



September 17th, 2014

Dominion Diamond Holdings Ltd.
Suite 802 5201 – 50th Street
Yellowknife, NT X1A 3S9

**Re: Land Use Permit MV2012C0009
Mineral Exploration
Lac de Gras Area, NT**

Dear Mr. Chris Hrkac,

An inspection of the HW Camp was conducted by Inspectors Clint Ambrose and Joe Heron on September 10th, 2014. The inspection was conducted to ensure that all operating conditions annexed to the above noted land use permit were adhered to during this operation.

The camp continues to be well managed and the only concern noted was the requirement for the Permittee to ship the ash barrels off site for proper disposal. Your copy of the environmental inspection report is enclosed and should be self-explanatory.

If you have any questions or concerns, please contact Mr. Clint Ambrose at (867) 765-6648 or the undersigned at (867) 765-6684.

Sincerely,

Joe Heron
Resource Management Officer II (Inspector)
North Slave Regional Office
GNWT – Department of Lands

cc: MVLWB
Chris Hrkac – via email



ENVIRONMENTAL INSPECTION REPORT

Permittee:	Dominion Diamond Holdings Ltd.	Inspection Date – September 10 th , 2014
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		Permit Expiry Date	Last Previous Inspection
Land Use Permit No.	MV2012C0009	March 6 th , 2018	June 4 th , 2014
Quarrying Permit No.			
Contractor:	Aurora Geosciences	Subcontractor:	

Location(s) Inspected:	HW Camp.
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Current Stage of Operation:	The camp was occupied at the time of the inspection to support mineral exploration activities in the Mackay Lake and Lac de Gras area.
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Program Modifications Approved:	
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Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable

	Operating Condition	Aspect Inspected			Condition
		Camp			
A	Location and Area	A			
B	Time	A			
C	Type and Size of Equipment	A			
D	Methods and Techniques	A			
E	Type, Location, Capacity and Operation of All Facilities	A			
F	Control or Prevention of Ponding of Water, Flooding, Erosion, Slides and Subsidence of Land	A			
G	Use, Storage, Handling and Ultimate Disposal of Any Chemical or Toxic Material	A			
H	Wildlife and Fisheries Habitat	A			
I	Storage, Handling and Disposal of Refuse or Sewage	A*			#38Waste Management
W S J	Protection of Historical, Archeological and Burial Sites	A			
K	Objects and Places of Recreational, Scenic or Ecological Value	N/A			
L	Security Deposit	A			
M	Fuel Storage	A A			
N	Methods and Techniques for Debris and Brush Disposal	N/A			
O	Restoration of the Lands	A			
P	Display of Permits and Permit Numbers	A			
Q	Matters Not Inconsistent With the Regulations	A			



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Date: September 10 th , 2014	Permit #: MV2012C0009
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Explanatory Remarks

An inspection of the HW Camp (Photo #1) was conducted by Inspectors Clint Ambrose and Joe Heron on September 10th, 2014. The inspection was conducted to ensure that all operating conditions annexed to the above noted land use permit are being adhered to during this operation. All findings of the inspection were discussed with onsite personnel throughout the inspection.

Inspectors were pleased to see hydrocarbon impacted soils noted in the previous inspection at three areas of the sleeper tents were cleaned up and disposed of.

No major concerns were noted at the camp since all aspects of camp operations, waste handling and disposal, waste water disposal, and overall organization appeared satisfactory with one exception. Three drums of properly containerized incinerator ash noted in the previous inspection were still present (Photo #2) on site. Camp personnel informed Inspectors that the ash will be backhauled off site and disposed of once the airborne survey is completed for the season.

Inspectors were pleased to see proper living quarter diesel fuel drums wrapped with hydrocarbon absorbent matting and with secondary containment present (Photo #3). Also noted the kitchen grey water sump was well maintained (Photo #4). Full fuel drums were laid out in a tidy manner, with well-maintained walkways in between for ease of inspection (Photo #5). Bungs were mainly placed at the 3 o'clock and 9 o'clock positions to help mitigate possible fuel leaks. Empty 45-gallon drums were properly stored together, empty and ready for shipment off site (Photo #6).

Overall, the camp is being well managed and this cooperation is appreciated.

Completed off Site
Representative's Signature

Joe Heron
Inspector


Inspector's Signature



Photo #1 - MV2012C0009 - DDEC Mineral Exploration - Lac de Gras Area, NT
An aerial view of an active HW Camp on the southern shore of Lac de Gras.



Photo #2 - MV2012C0009 - DDEC Mineral Exploration - Lac de Gras Area, NT
Properly sealed drums of ash waiting for shipment off site.



Photo #3 - MV2012C0009 - DDEC Mineral Exploration - Lac de Gras Area, NT
Well maintained, covered grey water line and sump from camp kitchen.



Photo #4 - MV2012C0009 - DDEC Mineral Exploration - Lac de Gras Area, NT
Well maintained, covered grey water line and sump from camp kitchen.



Photo #5 - MV2012C0009 - DDEC Mineral Exploration - Lac de Gras Area, NT
Organized 45-gallon fuel drum laydown at the helicopter landing pad.



Photo #6 - MV2012C0009 - DDEC Mineral Exploration - Lac de Gras Area, NT
Empty 45-gallon drums awaiting shipment off site.