

Mackenzie Valley Land and Water Board 7th Floor - 4910 50th Avenue

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From:	Marilyn for Lisa Halley		_	4
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Remarks:		1		
	Land Use Permit for the De Beers nap Lake Diamond Project.		Enclosures	
As outlined in the covering letter, please submit comments by March 23, 2004 quoting Land Use Permit MV2001C0012.			As requested	t
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March 17, 2004

Application MV2001C0012

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Mackenzie Valley Land and Water Board

7th Floor - 4910 50th Avenue • P.O. Box 2130 YELLOWKNIFE, NT X1A 2P6 Phone (867) 669-0506 • FAX (867) 873-6610

March 16, 2004

File: MV2001C0012

Distribution List: Snap Lake Diamond Project

Draft Land Use Permit for De Beers Canada Mining Inc. Snap Lake Diamond Project

Attached for your review and comment is the Draft Land Use Permit for the De Beers Canada Mining Inc. Snap Lake Diamond Project.

Please submit your comments in writing by **March 23, 2004**, quoting Land Use Permit MV2001C0012.

The Draft Water License and Surveillance Network Program for this project were sent out on March 10, 2004, with comments expected for March 22, 2004.

If you have any questions, please contact me at (867) 669-0506 or email mvlwbpermit@mvlwb.com.

Yours sincerely,

Lisa Hurley

Regulatory Officer

Attachments

CONDITIONS ANNEXED TO AND FORMING PART OF LAND USE PERMIT NUMBER MV2001C0012

Part A: Scope of Permit

1. This permit entitles De Beers Canada Mining Inc. to conduct the following activities:

Mining and associated activities at the Snap Lake Diamond Project Site (63°35'30" N, 110°52'00" W) including:

- a) the extraction of waste rock and ore from the Snap Lake Diamond Mine,
- b) the development and operation of site facilities;
- c) the storage of fuel;
- d) the development and progressive reclamation of the North Pile,
- e) the construction of site roads and lay down areas; and,
- f) the construction and maintenance of a winter ice road.

As per the Land Use Permit application submitted February 2, 2001 with scoping documents, the Consolidated Project Description submitted November 24, 2003, information arising out of the Technical Session held December 17 & 18, 2003, the Basic Evidence submitted December 23, 2003, and information arising out of the Public Hearing held January 27 & 28, 2004 (with closing comments received February 6, 2004 from interveners and February 11, 2004 from the proponent).

- 2. The Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, Item 1 of this permit.
- 3. Compliance with the terms and conditions of this permit does not absolve the Permittee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

Part B: Definitions

"Act" means the Mackenzie Valley Resource Management Act,

- "Artesian Well" means a water-bearing stratum, which when encountered during drilling operations, produces a pressurized flow of groundwater that reaches an elevation above the ground surface;
- "Board" means the Mackenzie Valley Land and Water Board established under Part 4 of the Mackenzie Valley Resource Management Act;
- "Construction" means any activities undertaken to construct or build any components of, or associated with, the development of the Snap Lake Diamond Project.

- "Drill Waste" means all materials or chemicals, solid or liquid, associated with the drilling of boreholes and includes borehole cuttings;
- "Fuel Storage Facilities" means the fuel storage facilities as described in Land Use Permit Application MV2001C0012.
- "Inspector" means an Inspector designated by the Minister under the Mackenzie Valley Resource Management Act;
- "Regulations" means Regulations proclaimed pursuant to Section 59, subsection 72(3) and sections 86 and 90 of the Mackenzie Valley Resource Management Act;
- "Sewage" means all toilet wastes and grey water;
- "Site Facilities" means the facilities shown in Figure 4 of the Consolidated Project Description, November 2003, which was submitted as part of the Land Use Permit Application MV2001C0012;
- "Water License" means MV2001L2-0002;
- "Wildlife Effects Monitoring Program" means a monitoring program designed to determine the short- and long-term effects to wildlife resulting from the Project, to evaluate the accuracy of impact predictions, to assess the effectiveness of planned impact mitigation measures and to identify additional impact mitigation measures to reduce or eliminate environmental effects and the Snap Lake Diamond Project's contribution to cumulative effects.

Part C: Conditions Applying to All Activities (the headings correspond to Subsection 26 of the Mackenzie Valley Land Use Regulations)

26(1)(a) LOCATION AND AREA

PLANS The Permittee shall not conduct this land use operation on any 1. lands not designated in the accepted application. LOCATION OF The Permittee shall not construct an adit or drill site within one 2. ADITS AND hundred (100) metres of the ordinary high water mark of a water DRILLSITES body, unless approval in writing is obtained from the Board. CAMP The Permittee shall locate all camps on gravel, sand or other 3. LOCATION durable land. "LOCATION OF When the Permittee is drilling within one hundred (100) metres of 4 DRILLSITES the ordinary high water mark of a water body, they must employ a close circuit drilling system and ensure that cuttings do not enter any water body. PARALLEL The Permittee shall locate all lines, trails, rights-of-way to be 5. **STREAMS** constructed parallel to streams a minimum of thirty (30) meters from any stream except at crossings unless otherwise authorized in writing by a land use inspector. LOCATION OF The Permittee shall not conduct a quarry operation within one 6. QUARRY hundred (100) metres of the ordinary high water mark of any water **OPERATION** body, unless otherwise authorized in writing from an Inspector. DRILL Prior to the commencement of diamond drilling the Permittee shall 7. **LOCATIONS** submit to the Inspector and the Board, proposed drill targets on a 1:50,000-scale map. ... ,26(1)(b) TIME 🗀 CONTACT The Permittee's Field Supervisor shall first contact an Inspector at 8. INSPECTOR/ (867) 669-2757 and then the Board at (867) 669-0506 at least forty-**BOARD** eight (48) hours prior to the commencement of this land use operation. REPORTS The Permittee shall advise an Inspector at least ten (10) days prior 9. BEFORE to the completion of the land use operation of (a) the plan for REMOVAL removal or storage of equipment and materials, and (b) when final clean-up and restoration of the land used will be completed. IDENTIFY The Permittee shall provide in writing to the Board and Inspector, at 10. AGENT least forty-eight (48) hours prior to commencement of this land use operation, the following information:

person, or persons, in charge of the field operation to whom

notices, orders, and reports may be served;

- (b) alternates; and,
- (c) all methods for contacting the above person(s).
- 11. The Permittee shall submit a progress report to the Inspector and Board every 14 days during this land use operation.

PROGRESS REPORT

12. The Permittee shall remove all snow fills from stream crossings prior to spring break-up or completion of the land use operation unless otherwise approved in writing by an Inspector.

REMOVE SNOW FILLS

13. The Board and/or Inspector reserve the right to impose closure of any area to the Permittee in periods when dangers to natural resources are severe.

CLOSURE

26(1)(c) TYPE AND SIZE OF EQUIPMENT

14. The Permittee shall not use any equipment except of the type, size, and number that is listed in the accepted application.

ONLY APPROVED EQUIPMENT

26(1)(d) METHODS AND TECHNIQUES

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15. The Permittee shall minimize the footprint of the land use operation to the extent possible and shall not disturb areas larger than identified in the accepted application.

MINIMIZE AREA CLEARED

16. The Permittee shall construct and maintain winter roads with a minimum of ten (10) centimetres packed snow at all times during this land use operation. If this cannot be done, then the Permittee shall construct Ice Roads in a manner authorized by an Inspector.

SNOW ROADS/ ICE ROADS

17. The Permittee shall replace all excavated material from the test pits prior to the expiry of this Permit.

TEST PITS

18 The Permittee shall not erect camps or store material on the surface ice of streams.

STORAGE ON ICE

19. The Permittee shall remove or cut off and seal all drill casings at ground level immediately upon completion of drilling.

REMOVAL AND SEALING OF DRILL CASINGS

26(1)(e) TYPE, LOCATION, CAPACITY AND OPERATION OF ALL FACILITIES

20. The Permittee shall ensure that the land use area is kept clean at all times.

CLEAN WORK AREA

26(1)(f) CONTROL OR PREVENTION OF PONDING OF WATER, FLOODING, EROSION, SLIDES AND SUBSIDENCE OF LAND

PLUG ARTESIAN The Permittee shall, where flowing water from bore holes is 21. WELLS encountered, plug the bore hole in such a manner as to permanently prevent any further outflow of water, and the artesian occurrence shall be reported to the inspector (b) immediately. **EXCAVATIONS** The Permittee shall slope the sides of excavations and 22. embankments except in solid rock to a horizontal/vertical ratio of two **EMBANKMENTS** (2) horizontal to one (1) vertical. **NATURAL** The land use operation shall not cause obstruction to any natural 23. DRAINAGE drainage. STREAM BANKS The Permittee shall not cut any stream bank. 24. ICE BRIDGE The Permittee shall not use any material other than water in the 25. **MATERIALS** construction of ice bridges. **SNOW FILLS** The Permittee shall not use any material other than snow in the 26. construction of snow fills. The Permittee shall not allow any ice bridge to hinder the flow of ICE BRIDGE 27. water. DYKES/ The Permittee shall construct dykes and diversion ditches as 28. DIVERSION authorized in writing by an Inspector. PREVENTION OF 29. The Permittee shall prepare the site in such a manner as to prevent RUTTING rutting of the ground surface. SUSPEND 30 The Permittee shall suspend overland travel of equipment or OVERLAND vehicles at the first sign of rutting. TRAVEL WASTE The Permittee shall slope the sides of waste material piles to a 31. MATERIAL PILES horizontal/vertical ratio of two (2) horizontal to one (1) vertical unless otherwise authorized in writing by and Inspector. 26(1)(g) USE, STORAGE, HANDLING AND ULTIMATE DISPOSAL OF ANY CHEMICAL OR TOXIC MATERIAL APPROVAL OF The Permittee shall not use chemicals in connection with the land 32. CHEMICALS use operation that were not identified in the accepted application. DRILL WASTE The Permittee shall deposit all non-toxic drill waste into a sump. 33. DRILL WASTE The Permittee shall remove all drill waste off ice surfaces. 34. Page 5 of 9 De Beers Canada Mining Inc. Snap Lake Diamond Project Draft Land Use Permit

35.	The Permittee shall not allow any drilling waste to spread to the surrounding lands.	DISPOSAL DRILL WASTE CONTAINMENT
36.	When drilling on ice, the Permittee shall use a closed circuit drilling system with the disposal of cuttings into a land-based sump.	DRILLING ON ICE
37.	The Permittee shall dispose of all combustible waste petroleum products by incineration or removal.	WASTE PETROLEUM DISPOSAL
38.	The Permittee shall dispose of all toxic or persistent substances in a manner as approved in writing by the Board.	WASTE CHEMICAL DISPOSAL
39.	The Permittee shall report all spills immediately to the 24 hour Spill Report Line (867) 920-8130, which is in accordance with instructions contained in "Spill Report" form N.W.T. 1752/0593.	REPORT CHEMICAL AND PETROLEUM SPILLS
	26(1)(h) WILDLIFE AND FISHERIES HABITAT	• (, ,
40.	The Permittee shall develop and implement a wildlife effects monitoring program and will submit the wildlife monitoring program to the Board for approval within ninety (90) days of the issuance of this Permit.	WILDLIFE MONITORING PROGRAM
41.	The Permittee shall not feed wildlife.	NO FEEDING WILDLIFE
42.	The Permittee shall not harass wildlife during this land use operation.	NO WILDLIFE HARASSMENT
43.	The Permittee shall not obstruct the movement of fish while conducting this land use operation.	FREE FISH MOVEMENT
44.	The Permittee shall use culverts of a size that will ensure the velocity of the stream flow is not increased.	CULVERTS SIZE
45 .	The Permittee shall place the bottoms of all culverts installed in streams inhabited by fish at a level that maintains the natural contour of the stream.	CULVERT INSTALLATION
46.	The Permittee shall not destroy or damage beaver dams.	BEAVER DAMS
47.	The Permittee shall not destroy or damage beaver lodges.	BEAVER LODGES
48.	The Permittee shall not destroy or damage muskrat lodges.	MUSKRAT LODGES
49.	The Permittee shall use food handling and garbage disposal procedures that do not attract bears.	BEAR/MAN CONFLICT

26(1)(i) STORAGE, HANDLING AND DISPOSAL OF REFUSE OR SEWAGE

50. The Permittee shall dispose of all sewage and grey water as proposed in the accepted application and as regulated under the Water License.

SEWAGE DISPO\$AL

51. The Permittee shall remove all non-combustible garbage and debris, including plastics from the land use area to a disposal site as specified in the accepted application.

REMOVE GARBAGE

52. The Permittee shall use a forced-air fuel-fired incinerator to burn all combustible garbage except plastics.

INCINERATORS

53. The Permittee shall keep all garbage and debris in a covered metal container on site until disposed of.

GARBAGE CONTAINER

54. The Permittee shall remove all scrap metal, discarded machinery, parts, barrels kegs, plastics, and building materials as specified in the accepted application.

REMOVE WASTE MATERIAL

26(1)(j) PROTECTION OF HISTORICAL, ARCHAEOLOGICAL AND BURIAL SITES

The Permittee shall not operate any vehicle within thirty (30) metres of a known or suspected archaeological site.

OPERATE VEHICLE

56. The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site.

DISTURBANCE OF SITE

The Permittee shall immediately cease any activity which disturbs an archaeological, historical, and/or burial site and contact the Mackenzie Valley Land and Water Board at (867) 669-0506 should an archaeological site or specimen be encountered or disturbed by any land use activity.

CONTACTS

The Permittee shall ensure that all persons working under authority of the permit are aware of these conditions concerning archaeological and use activity.

NOTIFICATION TO EMPLOYEES

26(1)(k) OBJECTS AND PLACES OF RECREATIONAL, SCENIC AND ECOLOGICAL VALUE

26(1)(I) SECURITY DEPOSIT

59. The Permittee shall be liable for any cost of damages over and above the amount of the security deposit regulated under the Water License. LIABILITY FOR DAMAGES

60.	All costs to remediate the area under this permit are the responsibility of the Permittee.	RESPONSIBILIT Y FOR REMEDIATION COSTS
	26(1)(m) FUEL STORAGE	
61.	The Permittee shall not place any fuel storage containers within one hundred (100) metres of the normal high water mark of any water body, unless otherwise authorized in writing by an Inspector.	FUEL BY STREAM
62.	The Permittee shall locate mobile fuel facilities on land when stationary for any period of time exceeding twelve (12) hours.	FUEL ON LAND
63.	The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies.	FUEL
64.	The Permittee shall construct an impermeable dyke around each stationary fuel container or group of stationary fuel containers where any one container has a capacity exceeding 4 000 litres.	DYKE FUEL CONTAINERS
65.	The volume of the dyked area shall be ten per cent (10%) greater than the capacity of the largest fuel container placed therein.	CAPACITY
66.	The Permittee shall ensure that the dyke and the area enclosed by the dyke shall be impermeable to petroleum products at all times	IMPERMEABLE DYKES
67.	The Permittee shall line the dyke and area enclosed by the dyke with a type of plastic film liner approved by the inspector.	LINE DYKE
68.	A competent steel double walled tank will be deemed to satisfy requirements of an impermeable dyke.	DOUBLE WALLED TANKS
69	The Permittee shall: (a) examine all fuel storage containers for leaks a minimum of once every day; and (b) repair all leaks immediately.	CHECK FOR LEAKS
70.	The Permittee shall not use bladders for transporting or storing petroleum products.	BLADDERS PROHIBITED
71.	The Permittee shall mark all stationary petroleum products storage facilities with flags, posts or similar devices so that they are at all times plainly visible to local vehicle travel.	MARK FUEL LOCATION
72.	The Permittee shall submit to the Board, for approval, prior to commencement of operations, a spill contingency plan for chemical and petroleum spills.	CONTINGENCY PLAN
73.	The Permittee shall ensure that adequate contingency plans and spill kits are in place, prior to commencement of operations, to	SPILL RESPONSE
De Be	ers Canada Mining Inc. Snap Lake Diamond Project Draft Land Use Permit	Page 8 of 9

respond to any potential spills.

26(1)(n) METHODS AND TECHNIQUES FOR DEBRIS AND BRUSH DISPOSAL

74. The Permittee shall spread all cut debris and brush over the adjacent landscape or burn in approved burn pits.

SPREAD/BURN BRUSH

75. The Permittee shall progressively complete disposal of all debris and brush.

PROGRESSIVE DISPOSAL

26(1)(o) RESTORATION OF THE LANDS

76. The Permittee shall commence and foster revegetation on the land used, as directed by an Inspector, within one (1) year of the completion of the land use operation.

RE-ESTABLISH VEGETATION

77. The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of this Permit.

CLEAN-UP

26(1)(p) DISPLAY OF PERMITS AND PERMIT NUMBERS

78. The Permittee shall display a copy of this Permit in each campsite established to carry out this land use operation.

DI\$PLAY PERMIT

26(1)(q) MATTERS NOT INCONSISTENT WITH THE REGULATIONS

79. The Permittee shall ensure that all persons working under the authority of the Land Use Permit are aware of and will adhere to the conditions as stated in the Land Use Permit.

NOTIFICATION TO ALL EMPLOYEES/ CONTRACTORS

The Permittee shall not remove any material from below the ordinary high water mark of any water body.

WORK IN WATER BODIES

81. The Permittee shall submit to the Board an update of the contingency plan, for chemical and petroleum spills, if there are any changes in the operation during the life of the permit.

CONTINGENCY PLAN

82. The Permittee shall not conduct activities related to any amendments to this land use permit until approved by the Board. All amendment requests must be submitted to an Inspector prior to Board approval and the proposed amended activity commencing.

PRIOR NOTIFICATION