

Government of Gouvernement des
Northwest Territories Territoires du Nord-Ouest

January 24th 2025

Arctic Canadian Diamond Company 900 606 4th St. SW Calgary AB, X2P 1T1 Water Licence W2022L2-0001

Attn: Sheila Chernys – Head of Health Safety Security Environment Communities

Re: October-November 2024 Water Licence Inspection

Dear Ms. Chernys,

On January 13-14th 2025, a Water Licence Inspection was conducted at the Ekati Diamond Mine by Jamie Steele, Manager Diamond Resource Management.

As per the noted Water Licence granted in accordance with the Mackenzie Valley Resource Management Act, please be advised that the attached Inspection Report is part of the Public Registry and is intended to keep all interested parties informed of the manner in which Licence requirements are being met. This report provides comments based on general observations and highlights any concerns or items that should be addressed by the Permittee.

The following areas were inspected, and the details of the findings are included in the attached report:

- Refueling Stations
- Waste Management
- Aviation Fuel Storage
- Misery Underground
- Fire Hall Emergency Spill Response

The Inspector noted some minor maintenance issues with snow clearing around spill response equipment and waste bins starting to fill up. The details of the findings are in the attached report. It is important to note that the inspection occurred on a staff changeover day immediately after a snowstorm, so it is recognized that it usually takes a couple of days to reestablish regular maintenance routines. Each of the items identified in the attached report has been addressed by Arctic prior to issuing the report. If you have any questions or concerns, please contact the undersigned at (867) 767-9187 extension 24188. Thank you for your continued cooperation.

Sincerely,

Jamie Steele

Manager-Diamond Resource Management GNWT- Environment and Climate Change North Slave Region

Jamie_Steele@gov.nt.ca

cc: Ms. Rhiana Bams – Regulatory Specialist, Wek'èezhii Land and Water Board
Mr. Marc Casas – Executive Director, Independent Environmental Monitoring Agency



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INDUSTRIAL WATER USE INSPECTION REPORT

INSPECTION DATES: January 13-14th 2025 COMPANY REP : Sheila Chernys

LICENSEE: LICENCE #: W2022L2-0001 (Water Licence)

Arctic Canadian Diamond Company (Burgundy) 900 606 4th St. SW Calgary AB, X2P 1T1

WATER SUPPLY

Source: Grizzly Lake Quantity Total cubic meters Meter N/I

Falcon Lake Used: utilized through Nov. 2024 Rdg:

140,237m³ Lac de Gras

Indicate: A - Acceptable U - Unacceptable N/A - Not Applicable N/I - Not Inspected

Intake Facilities	Α	Storage	Α	Treatment	Α	Recycling	Α	
Flow Meas.	Α	Conveyance Lines	Α	Pumping Stations	N/I	Modifications	N/A	

WASTE DISPOSAL

Tailings:	Tailings Pond	N/A	Natural Lake	N/A	Underground	Α		
Sewage:	Sewage	Α	Tailings pond	N/A	Natural Water	N/A		
	Continuous	N/A	Inter.	N/A	CSCF	А		
Solid Waste:	Open Dump	N/A	Landfill	Α	Burn & Bury	Α	Underground	N/A

Indicate: A - Acceptable U - Unacceptable N/A - Not Applicable N/I - Not Inspected

Discharge Quality	Α		Α	Disch. Meas. Dev.	А	Freeboard	Α
Decant Structures	Α	Pond Treatment	N/A	Dams, Dykes	Α	Seepages	Α
Dyke Inspections	Α	Runoff Diversion	Α	Erosion	Α	Spills	Α

GENERAL CONDITIONS

Indicate: A - Acceptable U - Unacceptable N/A - Not Applicable N/I - Not Inspected

Ore & Waste Rock	Α	Records & Reporting	Α	Surv. Net. Prog.	Α
Geotechnical Inspection	Α	Posting, Signage	А	Contingency Plan	А
Reclamation Activities	Α	New Construction	Α	Fuel Storage	Α
Mine Water Discharge	Α	Chemical Storage	Α	Annual Report	Α

Licensee Representative's

Ms. Sheila Chernys – Head of Health, Safety, Security, Environment

Licensee Representative's

Inspection issues discussed with Dominion Diamond Mine Personnel on

Signature s

site.

Inspector's Name

Jamie Steele

Jelle

Inspector's Signature

Dated January 14th 2025

Comments Section on Specific Aspects Inspected

Main Camp Refuelling

The Main Camp refuelling area was clean and well maintained with no indication of any hydrocarbon leaks or spills. Spill response equipment was fully stocked and easily accessible. The waste container for contaminated snow was getting full and will need to be emptied (Photos 1 and 2). The bulk fuel transfer area to the main tank farm was clean and well maintained. Spill response equipment was snowed in and not easily accessible. The spill response equipment needs to be dug out to allow for easy access prior to the winter road fuel transfer (Photo 3).

Koala Refuelling

The Koala Refuelling Station was clean and well organized with no indication of any leaks or spills. Spill response equipment is fully stocked and easily accessible. Waste containers were being maintained however there was an unlabelled KBL megabag with some unknown waste inside. Waste containers require labels as per the approved Waste Management Plan. This bag will need to be labelled and disposed of appropriately (Photos 4 and 5).

Sable Refuelling

The Sable refuelling area was clean with no indication of any hydrocarbon leaks or spills. Spill response equipment was fully stocked but is getting snowed in and will need to be dug out to ensure easy accessibility. The waste container for oily rags was getting full and will need to be emptied. Access to the Sable Tank Farm was being maintained and the tanks are being inspected regularly (Photos 6 through 9).

Sable Waste Management

Waste at the Sable Development is segregated into labelled bins. The waste bins were starting to get blown in with snow and will need to be dug out to allow for convenient waste drop off. There was no indication of any misdirected waste (Photos 10 through 12).

Aviation Fuel Storage

Jet A aviation fuel is brought to site on the winter road and stored in a lined 1 million litre tank farm located adjacent to the core logging facility. The tank farm is being inspected, however snow is beginning to build up on the access stairway. The Inspector recommends that access to the tank farm be maintained to help facilitate inspections (Photos 13 and 14).

Misery Underground

The Inspector toured through Misery Underground to inspect water and waste management throughout the mine. Overall waste was being managed very well with labelled waste containers placed in the lunchroom and strategic locations in the mine. All waste is collected and brought to surface regularly to be disposed of at the main camp facilities. The Inspector saw no indications of misdirected waste. Mine water is collected in sumps on each level and pumped into the water management system. The water management system reports to the Mud Wizard which is supposed to clarify the water before being reused for underground equipment, or pumped to surface for disposal in King Pond or Lynx Pit. SNP station 1616-46b is located underground at the Mud Wizard. There was no signage present indicating the sampling location. Arctic will need to install signage at the sampling location as per Part B Item 12 of the water licence (Photos 15 through 25).

Fire Hall

The fire hall was inspected to verify that emergency spill response capacity was compliant with the approved Spill Contingency Plan prior to the winter road season. The spill trailer was stored indoors and ready to be hooked up and pulled away. An inventory of the spill response equipment was done recently as part of the Emergency Response Team weekend training sessions, and the inventory checklist was completed and signed. The trailer was well organized, The Inspector has no concerns with the winter road spill response capacity (Photos 26 through 29).



Photo 1 – Main Camp Refuelling – The Main Camp refuelling area was clean and well maintained with no indication of any hydrocarbon leaks or spills.



Photo 2 – Main Camp Refuelling – The waste container for contaminated snow was getting full and will need to be emptied to ensure capacity to clean up small spills.



Photo 3 – Main Tank Farm Transfer Area – Spill response equipment was snowed in and not easily accessible. The spill response equipment needs to be dug out to allow for easy access.



Photo 4 – Koala Refuelling – The Koala Refuelling Station was clean and well organized with no indication of any leaks or spills.



Photo 5 – Koala Refuelling – An unlabelled megabag contains unknown waste. The waste will need to be identified and disposed of as per the approved Waste Management Plan.



Photo 6 – Sable Tank Farm – Access to the Tank Farm is being maintained to facilitate regular inspections.



Photo 7 – Sable Refuelling – The Sable refuelling area was clean and well maintained with no indication of any hydrocarbon leaks or spills. Spill response equipment was fully stocked and easily accessible.



Photo 8 – Sable Refuelling – Labelled waste containers are being used. The oily rags drum is starting to get full and will need to be emptied.



Photo 9 – Sable Refuelling – The spill kit was fully stocked, but buried in snow. The spill kit needs to be dug out to ensure easy access for spill response.



Photo 10 – Sable Waste Management – Waste bins are starting to get blown in with snow. The bins should be shovelled out to help facilitate waste dropoff and pickup.



Photo 11 – Sable Waste Management – The incinerator waste bin is blown in with snow.



Photo 12 – Sable Waste Management – The incinerator waste bin is starting to get full and needs to be emptied before becoming an animal attractant.



Photo 13 – Aviation Fuel Storage – Aviation fuel is stored in a 1 million litre tank farm located by the Drill Core Logging Facility. Jet A aviation fuel is transported on the winter road. The tank farm is located within a lined containment berm.



Photo 14 – Aviation Fuel Storage – The tank farm appears to be inspected regularly. The Inspector recommends that access to the tank farm be maintained to facilitate regular inspections.



Photo 15 – Misery Underground – The opening of the Misery Underground portal is on the ramp of the Misery Pit. Ore is transported out of the mine and placed outside the portal, then transported to the Process Plant.



Photo 16 – Misery Underground – The equipment Service Bay is located on the 1950 level of the mine. The shop was clean and well organized.



Photo 17 – Misery Underground – Labelled waste containers are located in the service bay. Waste is segregated and brought to surface for proper disposal. There were no indication so misdirected waste coming from the underground mine.



Photo 18 – Misery Underground – A washroom facility is located on the 2050 level of the mine. Waste is contained in a holding tank and transported to the Sewage Treatment Plant.



Photo 19 – Misery Underground – Refuge stations are located on strategic levels in the mine. The primary refuge station is used as a lunchroom for workers. The refuge stations were clean and maintained. Food waste is collected and brought to surface for disposal.



Photo 20 – Misery Underground – Food waste is collected in the lunchrooms and brought to the surface for proper disposal at the incinerator building.



Photo 21 – Misery Underground – Water is collected in sumps on each level. Water is then pumped into the water collection system that reports to the Mud Wizard, and eventually to surface.



Photo 22 – Misery Underground – The Mud Wizard treats underground water to remove suspended solids. The water is then reused for mining equipment or sent to the surface for disposal in King Pond or Lynx Pit.



Photo 23 – Misery Underground – SNP Station 1616-46b is located adjacent to the Mud Wizard. Proper signage indicating the sampling location needs to be installed as per Part B Item 12 of the Licence.

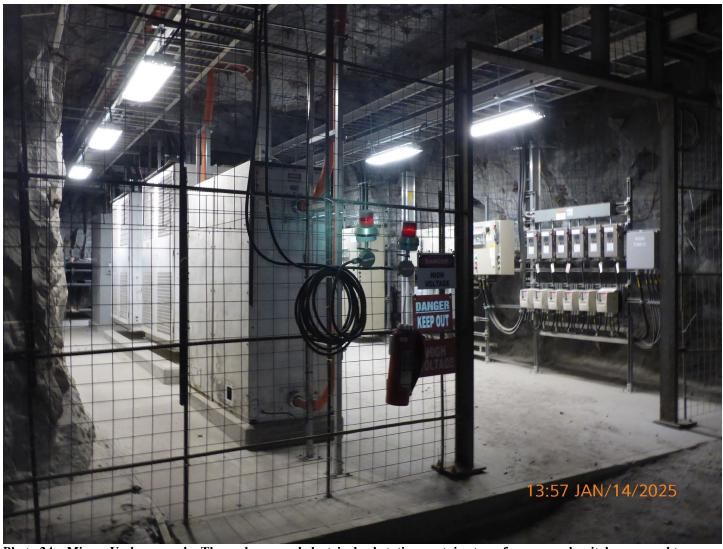


Photo 24 – Misery Underground – The underground electrical substation contains transformers and switch gear used to operate underground fans and pumps.



Photo 25 – Misery Underground – Transformers used underground are "Dry Type" and don't use or contain any oils that can potentially contaminate water if flooded.



Photo 26 – Spill Response Trailer – The spill trailer is parked inside the fire hall at the main camp. Storing inside ensures that the equipment doesn't freeze, and the trailer is always warm and accessible for quick deployment.



Photo 27 – Spill Response Trailer – The interior of the spill trailer was well organized with labelled containers for easy access and deployment.



Photo 28 – Spill Response Trailer – The interior of the spill trailer was well organized with labelled containers for easy access and deployment.

EKA FO 1864.25 Spill Response Trailer Equipment Chr. This equipment check abeet is to be completed fully, skined off and stored electronically at le see mosth (Spanerhein/CRIT/Equipment/Completed Vehicle Checkinst/Spill Response Trailer). Check off Items as found, mark down and missing, defection or a dranged Items and bring it attention of the ERT Coordinator. Trailer 1 Spill Contingency Plan ((sinder) 1 Fire endingsibler, ARC, 20 bs. 3 20 x 30 poly tarps (orange) 6 10 x 15 poly tarps (blue) 1 Fire endingsibler, ARC, 20 bs. 3 20 x 30 poly tarps (orange) 6 10 x 15 poly tarps (blue) 1 Reproduces with spare torch head 1 In Pour pools 1 Reproduces with spare torch head 1 Pour pools 1 Absorbent saterial, 150 ft. (large white roll) 1 Reproduces a spill and spill (100 per package) 1 Absorbent material, 150 ft. (large white roll) 1 Reproduces a spill and spill (100 per package) 1 Absorbent socks water buoyant (240') 1 Piece of 2 1/2" suction hose (20 ft.) 2 Pieces of 2 1/2" suction hose (20 ft.) 2 Pieces of 2 1/2" suction hose (20 ft.) 2 Pieces of 2 1/2" suction hose (20 ft.) 3 Spill (20 per package) 4 Starb brooms 1 2" rubber hose (100 ft. length) 3 5 gallon pails 4 Spill (20 per package) 4 Starb brooms 1 2" rubber hose (100 ft. length) 3 5 gallon pails 4 Spill (20 per package) 4 Spill (20 per package) 5 Spool of N" poly yellow rope (335 ft.) 5 Disphragm pump 5 Traffic cones 5 Pieces of Wypalls 5 Bundle of pickets 5 Pieces o	astonce	ction; 4/25	
ECA TO 1864.25 Spill Response Yrailer Equipment List Updatese1—24 May 2024	EXA FO 38 Page 1 of 3	Gd. 35 Spill Response Trailer Equipment List 24 May 2024	Page 3 of 3

Photo 29 – Spill Response Trailer – The spill response trailer has been inventoried recently as part of the regular Emergency Response Team training.