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Ms. Teresa Joudrie
Director
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Indian and Northern Affairs Canada
Box #1500
Yellowknife, NT X1A 2R3

March 9, 2011

Re: INAC Request for Information – March 4, 2011

Diavik Diamond Mines Inc. (DDMI) is responding to your request of March 4, 2011 regarding information relevant to the calculation of reclamation security for the Diavik mine site.

The requested information is attached.

INAC requested specific information regarding an A21 open-pit mine. As noted in the Interim Reclamation and Closure Plan (ICRP) Version 3.1, the A21 kimberlite is not currently in the Diavik Life-of-Mine Plan and a mine plan for A21 has not yet been determined. As such the information provided in the attached related to A21 is hypothetical and in no way should be considered as any indication of an intended mining approach for A21.

With the exception of the information noted above for A21 and the information provided for Request #3 and #5c; all of the information provided was included in ICRP V3.1.

Please let me know if you have any questions regarding this information.

Regards,



Gord Macdonald

cc Mark Cliffe-Philips (WLWB)
Ryan Fequet (WLWB)
Patty Ewaschuk (WLWB)

Attachments: Information Request by INAC – March 4, 2011

Information Request by INAC - March 4, 2011

Topic #1 Post Closure Water Quality

Request #1 To be certain, the “proposed change” described in ICRP V3.1 is to the preferred option for closure of the waste rock pile that utilizes the 10 year period from 2011 (end of waste rock and till pile development) to 2022 (end of kimberlite production) to determine if there are any areas where additional closure actions may be required. These additional actions could include adding additional Type I material to target areas and/or adding a till cover. The original design was to place a cover using material hauled directly from an A21 open-pit mining operation.

1a) DDMI is conducting waste rock research through the Test Piles Project. One of the test piles is constructed of Type III material (13 m high) with a 1.5 m till layer followed by a 3 m Type I (NPAG) cover. Thermistors for measuring the evolution of the thermal regime have been installed within the till cover, above the till cover and below the till cover, including in the side slopes. No recent desktop studies for the evolution of the thermal regime within a till layer have been completed.

1b) One of the aforementioned Test Piles is an uncovered Type III pile (15 m high), and another Test Pile is an uncovered Type I NPAG pile (15 m high). Thermistors have been installed in the pile, including in the side slopes. DDMI has not conducted any field studies for the thermal evolution of a Type III pile with a 3 m cover of Type I NPAG rock, but the thermal characteristics of Type I and Type III material are similar. No recent desktop studies of the evolution of the thermal regime within a Type III (with or without a 3 m cover of Type I NPAG) have been completed.

Request #2 To be certain, the “proposed change” described in ICRP V3.1 is to the preferred option for closure of the waste rock pile that utilizes the 10 year period from 2011 (end of waste rock and till pile development) to 2022 (end of kimberlite production) to determine if there are any areas where additional closure actions may be required. These additional actions could include adding additional Type I material to target areas and/or adding a till cover. The original design was to place a cover using material hauled directly from an A21 open-pit mining operation.

2a) As described in 1a), one of the Test Piles is constructed of Type III material with a 1.5 m till layer followed by a 3 m Type I (NPAG) cover. Thermistors have been installed within, above, and below the till cover, including thermistors near the horizontal top surface of the Test Pile. No recent desktop studies for the evolution of the thermal regime within a till layer have been completed.

2b) As described in 1b), one of the Test Piles is an uncovered Type III pile that has been instrumented with thermistors, including thermistors near the horizontal top surface of the Test Pile. Thermistors have also been installed into the full waste rock pile that will also measure the thermal regime in the horizontal surface of Type III. No recent desktop studies for the evolution of the thermal regime within a Type III have been completed.

Request #3. Net infiltration into the ROM surface of the Test Piles is estimated at approximately 40%. The infiltration rate through the till is expected to be lower.

Request #4. No recent water quality modeling has been completed to predict the seepage water quality emanating from the Type III waste rock.

Request #5a The tailings moisture content ranges from fully saturated (e.g. in the pond) to unsaturated (e.g. near the dams).

Request #5b The percentage of frozen water in the tailings pore space is currently unknown.

Request 5c The average electrical conductivity (EC) of the saturated zone has been measured at around 1280 $\mu\text{S}/\text{cm}$, which corresponds to approximately 750 mg/L TDS. TDS in the pond is typically < 900 mg/L. DDMI continues to monitor the PKC pond and report the EQC parameters total ammonia, total aluminum, total arsenic, total copper, total cadmium, total chromium, total lead, total zinc, total nickel, nitrate, TSS, as required by the water license. "Primary contaminants of concern" have not been formally defined.

Request 5d No water balance and water quality scenarios have been modeled to date to predict the post-closure water quality in the overflow from the reclaimed tailings area.

Request #5e Information that could be used to assess how a cover could be constructed over top of the PKC pond:

- Observed localized settlement of the south barge access road in region of pond during construction.
- Completed cone penetration test field investigation in the pond.

Please note that ICRP V3.1 does not include such a cover.

Topic #2 Type I Rock Availability

Request #1 – The Type I waste rock volumes in Table 4-3A and 4-3B are the best estimate based on the July 2010 Life-of-Mine Plan.

Request #2 – No Type I waste rock will be produced from the A154 or A418 open pits after 2012. Small amounts of waste rock will be produced from underground development in A418/A154 but these volumes are expected to be utilized for underground backfill. An A21 open-pit could produce to 25 to 37 Mt of Type I waste rock over a 5-6 year period; commencing (theoretically) no earlier than 2015.

Request #3 – Projected quantity of Type I waste rock available for closure is about 37 Mt. Assuming a small A21 open-pit the amount would increase to approximately 55 Mt (allowing 4 Mt for A21 dike construction and 2 Mt for additional PKC raise).

Request #4 – Total Type I waste rock for 2010 ICRP (ICRP V3.1 Appendix VII)

Activity	Item	Tonnes
Open Pit	Block roads	1,800
Underground	Berm	600
Tailings	Construct East PKC dam toe berm	78,000
Tailings	Remine/Load/Haul/Place 2.0 m thick cover- allow 50% overrun	10,200,000
Rockpile	Remine/Load/Haul/Place 3.0 m thick cover- allow 50% overrun	2,223,000
Buildings & Equipment	Grade and contour mill & plant site	68,100
Water management	Rock over geotextile	120,000

TOTAL 12,691,500

Request #5 – Total Type I waste rock for 2001 ICRP (INAC 2007)

Activity	Item	T1
Tailings	Rock for expelled water	3,750,000
Tailings	Cover	8,494,016
Rockpile	Rock on mixed biotite schist	8,580,000
Buildings & Equipment	Grade and contour mill & plant site	68,100
Water management	Place rip rap	20,800
Water management	Rock over geotextile	120,000

TOTAL 21,032,916

Request #6 – Type I material availability details and access

Table 6a - 2010 ICRP - No A21 (all units Mt)

	2010 Inventory	Ops Additions (2010-2023)	Ops Use (2010-2023)	Used for Closure	2025 Inventory
North Rock Pile	37.0	3.2	16.5	9.0	14.7
Type I Storage (Dump 12)	1.0	0.8	0.0	1.4	0.4
Roads, ROM, Laydown	9.4	0.4	0.0	2.3	7.5
Collection Pond Dams	1.5	0.0	0.0	0.0	1.5

Table 6b - 2001 ICRP - No A21 (all units Mt)

	2010 Inventory	Ops Additions (2010-2023)	Ops Use (2010-2023)	Used for Closure	2025 Inventory
North Rock Pile	37.0	3.2	16.5	17.3	6.4
Type I Storage (Dump 12)	1.0	0.8	0.0	1.4	0.4
Roads, ROM, Laydown	9.4	0.4	0.0	2.3	7.5
Collection Pond Dams	1.5	0.0	0.0	0.0	1.5

Table 6c - 2010 ICRP - With A21 (all units Mt)

	2010 Inventory	Ops Additions (2010-2023)	Ops Use (2010-2023)	Used for Closure	2025 Inventory
North Rock Pile	37.0	3.2	20.5	0.0	19.7
Type I Storage (Dump 12)	1.0	0.8	0.0	0.0	1.8
Roads, ROM, Laydown	9.4	0.4	0.0	0.0	9.8
Collection Pond Dams	1.5	0.0	0.0	0.0	1.5
South Rock Pile	0.0	24.0	2.0	12.7	9.3

Table 6d - 2001 ICRP - With A21 (all units Mt)

	2010 Inventory	Ops Additions (2010-2023)	Ops Use (2010-2023)	Used for Closure	2025 Inventory
North Rock Pile	37.0	3.2	20.5	0.0	19.7
Type I Storage (Dump 12)	1.0	0.8	0.0	0.0	1.8
Roads, ROM, Laydown	9.4	0.4	0.0	0.0	9.8
Collection Pond Dams	1.5	0.0	0.0	0.0	1.5
South Rock Pile	0.0	24.0	2.0	21.0	1.0

Access to closure materials:

- Materials from the a) North Rock Pile, b) Type 1 Storage (Dump 12), and c) Roads, ROM, Laydown would be accessed using shovels to load haul trucks. It is expected the material can be accessed without blasting.
- Materials from A21 (Tables 6c and 6d) would be accessed by direct haul from the A21 mining operation for much of the closure material. Some re-mining of the south rock pile would be required for closure materials that are required after A21 mining would be complete. It is expected the material can be accessed without blasting.