



December 23, 2022

Mr. David Livingstone
Chair – Giant Mine Oversight Board
Box 1602 – 5014 50th Ave
Yellowknife, NT X1A 2P2

Dear Mr. Livingstone:

Thank you for your letter of December 13, 2022 requesting further details on the GMRP cost estimate. Please find below responses from the Project in relation to your follow-up questions regarding the 2005 to 2038 cost estimate breakdown that we have recently provided.

Q.1 and 1a – The costs associated with the Remediation, Care & Maintenance, and Investigation and Assessment line items cover all of the costs associated with the Project Implementation Plan (PIP). All other line items are not associated with the PIP.

Q.1b – Common Site Services and Common Support Services are included in the Remediation line item and are also part of the PIP.

Q.2 – As previously outlined, disclosure of the detailed sub-level work package costing in the Project Implementation Plan could reasonably be expected to prejudice the competitive position of the Crown or interfere with contractual or other negotiations. This information was provided to the government by third parties in confidence and not for further distribution. Disclosure of this information could reasonably be expected to result in material financial loss or gain to, or could reasonably be expected to prejudice the competitive position of, a third party; and, could reasonably be expected to interfere with contractual or other negotiations of a third party. Disclosure of this information would compromise the fairness and integrity of future procurement processes and prevent the Crown from receiving competitive bids on future contracts that include value for money. The example you use of rolling up the sub-level packages for Tailings and report that cost to GMOB would still be the same concept as described here. The MCM may in fact decide to put out a contract for all Tailings work and this would then put us in a similar position related to compromising the fairness and integrity of the procurement process. At this time, the MCM is still figuring out how they want to package and develop each of the procurement processes, especially those that are several years out.

Q.3a – Monitoring – The expenditures captured in the monitoring line item include all air, biological (including bear), water, underground, and surface environmental monitoring activities that are either operational or legislated in nature.

Q.3b – Program Management – The expenditures associated with the Program Management line item include all salaries (HQ and Region), travel, benefits, as well as external PM support contractors within both CIRNAC and PSPC. It also includes costs for legal services, as well as



other general administrative items internal to the government of Canada. The development of the perpetual care plan, HHRA, HEMP, as well as data management is also included here.

Q.3c – PWGSC (PSPC) Accommodation Premium – This represents a premium that other government departments must pay to PSPC to help pay for accommodations for the facilities where PSPC staff are located. This is a requirement legislated by the Treasury Board and must be paid by the government department (CIRNAC in this case) using PSPC services.

Q.3d – Regulatory and Consultation – As you have alluded to, this line item represents all costs associated with the management and preparation of all regulatory products and vehicles (MMP's, Design Plans, etc.) that that project is legislated to abide by. Similarly, consultation includes all of the costs associated with community benefits and contribution agreements for all rights and stakeholders, including all of GMOB's funding and the annual reports the project prepares to GMOB (annual and status of environment).

Q.4 This question is difficult to answer as the project is generally not privy to the location of where "goods" are coming from by way of origin of manufacture and whether it is imported or not. Adding to this is the fact that we do not have most of the contracts in place for remediation components and that type of data is not available at the present time. We also do not restrict Contractors to where they can purchase goods in our specifications.

In discussions with the MCM, I can provide the following that you may find helpful in your report:

- The new Water Treatment Plant can likely be supplied by mostly North American vendors for all components, however it is likely that a few specialized pieces will need to come from international markets.
- All of the freeze infrastructure can be sourced and made from North American suppliers.
- It is very likely that the BGM (bitumous geo-membrane) liner that will be used as part of the cover for all TCAs will need to come from international markets as there are very few worldwide suppliers.

Should you have any further questions and/or comments, please feel free to contact Natalie Plato, by phone at 867-445-6499, by email at natalie.plato@rcaanc-cirnac.gc.ca.

Sincerely,

Chris MacInnis, P.Eng. B.Sc.
Director, Giant Mine Remediation Project
Crown-Indigenous Relations and Northern Affairs Canada

c.c. Natalie Plato, P.Eng., Deputy Director, Giant Mine Remediation Project