



SEP 29 2014

Ms. Violet Camsell-Blondin
Chair, Wek'èezhii Land and Water Board
#1-4905 48th St,
YELLOWKNIFE NT X1A 3S3

Dear Ms. Camsell-Blondin:

Response to Board Request for Comments: Ekati Reclamation Security (W2012L2-0001)

The Department of Environment and Natural Resources (ENR) is responding to the Wek'èezhii Land and Water Board's (Board) request for comments regarding its initiative to amend Part C of the Ekati Water Licence W2012L2-0001 to include a condition that security be posted within a 90 day timeframe. The Government of the Northwest Territories (GNWT) appreciates and shares the concerns of the Board regarding timely posting of security. This is a matter that is of significance to the public interest, which is a shared interest for the GNWT.

The GNWT is actively working with Dominion Diamond Corporation (DDC) to address and confirm form acceptance and ensure posting of the outstanding security. DDC provided a formal written request to the Premier on August 29, 2014 to consider a surety bond. The GNWT is in the final stages of its review, and ENR will advise the Board when the outstanding security is posted. Therefore the GNWT is of the view that these circumstances make the 90 day provision unnecessary.

Although the GNWT shares the concern regarding timely posting, the GNWT is also concerned with imposing a timeframe when the process of posting security may rely on factors beyond the control of the Licensee, specifically timeframes associated with the Ministerial review of the form of security for acceptability and validity. Furthermore, the GNWT is concerned that the amendment, as proposed, imposes obligations on others beyond the Licensee. In this case, the proposed amendment imposes a timeline upon the GNWT to accept the form of security provided.

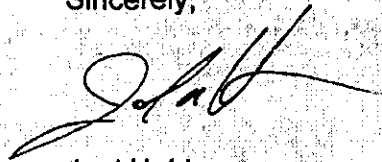
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Accordingly, the GNWT is not supportive of the inclusion of such an amendment. Moving forward, however, the GNWT sees timely posting as an important component for policy review. On September 12, 2014, the GNWT announced that it is establishing a new Liabilities and Financial Assurance Division within the Department of Lands. This new Division, in collaboration with GNWT Departments with securities mandates, intends to assess and develop policy for securities, including the timely posting of security. The GNWT looks forward to further discussions and collaboration with the Land and Water Boards to address these and other issues that we share.

Thank you for providing the GNWT the opportunity to comment on the Board's initiative. If you have any questions please contact myself, Mr. Joel Holder, at 867- 873-7107 or Ms. Carla Conkin, Director of Liabilities and Financial Assurances, Department of Lands at 867-920-6996.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Holder', with a stylized flourish extending from the end.

Joel Holder
Manager, Environmental Impact
Assessment