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August 28, 2026

File: W2022L2-0001

The Honourable Jay Macdonald
Minister of Environment and Climate Change
Government of the Northwest Territories
P.O. Box 1320, Yellowknife NT X1A 2L9

Sent by email

Dear Minister Macdonald,

Re: Unauthorized Disposal of Waste at the Ekati Mine

The Wek'èezhì Land and Water Board (WLWB or the Board) appreciates the GNWT and PricewaterhouseCoopers Inc.'s (PwC) immediate response to the Board's concerns as outlined in its August 14, 2026 letter to the Minister.¹ Following our meeting on August 24th, the Board acknowledges that no authorization of the disposal of bulk emulsion into the Long Lake Containment Facility was authorized by the GNWT, and recognizes that a fulsome investigation has been carried out and new procedures and systems are now in place to reasonably prevent any similar events in the future.

The Board also appreciates the GNWT and PwC's acknowledgement that the Board's public review and decision-making process is a critical element of the modern resource co-management system, as it serves to fully, or in part, work towards satisfying the s. 35 obligation regarding the Duty to Consult.

The Board wishes to reiterate the importance of the role of the Inspector in ensuring compliance with the Licence and Permit conditions, so the land and water is safe for use by future generations. The Board strongly requests the GNWT to support an increased Inspector presence on site during this time of uncertainty and during final closure and reclamation, when that phase begins, in order to give the Board and all rightsholders greater comfort.

¹ See WLWB Online Registry for [Ekati - Non-Compliance - Letter to Minister - Aug 14 26](#) and [Ekati - CRP - Request to Permanently Close Misery UG - WLWB Response - Jul 30 26](#).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mason Mantla', with a stylized, cursive script.

Mason Mantla
Chair, Wek'èezhìi Land and Water Board

BCC'd to: Ekati Distribution List



August 24, 2026

Government of
Northwest Territories

Mason Mantla
Chairperson, Wek'èezhì Land and Water Board
#1-4905 48th Street
Yellowknife, NT
X1A 3S3
rfequet@wlwb.ca

Unauthorized Disposal of Waste at the Ekati Mine

I am writing to acknowledge receipt of your letter, dated August 14th, 2026, on behalf of the Wek'èezhì Land and Water Board (Board).

I recognize the disposal of decommissioned emulsion at the Ekati Mine, as outlined in your letter, is an important issue, and I want to assure you that the GNWT and the Court-appointed Receiver Pricewaterhouse Coopers Inc. (PwC), are taking it seriously.

I look forward to meeting with you to discuss the details associated with this discharge as relayed to me by PwC, who is the party responsible for oversight and operational decision making as per their Court appointment.

With respect to your question regarding authorization, I can confirm that no authorization was provided by the Inspector. PwC will be providing separate correspondence explaining the facts of the disposal and steps they have instituted to ensure something like this does not occur in the future. I believe the response measures PwC has put into place since becoming aware of this issue are both appropriate and comprehensive, to eliminate future instances. I continue to have full confidence in PwC's ability as Receiver to manage the site on a go forward basis, in line with the Court Order.

I look forward to meeting with you to discuss the disposal of decommissioned emulsion to the Long Lake Containment Facility (LLCF) and the facts associated with it.

Sincerely,

Jay Macdonald
Minister
Environment and Climate Change

c. distribution list

Distribution List:

Robert Jenkins
Deputy Minister
Environment and Climate Change

Nathen Richea
Assistant Deputy Minister, Regulatory, Assessment and Authorizations
Environment and Climate Change

Morag Cooper
PwC | Partner, Deals
PricewaterhouseCoopers Inc, LIT



August 21, 2026

Mason Mantla
Chair
Wek'èezhii Land and Water Board
4915 48th Street
Yellowknife, NT X1A 3S4
Care of Mr. Ryan Fequet

Re: Ekati Diamond Mine — Disposal of Decommissioned Bulk Emulsion to the Long Lake Containment Facility

Dear Mr. Fequet:

As you are aware, on July 14, 2026, the Supreme Court of British Columbia granted an order appointing PricewaterhouseCoopers Inc. ("**PwC**") as receiver (the "**Receiver**") of all of the assets, undertakings, and property of Burgundy Diamonds Canada Ltd. and Arctic Canadian Diamonds Company (collectively, the "**Companies**") including the Ekati Mine site ("**Ekati**").

This letter is in response to the Wek'èezhii Land and Water Board's (the "**Board**") letter of July 30, 2026, the Board staff's follow up email of August 6, 2026, and letter of August 14, 2026, regarding the management and disposal of bulk emulsion at the Ekati Diamond Mine.

Communications

On August 11, 2026, the Receiver learned that decommissioned emulsion from the storage facility on site was being deposited into Ekati's tailings storage facility at Cell B of the Long Lake Containment Facility ("**LLCF**") since July 19, 2026, (the "**Disposal**").

The Receiver acknowledges that the Disposal of decommissioned emulsion was the result of a regrettable gap in operational controls that allowed the Disposal to occur. There was no deliberate disregard of the Board's direction and authority.

The Receiver notified the Board of the Disposal on the morning of August 12, 2026, within 24 hours of becoming aware of the situation. The Receiver also directed site staff and third-party contractors to immediately stop work on the further decommissioning and Disposal of emulsion. No further decommissioned emulsion has been moved since this direction.

The Decommissioning Process

The Receiver's understanding is that emulsion decommissioning at Ekati is controlled and must be carried out by certified individuals. The decommissioning process was carried out by the Companies' third-party explosives service provider, then transported by site staff from the onsite storage facility building to the LLCF. Site staff have reported to the Receiver that similar emulsion decommissioning work has taken place on site since June 2025.

The process follows the manufacturer's standard desensitization method: bulk emulsion is pumped into the emulsion plant or shop sump, mixed with water and a decommissioning product, and agitated with air ("**Decommissioning Process**"). The resulting desensitized material was removed from the sumps by a site services vacuum truck and transported to Cell B of the LLCF. The downstream direction of Cell B is into Cell C, then to Cell D and then to Cell E. Cell E includes the final discharge compliance point and active pumping is required for LLCF water to report to the receiving environment. Water quality has been continuously monitored in the LLCF, consistent with the conditions under Water Licence W2022L2-0001 ("**Water Licence**"), including at active points of compliance.

Based on the Receiver's understanding, FOAMER C and FOAMER ES products have been used on site historically as an emulsion decommissioning product. The material processed during July and August 2026 was mainly treated with FOAMER ES. According to the information available to the Receiver, the decommissioning product breaks the emulsion down into hydrocarbons and ammonium nitrate. The FOAMER ES product is reported by the manufacturer to be 99.9% biodegradable within 2 to 3 days.

Environmental Monitoring and Effects

The emulsion Disposal was all into the LLCF, an approved waste disposal facility at the mine site. The LLCF is a managed waste and wastewater storage facility and not considered the receiving environment. The LLCF and its cells are continuously monitored in accordance with the Surveillance Network Program under the Water Licence, at the frequencies prescribed by the Licence.

Any water movement from Cell E system must meet approved Effluent Quality Criteria and be approved by the GNWT ECC Inspector before being pumped to the receiving environment of Leslie Lake.

Remedial and Corrective Measures

Since the Disposal issue was identified, the Receiver has given written and verbal directions to the Companies' senior leadership that all water, wastewater and liquid movement across the site needs to be reported and approved in advance by the Receiver. The movement of water, wastewater, liquid and overall waste on site is now an agenda item on the daily operations calls.

In addition, the Receiver has implemented the following measures:

- **Reporting Structure:** A new organizational structure has been established for reporting of this nature. The onsite Mine Manager has been tasked with receiving confirmation from the site staff, environment team and the Receiver before any future water, wastewater and liquid movements by site staff can take place.

- **Cessation of disposal:** All disposal of decommissioned emulsion to the LLCF has ceased. The last recorded load was on August 11, 2026, and an express instruction to cease was issued to third party contractors and site staff. No further disposal will occur unless and until the Board has considered and approved the activity.
- **Written authorization requirement:** No deposit of any water, wastewater or liquid into the LLCF or any other containment facility will occur without the express written authorization of the Receiver, which will be provided only in accordance with approved Waste Management Plans, Board direction and/or the conditions of the Water Licence.
- **Single point of accountability:** The onsite Mine Manager has been designated to coordinate all water and wastewater movements and discharges on site and to confirm that the required approvals are in place before any such activity proceeds.
- **Increased environmental team oversight:** The Receiver is increasing the environmental team and support contractors. This includes recruiting environmental specialists from local communities, ensuring appropriate staffing to oversee site activities, and appointing an Environmental Superintendent to strengthen senior on-site oversight.
- **Directive communication protocol:** All Board directions and correspondence will be circulated to the Mine Manager and all on-site Superintendents and Team Leads within 24 hours of receipt, with written acknowledgement required. A register of Board directions and their compliance status will be maintained and made available to the Board on request.
- **Pre-approval review:** Any proposed activity involving a wastewater stream or waste material not expressly described in an approved management plan will be referred to the Board before the activity is undertaken.

Further details of discharge of emulsions into the LLCF

To give further background to this event, the Receiver was advised on July 17th that the decommissioning process of all bulk emulsion in the onsite storage facility was expected to take place over five to six weeks, with Disposal happening only after decommissioning was completed. The Receiver proceeded to notify the Board of the same in its July 29, 2026 submission (“**July Submission**”), as part of its response to the Board staff’s email of July 21, 2026, regarding the Misery Underground Closure.

Site staff were not aware of any different reporting requirements or approvals required to continue Disposal in accordance with past practices. Therefore, they proceeded with emulsion Disposal without consulting with the Receiver or seeking any additional approvals.

The Receiver has confirmed that the site decommissioned and pumped approximately 32,000 kg of emulsion from the plant sumps for Disposal between July 19 and August 11, which is less than the 40,000 kg estimated in the July Submission.

The load breakdown is as follows:

- 11 loads between July 19 and July 28, 2026, prior to the Board’s July 30 direction; and
- 12 loads between July 31 and August 11, 2026, following that direction.

The Receiver does not currently have any records or knowledge of the volume of emulsion which may have previously been deposited into the LLCF prior to its appointment. The Receiver will hold discussions with the Companies' employees and review the Companies' books and records to determine if there is any information that can be provided to the Board on prior emulsion deposits into the LLCF. If information is available, it will be provided to the Board.

Next Steps

Subject to the Board's direction, the Receiver proposes the following next steps:

- The Receiver will prepare and submit a proposed update to the Wastewater and Processed Kimberlite Management Plan, to address the disposal of all decommissioned emulsion;
- a proposed update to the Spill Contingency Plan, Version 16.0, to address FOAMER ES and FOAMER C; and
- No further disposal of decommissioned emulsion will take place pending the Board's consideration of the submission.

Closing

The Receiver takes its obligations to comply with directions of the Board and conditions under the Water Licence seriously. The Receiver regrets the associated delays in implementing the Board's direction in its July Letter. In response, the Receiver has implemented the above corrective measures to prevent any similar events from taking place.

Should the Board require any further information or clarification on the above, the Receiver is available to discuss.

Yours sincerely,

**PRICEWATERHOUSECOOPERS INC., in its capacity as Receiver of
Arctic Canadian Diamond Company Ltd. and
Burgundy Diamonds (Canada) Ltd.,
and not in its personal or corporate capacity**