(a) Location and Area. The applicant is proposing the construction of a new camp/land down area, and therefore Condition #3 of the Standard Land Use Permit Conditions Template (Camp Setback) should be added.	Please add Condition #3 (Camp Setback) to the approved land use permit.	KDI supports the inclusion of this condition for new construction, but notes that the existing and approved Bob Camp, which was constructed in the mid 1990's, is within this distance.	The Board has updated the conditions to include the recommendation put forward by the Inspector as well as the support put forward by KDI.
3	Draft land use permit	26(1)(a) Location and Area; Condition #8 Corner Posts. This condition is not applicable to this land use operation.	Please remove Condition #8 Corner Posts from the approved land use permit.	Agreed.	The Board has updated the conditions to include the recommendation put forward by the Inspector as well as the support put forward by KDI.
4	Draft land use permit	26(1)(b) Time; Condition #12 Report before Seasonal Removal. This condition does not apply to the proposed land use operation as activities may be conducted year round.	Please remove Condition #12 Report before Seasonal Removal from the approved land use permit.	KDI agrees, and notes that timing of seasonal closure is often not known 10 days in advance.	The Board has the conditions to include the recommendation put forward by the Inspector as well as the support put forward by KDI.
5	Draft land use permit	26(1)(d) Methods and techniques; Condition #21 Refill Craters. No seismic activities are proposed under this land	Please remove Condition #21 Refill Craters from the approved land use permit.	Agreed.	The Board has updated the conditions to include the recommendation put

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		use permit and therefore this condition does not apply.			forward by the Inspector as well as the support put forward by KDI.
6	Draft land use permit	26(1)(g) Use, Storage, Handling, and Ultimate Disposal fo any chemical or Toxic Material. The use of sumps is proposed for this land use operation and therefore Condition #65 of the Standard Land Use Permit Conditions Template (Reclaim non-oil and gas sumps) should be added.	Please add Condition #65 of the Standard Land Use Permit Conditions Template (Reclaim non-oil and gas sumps) to the approved land use permit.	KDI agrees to reclaim dug/excavated sumps.	The Board has updated the conditions to include the recommendation put forward by the Inspector as well as the support put forward by KDI.
7	Draft land use permit	26(1)(j) Protection of Historical, Archaeological, and Burial Sites; Condition #59 Archaeological Buffer. The buffer approved under the previous land use permit (MV2016C0030) was established at 30m. A change to 150m buffer would place the current location of the winter road from the junction of the TCWR to Kelvin camp into non-compliance.	The Inspectors recommend using the previously approved 30m buffer for Condition #59 of the approved land use permit.	KDI appreciates GNWT having noted this concern and has confirmed that increasing the current 30 m buffer to a 150 m buffer would create 14 instances of non-compliance with currently approved project footprints.	The Board has not updated to condition as recommended by the GNWT Inspector to ensure that KDI remains in compliance.
8	Draft land use permit	26(1)(j) Protection of Historical, Archaeological, and Burial Sites; Condition #64 AIA. An AOA has been completed accross all mineral claims and leases associated with the proposed land use operations. Concerns can be mitigated with Condition #63 (AIA-High Potential).	Please remove Condition #64 AIA from the approved land use permit.	Agreed.	Based on the recommendation put forward by the GNWT Inspector as well as the GNWT ECE – Prince of Wales Northern Heritage Centre, The Board has removed this condition.
9	Draft land use permit	26(1)(m) Fuel Storage Condition #79 Maximum Fuel on site. The Previous permit was approved for 2.25 millions L of fuel. The Permittee should confirm the required maximum fuel on site and update the Condition.	Please confirm and update the maximum fuel on site.	KDI proposes retaining the same allowance (2.25 million L of fuel).	Noted
10	Draft land use permit	26(1)(q) Biological and Physical Protection of the Land; Condition #103 Caribou Disturbance. This condition has	Please remove Condition #103 Caribou Disturbance from the approved land use permit.	KDI agrees with this recommendation and notes that this condition was also not in the previous LUP	

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		been removed from the Board's standard list of operating conditions and therefore must be removed from the approved land use permit.		(MV2016C0030).	
<b>Fisheries and Oceans Canada (DFO) - Ms. Anna-Maija LaFlamme</b>					
1	Kennady North Project: Land Use Permit and Water Licence; Water Management Plan.	The water withdrawal activities outlined in the document have the potential to impact fish and fish habitat.	This comment is an acknowledgement of the review of the File No: MV2023C0035, Kennady North Project: Land Use Permit and Water Licence. Based on the information that was submitted, DFO recommends the proponent to complete and submit a request for review form ( <a href="https://www.dfo-mpo.gc.ca/pnw-ppe/reviews-revues/request-review-demande-d-examen-004-eng.html">https://www.dfo-mpo.gc.ca/pnw-ppe/reviews-revues/request-review-demande-d-examen-004-eng.html</a> ) as the application meets the criteria for a site-specific review, as described on DFO's website ( <a href="https://www.dfo-mpo.gc.ca/pnw-ppe/reviews-revues/request-review-demande-d-examen-003-eng.html">https://www.dfo-mpo.gc.ca/pnw-ppe/reviews-revues/request-review-demande-d-examen-003-eng.html</a> ). In order to comply with the Fisheries Act, it is recommended that the Proponent follow DFO's protective measures for fish and fish habitat and standard codes of practice which can be found on DFO's website ( <a href="https://www.dfo-mpo.gc.ca/pnw-ppe/measures-mesures-eng.html">https://www.dfo-mpo.gc.ca/pnw-ppe/measures-mesures-eng.html</a> and <a href="https://www.dfo-mpo.gc.ca/pnw-ppe/practice-pratique-eng.html">https://www.dfo-mpo.gc.ca/pnw-ppe/practice-pratique-eng.html</a> ). DFO asks that the proponent to please review and implement any	KDI has discussed this concern with Ms. LaFlamme and outlined site water withdrawal procedures, which align with all relevant DFO and MVLWB guidance. Ms. LaFlamme indicated her recommendation to submit a Request for Review was related to mention in the KNP Closure and Reclamation Plan of a Letter of Advice. As these expire, Ms. LaFlamme thought it likely that a new Letter of Advice would be needed, for which a Request for Review would need to be submitted. However, after a thorough search of KDI's files, the MVLWB registry, the files of KDIs consultants, as well as KDIs environmental lead at the time the mention of an LOA first appeared in a KNP Closure and Reclamation Plan (Mark Lange; 2016), as well as a search by Ms. LaFlamme of DFO's files, it was concluded that there has never been a LOA applicable to the Kennady North Project and that the mention of one in the Closure and Reclamation Plan was in error. In the absence of the need to renew an expired LOA, Ms. LaFlamme indicated no Request for Review is required. KDI apologises for the confusion this error generated and appreciates DFO's assistance with resolving the issue.	Noted. No further action is required.

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			relevant Measures to protect fish and fish habitat (dfo-mpo.gc.ca). By doing so, you ensure that any works, undertaking or activities where impacts to fish and fish habitat can be avoided. It is also the proponent's Duty to Notify DFO if they have caused, or are about to cause, the death of fish by means other than fishing and/or the harmful alteration, disruption or destruction of fish habitat. Such notifications should be directed to ( <a href="http://www.dfo-mpo.gc.ca/pnw-ppe/CONTACT-eng.html">http://www.dfo-mpo.gc.ca/pnw-ppe/CONTACT-eng.html</a> ).		
<b>GNWT-Lands - North Slave Region - Mr. Clint Ambrose</b>					
1	Draft Water License - Part F: Waste and Water Management - Item 33	Board staff are seeking input on which SNP locations should be included under this item (condition).	Five days should be sufficient for timing and SNP 2016-5a (quarry sump) and 2016-5b (waste sump) should be included in this condition.	KDI supports this recommended timeline.	Noted. Adequate response.
2	Effluent Quality Criteria (EQC)	Board staff are seeking input regardsing the Effluent Quality Criteria for the SNP stations.	The EQC's from water license MV2013L2-0005 should be used for this renewal license as the project is unchanged from what was originally proposed in 2013.	Agreed, with the exception noted in KDI's response to the MVLWB's question on the Waste Sump EQC for TSS.	Noted. EQCs from MV2013L2-0005 will be retained, with the exception of TSS for the Waste Sump.
3	Part A: Scope - Water License MV2023L2-0011	This water license is for advanced exploration and NOT Mining and Milling.	Item 1, Part A of the water license must be changed to reflect the proposed activities for the Kennady North Project, Advanced Exploration.	KDI agrees and notes that the category of 'Miscellaneous' was selected in our Application.	Noted. The Scope was edited accordingly.
<b>MVLWB - Heather Scott</b>					
1	Project Description; Project	It is Board staff's understanding that this Application serves to merge the existing authorizations for Kennady Diamonds	Can KDI verify that all activities proposed in this Application have been scoped and screened under	KDI can confirm there are no changes being requested from the activities which have already been screened in	Noted. Adequate response.

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	Activities	Inc. (KDI).	current authorizations?	association with LUP MV2016C0030 and MV2013L2-0005. For clarification, KDI does not require merging of the Advanced Exploration Project and Regional Exploration Project authorizations, only the inclusion of the Regional Exploration Project claim areas under the Advanced Exploration Project authorizations, at which time it is envisioned that the Regional Exploration Project authorizations would be closed.	
2	Secondary Containment	The Waste Management Plan Version 4.0 (WMP V 4.0) refers to secondary containment, but does not fully describe where it is and what it contains. Board staff understand that this is secondary containment of fuel storage.	Can KDI specify what exactly secondary storage is? If this description is already included in the Application documents, please direct staff to this information.	Secondary containment refers to berms and spill trays which may be installed under, or surround, fuel containers as a preventative measure to contain any potential spills or which are available for use in a spill response capacity. For the KNP, these typically include spill trays and instaberms used during active fueling or standing on hand for spill response purposes (e.g. should a container (such as a fuel drum) start to leak), as well as doubling-walling associated with the larger fuel tanks (e.g. Enviro Tanks which have their own integral secondary containment system).	Noted. Adequate response. Wording has been updated in the Licence to reflect this more specific description of secondary containment.
3	Dams	The Land and Water Boards of the Mackenzie Valley define a Dam as "a structure that meets the definition of a Dam as per the Dam Safety Guidelines and is intended to contain, withhold, divert, or retain Water or Waste."	Based on this definition, does KDI have any Dams on site, or propose the construction of any structures that may be classified as a Dam?	No Dams are present, or proposed for, the KNP.	Noted. Adequate response. All conditions related to Dams have been removed from the Licence.
4	Engineered Structures	The Land and Water Boards of the Mackenzie Valley define an Engineered Structure as "any structure or facility related to Water Use or the disposal or Deposit of Waste that is designed by a	What proposed structures for the Project meet the definition of Engineered Structure?	No Engineered Structures are present, or proposed for, the KNP.	Noted. Adequate response. It is noted that, by definition, the future Sewage Treatment Facilities is an Engineered Structure so the standard

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		Professional Engineer."			construction conditions have been retained. Also, Licence conditions related to the materials used on site are important for construction of any structure, whether Engineered Structures by definition, or not.
5	Effluent Quality Criteria, Waste Sump	Effluent Quality Criteria was established for the use of Wastewater from the Waste Sump in the current Water Licence issued to KDI. Generally, the Board uses evidence and the LWB's Waste and Wastewater Management Policy to establish EQC for parameters of potential concern for the Discharge of Waste.	Does KDI have any further data, evidence or rationale to propose in order to develop appropriate EQC for the use of Waste Sump Wastewater for dust suppression on the Project Site? Does KDI propose any different parameters of potential concern (i.e., additional or fewer parameters) or concentrations of parameters for these EQC when compared to existing Licence requirements?	KDI supports the retention of the existing EQC's from MV2013L2-0005 for the KNP Waste Sump with the exception of TSS, for which a change is proposed to align with the Quarry Sump TSS EQC (for details see response to MVLWB-11).	Noted. EQCs from MV2013L2-0005 will be retained, with the exception of TSS for the Waste Sump.
6	Effluent Quality Criteria, Quarry Sump	Effluent Quality Criteria was established for the use of Wastewater from the Quarry Sump in the current Water Licence issued to KDI. Generally, the Board uses evidence and the LWB Waste and Wastewater Management Policy to establish EQC for parameters of potential concern for the Discharge of Waste.	Does KDI have any further data, evidence or rationale to develop appropriate EQC for the use of Quarry Sump Wastewater for dust suppression on the Project Site? Does KDI propose any different parameters of potential concern (i.e., additional or fewer parameters) or concentrations of parameters for these EQC when compared to existing Licence requirements?	KDI has no further data to support changes to these EQCs at this time and supports the retention of the MV2013L2-0005 EQCs for the KNP Quarry Sump; no revisions are proposed.	Noted. EQCs from MV2013L2-0005 will be retained, with the exception of TSS for the Waste Sump.
7	Effluent Quality Criteria, Sewage Disposal Facilities	Effluent Quality Criteria was established for the Discharge of Wastewater from the Sewage Treatment Facility in the current Water Licence issued to KDI. Generally, the Board uses evidence and the LWB Waste and Wastewater	Does KDI have any further data, evidence or rationale to develop appropriate EQC for the Discharge of Waste from the Sewage Disposal Facilities? Does KDI propose any different parameters	KDI has no further data to support changes to these EQCs at this time and supports the retention of the MV2013L2-0005 EQC's for the KNP Sewage Treatment Facility; no revisions are proposed.	Noted. EQCs from MV2013L2-0005 will be retained.

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		Management Policy to establish EQC for parameters of potential concern for the Discharge of Waste.	of potential concern (i.e., additional or fewer parameters) for these EQC when compared to existing Licence requirements?		
8	Effluent Quality Criteria, Sewage Disposal Facilities	Board staff note that in the current Water Licence, BOD is used as a parameter for EQC for the discharge of Effluent from the Sewage Treatment Facility; however, CBOD has become the industry standard for regulation.	Can KDI propose an EQC for CBOD instead of BOD for their future Sewage Disposal Facilities?	<p>KDI is aware that the City of Yellowknife requested in their application submitted to the MVLWB on Feb 5, 2021, that their BOD EQC be replaced by CBOD in their water licence. The City of Yellowknife reasoned that CBOD would align better with CCMEs National Performance Standards for municipal wastewater facilities which require sampling of CBOD rather than BOD. The City of Yellowknife also indicated that they had multiple years of sampling both BOD (under the Water Licence) and CBOD and that the values were consistently similar. The Board accepted this requested change to CBOD and retained the MAC and MGC that had previously been applied for BOD. Subsequently, it seems that CBOD was added to at least one other water licence (the Pine Point Type A Water Licence MV2020L8-0012 issued December 8, 2021) which may be why this comment indicates this 'has become industry standard'.</p> <p>However, KDI does not believe this is a Standard appropriate for exploration projects. The National Performance Standards explicitly state that they specifically apply to "...all municipal, community and government wastewater facilities that discharge into lakes, rivers and oceans" and specifically do not apply to</p>	Noted. EQCs from MV2013L2-0005 will be retained.

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				<p>.. facilities located in geographic areas where extreme climatic conditions impede treatment, such as Canada’s Far North" (&lt;a href="https://ccme.ca/en/municipal-wastewater-effluent"&gt;https://ccme.ca/en/municipal-wastewater-effluent&lt;/a&gt;).</p> <p>The KNP:</p> <ol style="list-style-type: none"> <li>1) Is operated in “Canada's Far North”</li> <li>2) Is neither a "municipal, community [or] government" facility, and</li> <li>3) Does not discharge to "lakes, rivers [or] oceans".</li> </ol> <p>The approved Kelvin Camp would host 120 people at maximum. The discharge from such exploration activities is consequently small, and, due to the limited quantities, it is routine practice to discharge to land, &gt;100m from water bodies, as is the case for the New Kelvin Camp treated STP effluent. Land-based discharge allows the treated SDF effluent (which has met current Project EQC’s) to be further treated naturally by the land (a very successful form of treatment, especially with respect to reducing BOD/CBOD) before any seepage could reach a waterbody. For these reasons KDI feels strongly that the adoption of CBOD in favour of BOD, and particularly the adoption of a concentration from the “National Performance Standards” (25 mg/L ; as was adopted for Pine Point), is inappropriate as an ‘Industry Standard’</p>	



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				<p>for Northern Exploration projects discharging small quantities of water to land at least 100 m from the nearest waterbody.</p> <p>KDI believes that the current BOD EQC remains the most applicable standard appropriate to the KNP exploration camp discharge.</p>	
9	Effluent Quality Criteria, Sewage Disposal Facilities	Board staff note that Section 5.1.5.1 indicates that the Sewage Disposal Facilities (SDF) will be installed as part of the Kelvin Camp Expansion, and that the SDF options are still being investigated. KDI commits to the SDF producing an effluent quality that is appropriate for discharge to land > 100m above the OHWM.	Does KDI have evidence as to what EQC for Sewage Disposal Facilities Effluent would be appropriate for land disposal? Please provide rationale, and refer to the LWB's Waste and Wastewater Management Policy if possible.	KDI has not yet investigated STP options, but recognizes that STPs are operating extensively and successfully in the territories and is confident that, when a decision is made to construct New Kelvin Camp and the associated SDF, suitable options that can meet the current EQCs will be available. KDI also notes that there are no current plans to construct New Kelvin Camp and therefore researching options and committing to specific STPs at this time would be an unnecessary and potentially disadvantageous undertaking, as: 1) it is not certain the facility will be needed and 2) a STP selected now may not be the best option available by the time the facility is needed.	Noted. Adequate response. Future information on the STP will be submitted as per the DESIGN AND CONSTRUCTION PLAN and SURVEILLANCE NETWORK PROGRAM UPDATE conditions, and future revisions of the Waste Management Plan.
10	As above.	As above.	Does KDI have renewed information from the technologies being considered for the STP that would help propose an achievable EQC at this time?	KDI does not have any additional information at this time; there are no current plans to construct New Kelvin Camp and detailed investigation has not been undertaken.	Noted. Adequate response. EQCs from MV2013L2-0005 will be retained.
11	Effluent Quality Criteria, Total Suspended Solids, Quarry	Board staff note that the existing Maximum Grab Concentration EQC for TSS is 15 mg/L for the Quarry Sump and 25 mg/L for the Waste Sump.	Does KDI have evidence that supports a more stringent TSS EQC of 15 mg/L for use of Wastewater from the Quarry Sump vs. the Waste Sump?	KDI does not have any evidence that supports application of more stringent (15 mg/L) TSS EQC for use of the Waste Sump water for dust suppression than is applied for the Quarry Sump for the	Noted. EQCs from MV2013L2-0005 will be retained, with the exception of TSS for the Waste Sump, which will be updated to

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	Sump and Waste Sump			<p>same use. KDI believes this difference is an error, and that the TSS EQC for the use of the Quarry Sump water for dust suppression (30 mg/L) should also be applicable to the Waste Sump given that this water will be used for the same purpose and in the same area.</p> <p>Additionally, as this water will be used to suppress dust on site roads and pads, discharge quantities, locations, and conditions make it extremely unlikely this water will even indirectly enter any natural waterbodies.</p>	align with the Quarry Sump (25 mg/L).
12	Explosives Management Plan	<p>Board staff note that the draft Water Licence included the existing Schedule requirements for an Explosives Management Plan; however, the Board's Standard Water Licence Conditions include an explicit Schedule and list of requirements for Explosive Management Plans, including:</p> <p>a) Information regarding explosives management, including:</p> <p>i. A description of the facilities used for management and storage of explosives;</p> <p>ii. Maps and diagrams of the facilities and monitoring locations;</p> <p>iii. A description of the mitigation approaches to be employed with respect to storage, handling, blasting, disposal, and spills;</p> <p>iv. The predicted ammonium nitrate dissolution rate;</p> <p>v. A description of how climate change has been considered, including</p>	Can KDI fulfil the standard schedule requirements for the Explosives Management Plan listed here? If not, please provide rationale for the specific requirements that can't be met.	KDI is amenable to replacing the current wording with the Standard Water Licence Condition wording presented here if recommended by the Board.	Noted. Adequate response. The Schedule of requirements for the Explosives Management Plan has been updated to match the Boards' Standard Water Licence Conditions.

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		any linkages to other plans required under this Licence; and vi. Any other information required to describe how explosives will be managed such that the objectives listed in Part F, Condition 1 will be met.			
13	Department of Fisheries and Oceans, Request for Review	Board staff note that the Department Fisheries and Oceans recommended that KDI submit a request for review.	Can KDI submit the results of the request for review, once completed, to the Board for posting on the public registry?	Please see KDI response to DFO-1. In follow up with DFO it was determined that no Request for Review is recommended for the KNP.	Noted. No further action is required.
14	Water Management Plan, Version 2.0	Version 2.0 of the Water Management Plan notes: -Version 2.0 (this version) has been updated to reflect the consolidation of the AEP and REP activities under a single Kennady North Project Water Management Plan. -The overall structure reflects the most recently approved version of the Regional Exploration Project Water Management Plan, what and has been expanded to include the Advanced Exploration Project. -The introduction has been updated to reflect the consolidated Kennady North Project.	Can KDI confirm that Version 2.0 of the Water Management Plan contains no newly proposed/unapproved activities or management from previous versions? If so, please specify.	No Water Management Plan (WMP) was previously associated with KDI's Advanced Exploration Project. Version 1.0 of KDI's WMP was developed in 2022 for KDI's Regional Exploration Project (REP), which does not have any infrastructure associated with it. As a result, KDI made a conservative decision to adopt the REP WMP for the AEP. This necessitated an expansion of the approved REP WMP (v1.1) to include information on water use, management, and monitoring related to exploration camps, core cutting, and winter airstrip and a full listing of all water sources and maximum water volumes for the combined KNP, in alignment with current MVLWB requirements.  No new or not-already-approved activities were added during this update (WMP V2.0), and no management protocols outlined in this update conflict with existing AEP or REP authorizations, current site practices, or what has already been screened to date in regard	Noted. Adequate response.

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				to the AEP and REP projects.	
15	Waste Management Plan, Version 4.0	Version 4.0 of the Waste Management Plan notes: -Version 3.1 of the Advanced Exploration Project Waste Management Plan has been merged with Version 1.1 of the Regional Exploration Project Waste Management Plan. -The overall structure reflects the most recently approved version of the Regional Exploration Project Waste Management Plan. All relevant text and figures have been carried over from the Advanced Exploration Project Waste Management Plan and updated to reflect current infrastructure and practices as necessary. -The introduction has been updated to reflect the consolidated Kennady North Project.	Can KDI confirm that Version 4.0 of the Waste Management Plan contains no newly proposed/unapproved activities or management from previous versions? If so, please specify.	KDI confirms that no new or unauthorized activities or management practices have been added to the KNP Waste Management Plan during this update.	Noted. Adequate response.
<b>GNWT - Environment and Climate Change - Environmental Regulatory Analyst</b>					
1	GNWT-ECC Cover Letter	Please see attached.	N/A	Acknowledged.	
2	EQC	GNWT-ECC understands that in the Board's draft water licence, there is a request for comments on the proposed EQC for the amalgamated project. GNWT-ECC supports carrying forward the current EQC in MV2013L2-0005 to MV2023L2-001.	GNWT-ECC recommends that the Board adopt EQC from licence MV2013L2-0005 to MV2023L2-001.	KDI supports the retention of the existing EQC's from for the KNP Waste Sump with the exception of TSS, for which a change is proposed to align with the Quarry Sump TSS EQC (for details see response to MVLWB-11).	Noted. EQCs from MV2013L2-0005 will be retained, with the exception of TSS for the Waste Sump, which will be updated to align with the Quarry Sump (25 mg/L).
3	Security	Kennady Diamonds Inc. (KDI) has engaged with GNWT-ECC on any updates to the current securities for the project as part of the amalgamation application. GNWT-ECC supports KDI's update to the securities as presented in the application to reflect inflation costs.	GNWT-ECC recommends that the Board accept KDI's updated proposed security.	KDI appreciates the GNWT-ECC's confirmation and the ability to have worked with the GNWT-ECC on this security update.	Noted.

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		GNWT-ECC has no other comments or concerns on the update to security at this time.			
<b>Environment and Climate Change Canada (ECCC) - Mr. Russell Wykes</b>					
1	<ul style="list-style-type: none"> <li>Source: Rock Management Plan (Version 2.0) Section: 4.1.2 Geochemical Testing and Monitoring</li> </ul>	<p>The proponent stated the Geochemical testing confirmed that rock from the proposed quarry locations will have negligible potential for metal leaching (ML) or acid rock drainage (ARD). Therefore, extensive testing of the rock during excavation or monitoring after placement of the rock should not be necessary (Section 4.1.2). Rock characterization during the development of the quarry will include visual inspection of the blasted rock during excavation to confirm that sulphides are not present (if &lt; 0.5%, rock would be deemed suitable for construction), and limited sampling and testing to verify the geochemical characteristics of the quarry rock. Additional details about sample collection and analysis as well as monitoring will be provided in an update to this Plan prior to quarry development. Despite the initial geochemical testing that indicate the quarry rock is non-PAG and non-ML, it is prudent to occasionally sample the quarry rock during excavation/operation to ensure and confirm that the rocks continue to be non-PAG and non-ML. In addition, visual inspection, to estimate the sulphide content in a rock mass can be inaccurate because one cannot see the interior of large</p>	<p>ECCC recommends that: -the proponent continue to sample the quarry rock during excavation/operation to confirm that the quarry rock is non-PAG and non-ML; -visual estimation of sulphide content in the quarry rock is not used as the sole segregation criterion of PAG and non-PAG rocks.</p>	<p>KDI will continue to sample quarry rock during quarrying activity as committed to in the Rock Management Plan (v2.0). As per current (Part G, Condition 3a) and proposed (Part F, Condition 7) licence conditions and associated Schedules, details of this sampling program including sampling frequency are to be provided in the Rock Management Plan update which must be submitted 90 days prior to Quarry Construction.</p>	<p>Noted. Adequate response. KDI's commitment to sample quarry rock as per the Rock Management Plan is noted. Revisions to the Rock Management Plan are required 90 days prior to Quarry and Decline Construction, respectively.</p>

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		boulders. Visual inspection should not be used as the sole segregation method to determine whether the rock should be used for construction or not and is more effective when used in conjunction with other methods. Furthermore, sulphide content as high as 0.5 wt % in a rock with little or no neutralization potential may have the potential to generate acid and leach metal.			
2	ECCC Cover Letter	ECCC Cover Letter	N/A	Acknowledged.	Noted.
3	<ul style="list-style-type: none"> <li>Source: Rock Management Plan (Version 2.0) Section: 4.2 Decline</li> </ul>	<p>The proponent indicated that Drilling and blasting will exhume ~30,000 cubic metres (m<sup>3</sup>) of rock. Subject to geochemical testing (as per Section 4.2.2) the rock will be classified as non-PAG or PAG. Non-PAG rock will be loaded, hauled and placed on surface for use in site development. PAG rock will be stored on an aggregate pad near the decline for the purpose of refilling the decline or would be relocated to the quarry for site closure, as described in the Closure and Reclamation Plan.</p> <p>The proponent did not detail how long the PAG rock will be stored on the aggregate pad before it is used to refill the decline or moved to the quarry site during closure, nor did the proponent provide any mitigations to manage the seepage from the PAG rock stored on the aggregate pad.</p>	ECCC recommends that the proponent explain how they would manage seepage from the PAG rock on the aggregate pad and how long the PAG rock will remain on the surface near the decline before it is either used as a refill or moved to quarry location.	KDI commits to minimizing acid generation and managing any potential PAG rock seepage in a manner that prevents deposition of a deleterious substance to water. The specific manner in which this will be undertaken will be detailed prior to the initiation of the Decline, in KDI's Rock Management Plan, which must be submitted to the MVLWB for approval 90 days prior to the Construction of a Decline (per Licence conditions). At that time, additional geochemical results (e.g. HTC testing still underway) will inform the management and handling procedures necessary and appropriate to ensure the prevention of the deposition of a deleterious substance.	Noted. Adequate response. KDI to submit additional geochemical results with the revised Rock Management Plan, as per the requirements of Schedule 5, condition 2, 90 days prior to the construction of a Decline.
<b>GNWT-ECE - PWNHC (Prince of Wales Northern Heritage Centre) - Naomi Smethurst</b>					

No.	Topic	Reviewer Comment	Reviewer Recommendation	Proponent Response	Board Decision
1	Protection of Historical, Archaeological, and Burial Sites	Proposed activities may place recorded and unrecorded archaeological sites at risk of impact.	Retain draft condition 62 (Archaeological Overview) and 63 (AIA-High Potential). Remove draft condition 64 (AIA).	KDI agrees, and notes that Archaeological Overview Assessments have been conducted over all current KDI claim areas and the appropriate reports filed with the PWNHC (Condition 62). KDI has also completed Archaeological Impact Assessments of all areas determined in the AOA to be of high potential interest (Condition 63) as well as additional areas such as ice road routes, and has filed these reports with the PWNHCN.	Based on the recommendation put forward by the GNWT Inspector as well as the GNWT ECE – Prince of Wales Northern Heritage Centre, Board staff have removed this condition.
<b>Tlicho Government - Jessica Pacunayen</b>					
1	Caribou Protection	TG acknowledges the below comments are late but for consistency we would like to recommend the same caribou protection measures as we have for other recent projects.	<p>1. Wording of a Land Use Permit Condition to be revised to include "The Permittee shall take all reasonable measures to prevent damage and minimize disturbance of fish and wildlife habitats during this land-use operation, which includes: a) the direct physical disturbance of a land (such as creation of a temporary road or drill site or camp, etc., that has a physical footprint), and b) the associated land-use activities (aircraft overflights, vehicle traffic, etc.) that prevents or reduces available habitat for use by wildlife due to disturbance effects from sight (visual barrier), sound (noise, vibrations, blasts), or smell (dust, exhaust)."</p> <p>2. The inclusion of a non-standard condition that could be used for all permits within the centre of habitation for the Koketi Ekwò</p>	<p>KDI recognizes that this comment was submitted late, and a Proponent response is not required. KDI is also aware that the Tłı̨chǫ Government (TG) submitted similar comments under MV2023S0033 and that the MVLWB recently concluded in their December 15th, 2023, Reasons for Decision that "It is the Board's opinion that the current standard conditions adequately address these potential impacts".</p> <p>However, KDI wants to confirm that we are aware of the importance Caribou hold for the Tłı̨chǫ and that the KNP is situated in Area 2 of the Bathurst Caribou Range Planning area at the edge of the current centre for habitation of Bathurst caribou herd. As a result, in the 2023 KNP Wildlife Mitigation and Monitoring, Archaeology, and Environmental Awareness Plan (v5.0) submitted with this Application, KDI has adopted the</p>	<p>Noted.</p> <p>There is the requirement for a Wildlife Mitigation and Monitoring Plan in the conditions currently, Conditions 53 of the conditions relates to the preventing damage to wildlife and fish habitat during the land use operation.</p> <p>KDI as also committed to engaging with the Tłı̨chǫ Government.</p>

No.	Topic	Reviewer Comment	Reviewer Recommendation	Proponent Response	Board Decision
			<p>stating that "Prior to the commencement of operations in the Bathurst Caribou Centre of Habitation, the Permittee shall contact GNWT-ECC and TG to discuss best practices for minimizing disturbance of critical caribou habitat." Preferably this would happen prior to planning of fieldwork, because one of the best mitigations is to plan fieldwork during times of year when caribou are not actively using the habitat in the project area. Collaborative planning will help avoid disruptions to project work schedules as well.</p> <p>3. Whatàa (Eskers) are important for wildlife migration and also for archaeological/cultural heritage resources. TG recommends that Kennady Diamonds avoid drilling or disturbing Whatàa as much as possible. TG believes this could be included as a condition that states that the Permittee shall "take all reasonable measures to minimize disturbance to Eskers."</p> <p>4. Depending on the month, the proposed activities could potentially interfere with caribou habitat and also with Tłjchq harvesting of ekwò in late winter and early spring. We recommend that Kennady Diamonds engage TG as soon as possible to plan fieldwork in a way that avoids disturbance of critical caribou</p>	<p>most recent GNWT-ECC guidance outlined in the Mobile Caribou Conservation Measures Operational Guidance (GNWT 2022). KDI understands that the GNWT-ECC developed these measures in collaboration with various stakeholders and that they reflect current best practice for caribou monitoring and mitigation related to activities such as those undertaken at the KNP.</p> <p>KDI also wishes to confirm that we will continue to engage with TG per our Engagement Plan. This plan was updated in 2023 in collaboration with TG to specifically align with TG's guidance on engagement for proponents, as outlined in Weghàà Eleyatits'eedi.</p>	



No.	Topic	Reviewer Comment	Reviewer Recommendation	Proponent Response	Board Decision
			habitat and avoids disturbance of Tłıchǫ exercise of constitutionally-protected harvesting rights and cultural practices.		
<b>Kennady Diamonds - Ms. Katsky Venter</b>					
1		See attached Cover Letter			These comments were not submitted as review comments and responses on the Board's Online Review System; however, the Board has addressed these comments in the Reasons for Decision for MV2023L2-0011.
2		See attached comments on Draft Water Licence			As above.

Environmental Protection Operations Directorate  
Prairie & Northern Region  
5019 52<sup>nd</sup> Street, 4<sup>th</sup> Floor  
P.O. Box 2310  
Yellowknife, NT X1A 2P7

ECCC File: 5100 000 0041/004,005  
MVLWB File: MV2023L2-0001  
MV2023C0035



December 7, 2023

via online review system

Tyree Mullaney  
Regulatory Specialist  
Mackenzie Valley Land and Water Board  
7th Floor, 4922 48th Street  
P.O. Box 2130  
Yellowknife, NT X1A 2P6

Dear Tyree Mullaney

**RE: MV2023C0035, MV2023L2-001 – Kennady Diamonds – Kennady North Project – Type A Land Use Permit, Type B Water License Applications**

Environment and Climate Change Canada (ECCC) has reviewed the information submitted to the Mackenzie Valley Land and Water Board (MVLWB) regarding the above mentioned land use permit and water licence applications.

ECCC provides expert information and knowledge to project assessments on subjects within the department's mandate, including climate change, air quality, water quality, biodiversity, environmental preparedness and emergencies. This work includes reviewing proponent characterization of environmental effects and proposed mitigation measures. We provide advice to decision-makers regarding a proponent's characterization of environmental effects, the efficacy of their proposed mitigation activities, and may suggest additional mitigation measures. Any comments received from ECCC in this context does not relieve the proponent of its obligations to respect all applicable federal legislation.

If you need more information, please contact Russell Wykes at [Russell.Wykes@ec.gc.ca](mailto:Russell.Wykes@ec.gc.ca).

Sincerely,

A handwritten signature in black ink that reads "Russell Wykes".

Russell Wykes  
Acting Environmental Assessment Officer

cc: Melissa Pinto, Acting Head, Environmental Assessment North (NT and NU)





December 7, 2023

Tyree Mullaney  
Regulatory Specialist  
Mackenzie Valley Land and Water Board  
4922 - 48th Street  
Yellowknife, NT X1A 2P6

Dear Tyree Mullaney,

**Re: Kennady North Project Land Use Permit and Water Licence**

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The Department of Environment and Climate Change, Government of the Northwest Territories has reviewed the application at reference based on its mandated responsibilities under the *Waters Act* and has included comments and recommendations for consideration of the Mackenzie Valley Land and Water Board.

For any technical questions, please contact Bill Pain, Environmental Management Scientist with the Regulatory and Permitting Division at [Bill\\_Pain@gov.nt.ca](mailto:Bill_Pain@gov.nt.ca)

Should you have any questions or concerns, please do not hesitate to contact [gnwt\\_ea@gov.nt.ca](mailto:gnwt_ea@gov.nt.ca).

Sincerely,

Shakita Jensen  
Regulatory Analyst  
Department of Environment and Climate Change

**Tyree Mullaney**  
Regulatory Officer  
Mackenzie Valley Land and Water Board  
PO Box 2130  
Yellowknife NT X1A 2P6

**December 22<sup>nd</sup>, 2023**

**Kennady North Project - Response to Comments on Type A Land Use Permit (MV2023C0035) and Type B Water Licence (MV2023L2-0011) Applications**

Dear Ms. Mullaney,

Kennady Diamonds Inc. (KDI) has reviewed comments received during the public review period on its application for a Type A Land Use Permit (MV2023C0035) and Type B Water Licence (MV2023L2-0011) for the Kennady North Project (KNP). In addition to responses included in the attached Proponent Response Table, KDI is providing comments in track changes on the Draft Water Licence in the attached word file. KDI had no further comments on the Draft Land Use Permit beyond those already captured in the Proponent Response Table.

KDI appreciates this opportunity to provide our input, and the collaborative and ongoing dialogue with interested and affected parties, regulatory stakeholders, and MVLWB staff.

Please do not hesitate to reach out to me should you have any questions or require any additional information.

Sincerely,



Katsky Venter, M.Sc.  
Director and Snr. Consultant - RainCoast Environmental

On Behalf of Kennady Diamonds Inc.  
Cell +1 (250) 538-2306  
Email: [katsky.venter@gmail.com](mailto:katsky.venter@gmail.com)