

July 15, 2011

File: S-110

Mr. Alan Ehrlich
Panel Manager
Mackenzie Valley Environmental Impact Review Board
Gahcho Kué Panel
Suite 200 Scotia Centre
5102 – 50th Avenue
Yellowknife, NT X1A 2N7

Dear Mr. Ehrlich:

Re: Environmental Impact Statement Conformity Review Response – Items 1 & 3

Further to our letter dated May 3, 2011, De Beers Canada Inc. (De Beers), as Operator of the Gahcho Kué Joint Venture, is pleased to provide our submission addressing the remaining items listed in the Panel's Conformity Review determination (Item 1: ToR 4.1.2: Water Quality and Fish in Kennady Lake; and Item 3: ToR 5.2.6 Waste Rock and Processed Kimberlite Storage). We believe that together, the conformity responses and the Environmental Impact Statement provide the necessary information on the substance of these items to enable technical discussions to occur.

With respect to Item 1, the attached conformity response identifies three additional mitigation strategies for the Fine Processed Kimberlite Containment Facility to reduce the phosphorus concentrations in Kennady Lake at final closure as this facility is the largest source of phosphorus to the lake. These options include:

- reducing the overall footprint area of fine Processed Kimberlite in the facility;
- reducing the overall infiltration of water into the facility; and
- reducing water contact with materials with the potential to release elevated concentrations of phosphorus.

Using a combination of these options, we are committed to achieving a long-term total phosphorus concentration of 18 µg/L or less in Kennady Lake, and is not relying on the presence of permafrost as a mitigation measure as part of the impact assessment. Regardless of what mitigation strategies are ultimately chosen, fine processed kimberlite will no longer be placed in Area 1.

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We trust that this submission, as well as our submission of May 3, 2011, are adequate in addressing all deficiency concerns identified by the Panel on March 17, 2011. We look forward to working directly with interveners and staff in the Analytical Phase upon confirmation from the Panel that the EIS meets conformity. Please contact me should you have any questions.

Sincerely,

Paul Cobban
Permitting Manager

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1 - Response document