August 15, 2026

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RE: Ekati Diamond Mine Receivership – 2025 Aquatic Effects Monitoring Program (AEMP) Annual Report

We write in our capacity as Court-appointed Receiver of the assets, undertakings and property of Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds Canada Limited (collectively, the "**Companies**"). This letter is to advise Wek'eezhii Land and Water Board (**"the Board"**) regarding the Receiver's inability to submit the 2025 Aquatic Effects Monitoring Program ("**AEMP**") Annual Report, to explain the steps the Receiver has taken to obtain the underlying data and to provide an update on the path forward for 2026 AEMP monitoring.

Background

PricewaterhouseCoopers Inc. ("**PwC**" or the "**Receiver**") was appointed Receiver by Order of the Supreme Court of British Columbia dated July 14, 2026 (the "**Receivership Order**"), pursuant to Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, of all of the assets, undertakings and property in which the Companies has an interest, including the Ekati Diamond Mine, for the purpose of overseeing such steps as may be necessary or appropriate to:

(i) manage, wind down, or terminate the business and mining activities of the Companies;
(ii) conduct the environmental remediation and reclamation of the Ekati Mine and surrounding area;
(iii) comply with all directions issued by the Government of the Northwest Territories ("**GNWT**") pursuant to any regulatory authority; and
(iv) conduct any other reasonable activities deemed appropriate by the Receiver in relation to the Companies or its property,

subject in each case to funding being available to the Receiver.

The Receiver is expressly required to limit operations to those necessary to effect the wind-down and termination of business and mining activities and to effect the environmental remediation and reclamation of the Ekati Mine. Active mining operations have been suspended.

Reporting Obligations

Under Part J, Condition 6 of Water Licence W2022L2-0001, the Licensee is required to submit an AEMP Annual Report to the Board for approval on or before March 31 each year, covering data collected in the preceding calendar year. The Board provided an extension to the Companies to August 15, 2026 to submit the 2025 AEMP Annual Report.

Despite the Receiver's best efforts, it is not in a position to submit the 2025 AEMP Annual Report. The reasons are set out below:

(a) The service provider has refused to release data and work product pending payment of pre-receivership debts

The Companies engaged a third-party service provider to conduct the 2025 open water season field work. Prior to commencement of the receivership, the Companies failed to pay the service provider for that work. The Receiver has formally requested that the service provider deliver the underlying field data and associated work product to the Receiver, including pursuant to the Receivership Order. Notwithstanding this obligation, the service provider has refused to release the data or work product until payment of the Companies' outstanding pre-receivership accounts. Pursuant to the Receivership Order, the Receiver is generally restricted from making payment on amounts owing for goods and services provided prior to the receivership date. As a result, the data collected during the 2025 field program remains unavailable to the Receiver.

(b) The 2025 field data cannot be re-collected

The 2025 open water season monitoring data was collected during the summer of 2025. The specific environmental and seasonal conditions under which that data was gathered have passed and it is not possible to retroactively recreate or recollect the 2025 monitoring data. Accordingly, even if the Receiver were to commission new field work, it would not yield a compliant 2025 AEMP Annual Report.

(c) The Receiver's mandate and available funding are directed toward go-forward environmental obligations

The Receiver acknowledges that the Receivership Order does not exempt the Receiver from compliance with statutory or regulatory obligations relating to health, safety, the environment, or mining operations. However, the Receivership Order expressly qualifies the Receiver's mandate, by providing that each purpose of the receivership is subject to funding being available to the Receiver. The Receiver has no allocated funding to discharge pre-receivership debts owed to the service provider or to commission an alternative report for a monitoring period that predates the receivership, and has directed available resourcing toward meeting its go-forward regulatory obligations, including 2026 AEMP monitoring.

Conclusion

In summary, the Receiver has exhausted all commercially reasonable avenues in order to obtain the 2025 AEMP data from the service provider but has been unable to secure delivery due to refusal to release the data absent payment of the Companies' pre-receivership obligations. The data cannot be re-gathered given the passage of time, and the Receiver has no allocated funding to produce a report covering a monitoring period that predates its appointment. In the circumstances, the Receiver is unable to comply with this reporting obligation for the 2025 calendar year.

2026 AEMP Monitoring

Notwithstanding the above, the Receiver has secured the necessary funding and is actively progressing AEMP monitoring for the 2026 open water season. The Receiver is committed to meeting its regulatory obligations on a go-forward basis, subject to available funding, and will keep the Board informed of progress.

We trust that the foregoing is satisfactory. Should the Board or its staff have any questions or wish to discuss this matter further, please do not hesitate to contact us.

Yours truly,

PricewaterhouseCoopers Inc.
Court-appointed Receiver of Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds (Canada) Limited