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Mackenzie Valley Land and Water Board
PO Box 2130
Yellowknife, NT X1A 2P6
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November 10, 2023

Dear Ryan Fequet and Kathy Racher,

Subject: Response to IR – Consideration of Winter Road Construction in Closure Cost Estimates

On October 25, 2023, the Mackenzie Valley Land and Water Board (MVLWB) and Wek'èezhìi Land and Water Board (WLWB) submitted a detailed information request (IR) to the owners and operators of the Joint Venture Tibbitt to Contwoyto Winter Road (JV TCWR): De Beers Canada Inc. (De Beers), Arctic Canadian Diamond Company (Arctic) and Diavik Diamond Mine (2012) Inc (DDMI). The IR included detailed Land Use information for 2023 construction of the TCWR and Support Costs for 2023 construction of the TCWR. In the IR, Licensees were encouraged to contact the Government of the Northwest Territories (GNWT) with any questions regarding the information requested. Engagement on the content of the IR had not taken place prior to receipt.

We have now discussed this IR with the GNWT, and all parties (inclusive of the GNWT) agree that the detailed operational information requested for the large-scale TCWR is an inappropriate basis, even as a starting point, for estimating costs to construct a small-scale winter road to support a single mine reclamation project. The annual TCWR is critical to maintaining seamless operation of the three major operating diamond mines and each year significant efforts are allocated to the construction, operation, and maintenance of the road. The 2023 operating season for the TCWR, which saw over 6,400 loads go north, was open between January 31 and March 31, 2023. The construction scale and operating duration of the TCWR are defined by the annual load requirements of the operating mines. We anticipate that the usage requirements of a winter road for a single mine reclamation project would be over an order of magnitude lower and result in an entirely different winter road construction and operation strategy. Conceptually, applying operational TCWR unit rates to this closure scenario is the equivalent of applying the unit rate cost to build and operate a 4-lane highway for one season as the cost basis to build and operate a single lane gravel road for one week.

In addition, we note that the latest [GNWT RECLAIM Model \(Version 7\)](#) has already included the unit cost for constructing a winter road in supporting mine closure activities (2,000 – 11,500 \$/km). Under Section 4.6 of the RECLAIM 7.0 User Manual (Mining Version), dated November 2017, it states that “Unit Costs in the table are independent third-party costs that have been obtained from a review of northern reclamation projects conducted by third party contractors.” Therefore, we would support the application of a unit rate within the range specified in RECLAIM Model, Version 7, for constructing a closure winter road to connect the mine(s) to Yellowknife. We expect the selected cost within this range should consider that the TCWR benefits from a well-established route over land and lakes and economies of scale resulting from the length. Should the GNWT propose a unit rate for constructing the winter road that falls outside the range

in RECLAIM, we would like to meet with the GNWT to review their rationale and evidence for the different rate.

Once an initial GNWT estimate has been developed, De Beers, Arctic and DDMI will be available to support any next steps in the GNWT closure cost estimating process as required.

Yours sincerely,



William Liu
De Beers



Sheila Chernys
Arctic Canadian



Gord Macdonald
Diavik