

Mason Mantla, Chair
Wek'èezhii Land and Water Board
PO Box 32
Wekweèti, NT X0E 1W0
Canada

August 24, 2022

Dear Mr. Mantla,

Subject: Confirmation of Adequate Security

W2015L2-0001 Part C, Condition 5 requires that *“Prior to Construction associated with underground mining of the A21 Pit, and prior to the deposition of PK into pits, the Licensee must receive confirmation from the Board that adequate security is held.”* As indicated in other DDMI submissions currently under review by the Board^{1,2}, DDMI has stated the intention to commence deposition of PK into the A418 pit in early 2023 and will be making an internal commercial decision on whether or not to proceed with A21 UG in the coming months. To ensure this security confirmation process does not restrict progress of either project, **DDMI is requesting confirmation from the Board that the current security of \$199,430,000 adequately covers any potential closure cost related to these projects.**

Upward Security Adjustment

A21 UG

This project includes the addition of a 375m² mine air heater structure on surface adjacent to the A21 Portal which will require demolition at closure and development of five (5) underground levels and five (5) related work areas which will require removal of hazardous materials prior to flooding. Following the currently approved RECLAIM model logic, the cost associated with these activities is **\$18,281** and \$77,376 respectively. The currently approved security includes \$46,425 for hazardous materials removal from A21 UG based on a previous mine layout, resulting in an incremental increase of **\$30,950** for this work. No other new closure costs have been identified.

PK to A418

This project includes the addition of a twinned 4.6km pipeline for deposition of PK from the Process Plant into the A418 pit which will require removal at closure. Following the currently approved RECLAIM model logic, the cost associated with this project is **\$9,936**. No other new closure costs have been identified.

¹ Diavik - WRMP Version 11 and A21 Dike Design Update <https://new.onlinereviewssystem.ca/review/0A0783E3-B512-ED11-AE83-DC9840822CE7>

² Diavik - PK Management Plan, Version 7.0 and Cultural Use Criteria <https://new.onlinereviewssystem.ca/review/39389E6F-E406-ED11-B47A-DC9840823A5F>

Downward Security Adjustment 2021 Annual CRP Progress Report

The current review of the 2021 Annual CRP Progress Report³ includes a request for a reduction of security by **(\$7,910,000)**. This adjustment is based on updated designs for the PKCF Zone 1 rock cover (nominally 1.5 m thick) and completed closure work on the WRSA-NCRP. A decision on this adjustment request is not expected until October at the earliest.

Recognizing this potential downward adjustment security adjustment under review (\$7,910,000) is two orders of magnitude larger than the potential upward adjustment for these new Projects (\$59,000), DDMI requests that the WLWB confirm that on balance (+/-) adequate security (currently \$199,430,000) is already being held for closure of the Diavik Mine. To streamline the process DDMI suggest that a single adjustment to the security could be required by the WLWB once: 1) a WLWB decision is received on the current refund; 2) a commercial decision is made for A21 UG; and 3) PK is transitioned to A418 deposition. DDMI is open to alternate options recommended by the Board.

DDMI has discussed this request with the Government of Northwest Territories and we understand they have no concerns.

Please contact the undersigned or Sean Sinclair (sean.sinclair@riotinto.com; 867-447-2440) if you have any questions regarding this submission.

Yours sincerely,



Gord Macdonald
Diavik Closure Manager

³ 2021 Annual CRP Progress Report <https://new.onlinereviewssystem.ca/review/1053B552-7507-ED11-B47A-DC9840823A5F>