**GNWT ECC - North Slave Region**

**August 18th 2026**

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

**Water Licence W2022L2-0001**

Attn: Mr. Palimaka – Senior Manager

**Re: July 29th 2026, Water Licence Inspection**

Dear Ms. Robitaille,

On July 29th 2026, 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:

- Ammonium Nitrate Building
- Zone 12 equipment storage
- Landfill
- Refueling Stations

The Inspector noted that there was non-compliant waste in the landfill. The inspector recommends that landfill compliance and awareness of the Waste Management Plan be communicated to front line staff to ensure compliance.

Additionally, the Inspector noted that Ammonium Nitrate Prill is escaping containment through gaps in the siding of the Ammonium Nitrate building. The Inspector recommends that any fugitive AN be recovered and returned to containment, and a plan be developed to facilitate repairs.

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. Marie-Eve Cyr – Regulatory Specialist, Wek'èezhı̨i Land and Water Board
Mr. Marc Casas – Executive Director, Independent Environmental Monitoring Agency
Mr. Scott Stewart – Regional Superintendent, GNWT ECC North Slave Regional Office

Government of Northwest Territories | Gouvernement des Territoires du Nord-Ouest

# INDUSTRIAL WATER USE INSPECTION REPORT

**INSPECTION DATES: July 29th 2026**

**COMPANY REP : Christopher Palimaka**

**LICENSEE:**

**PricewaterhouseCoopers Inc, LIT**

**250 Howe Street, Suite 1400,**

**Vancouver, BC V6C 3S7**

**LICENCE #: W2022L2-0001**

**For Arctic Canadian Diamond Company (Burgundy)**

## WATER SUPPLY

| | | | | | |
|---|---|---|---|---|---|
| Source: | Grizzly Lake<br>Lac de Gras (road water) | Annual Quantity Used: | 25,495m$^3$<br>2,964 m$^3$ | Meter Rdg: | N/I |

**Indicate: A - Acceptable U - Unacceptable N/A - Not Applicable *Cautionary Remark**

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

## WASTE DISPOSAL

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

**Indicate: A - Acceptable U - Unacceptable N/A - Not Applicable *Cautionary Remark**

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

## GENERAL CONDITIONS

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

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

Licensee Representative's: Ms. Tania Robitaille – Environment Advisor - Operations

Licensee Representative's Signature: Inspection issues discussed with Burgundy personnel on site.

Inspector's Name: Jamie Steele

Inspector's Signature

Dated July 29th 2026

**Comments Section on Specific Aspects Inspected**

Ammonium Nitrate (AN) Building

High winds over the winter had damaged the metal siding of the Ammonium Nitrate building. The Inspector has confirmed that the storm damage has been repaired and the exposed sections have been patched. The Inspector noted that Ammonium Nitrate is beginning to seep through cracks in the containment on the southern wall of the AN Building at section S8. A small amount of AN has accumulated at the base of the exterior wall.

An inspection of the building interior revealed that AN dust has accumulated along the concrete containment barrier and is in contact with the metal sheeting. Corrosion of the metal has allowed the AN to escape containment and fall to the ground. The area around the AN building is graded toward containment sumps, and the sumps have plenty of capacity to contain any contaminated runoff. There is currently 4.6 Million kilograms of AN being stored inside the AN Building.

The Inspector recommends that any fugitive AN be collected and returned to containment, and a repair/decommissioning schedule be created and implemented to prevent future loss of containment.

Zone 12

Zone 12 is a designated storage areas for mobile equipment during care and maintenance. Lined parking areas have been created to ensure containment of any hydrocarbon leaks or spills from parked equipment. The area was clean and well maintained. Spill kits are present and are fully stocked and easily accessible.

Landfill

The Ekati Landfill is located on the Panda/Koala waste rock pile and is the disposal location for inert wastes such as wood, plastic and metal not suitable for recycling. The Landfill had been recently covered with Coarse Kimberlite reject material as per the landfill management plan. Several articles of noncompliant waste were identified and removed from the landfill during the inspection. Greater care is needed when segregating waste being sent to the Landfill.

Main Camp Refuelling Station and Bulk Fuel Transfer Area

The Main Camp Refuelling, and bulk fuel transfer area were clean and well organized. Spill response equipment was fully stocked and easily accessible.

Koala Heavy Equipment Refuelling Station

The Koala refuelling station was clean and well organized, and spill response equipment was fully stocked and easily accessible.


**Photo 1 – Ammonium Nitrate Building – Repairs to the exterior siding of the AN Building are complete.**


**Photo 2 – Ammonium Nitrate Building – A small amount of AN is seeping though openings in the siding above the concrete containment at Section S8 on the southern wall of the building.**


**Photo 3 – Ammonium Nitrate Building – AN dust along the concrete containment is causing corrosion of the metal siding allowing AN to seep through.**


**Photo 4 – Ammonium Nitrate Building – The area around the AN Building is graded toward lined sumps that are designed to contain any contaminated runoff. The sumps were empty and have plenty of capacity.**


**Photo 5– Ammonium Nitrate Building – The Ammonium Nitrate storage levels are below the concrete containment, however, dust has accumulated along the top of the concrete containment and is in contact with the metal siding causing corrosion.**


**Photo 6– Ammonium Nitrate Building – Approximately 4.6 million kilograms of Ammonium Nitrate is currently stored in the Building.**


**Photo 7 – Zone 12 – Several units from the mobile equipment fleet are being stored in Zone 12 of the Panda/Koala Waste Rock Pile during care and maintenance.**


**Photo 8 – Zone 12 – Lined parking areas have been created to contain any potential hydrocarbon leaks or spills.**


**Photo 9– Zone 12 – Lined parking areas have been created to contain any potential hydrocarbon leaks or spills.**


**Photo 10– Zone 12 – Lined parking areas have been created to contain any potential hydrocarbon leaks or spills.**


**Photo 11 – Landfill – The Landfill has been recently covered with Coarse Kimberlite Rejects from the Process Plant.**


**Photo 12 – Landfill – Several articles of noncompliant waste were recovered from the landfill. Proper waste segregation is required**


**Photo 13 – Main Camp Refuelling – The Main Camp Refuelling station was clean and well maintained. Spill response equipment was fully stocked and easily accessible.**


**Photo 14 – Koala Heavy Equipment Refuelling – The Koala Heavy Equipment Refuelling station was clean and well maintained. Spill response equipment was fully stocked and easily accessible.**