



Mackenzie Valley Land and Water Board
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February 22, 2018

File: MV2012C0009

Ms. Claudine Lee
Dominion Diamond Mines ULC
900-4920 52 Street
YELLOWKNIFE NT X1A 3T1

Email: claudine.lee@ekati.ddcorp.ca

Dear Ms. Lee:

Land Use Permit – Approval of Extension
Mineral Exploration – Lac De Gras Area, NT

On February 22, 2018, the Mackenzie Valley Land and Water Board (MVLWB) extended the term for Land Use Permit (Permit) MV2012C0009 as per your January 15, 2018 request, and in accordance with subsection 26(6) of the Mackenzie Valley Land Use Regulations.

The Board also acknowledges receipt of your email dated January 15, 2018 relating to a name change. The Board has changed Permit MV2012C0009 (issued to Dominion Diamond Holdings Limited) to Dominion Diamond Mines ULC to reflect this company name change.

Attached is the updated Permit MV2012C0009, which reflects this name change and now expires on March 6, 2020. These documents will be posted to our Public Registry at the MVLWB office.

If you have any questions or concerns, please contact Tyree Mullaney at (867) 766-7464 or email tyree@mvlwb.com.

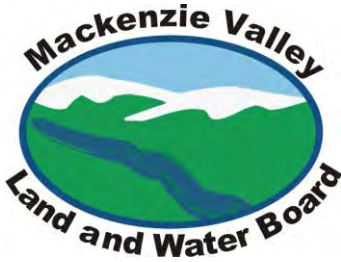
Yours sincerely,

A handwritten signature in blue ink, appearing to read "Mavis Cli-Michaud".

Mavis Cli-Michaud
MVLWB, Chair

Copied to: Distribution List

Attached: Land Use Permit MV2012C0009



**Land Use Permit –
Extension**

Permit Class	Permit No	Amendment No
A	MV2012C0009	

Subject to the Mackenzie Valley Land Use Regulations and the terms and conditions in this Permit, authority is hereby granted to:

Dominion Diamond Mines ULC

Permittee

to proceed with the land use operation described in the Application of:

Signature Mr. Robin Wyllie	Date January 16, 2013
Type of Land Use Operation Mineral exploration, fuel storage, use of vehicles, operation of a camp, and associated abandonment and reclamation	
Location Lac de Gras Project, NT	

This Permit may be assigned, discontinued, suspended, or cancelled pursuant to the Mackenzie Valley Land Use Regulations.

Dated at Yellowknife this 22 day of February, 2018

Signature Chair

Mavis Cli- Michaud, Chair

Signature Witness

Tanya Lantz, Witness

Effective Date

March 7, 2013

Expiry Date

March 6, 2020

ATTENTION

It is a condition of this Permit that the Permittee comply with the provisions of the *Mackenzie Valley Resource Management Act* and Regulations and the terms and conditions set out herein. A failure to comply may result in suspension or cancellation of this Permit.

Conditions Annexed to and Forming Part of Land Use Permit #MV2012C0009

Part A: Scope of Permit

1. This Permit entitles Dominion Diamond Mines ULC to conduct the following activities:
 - a) Mineral exploration including geochemical and geoscience surveys,
 - b) Diamond drilling and reverse-circulation drilling programs,
 - c) Fuel storage,
 - d) Use of vehicles
 - e) Operation of a camp, and
 - f) Associated abandonment and reclamation of the above activities.

All activities will occur within the vicinity of within 64° 01' 36" N and 110° 54' 47" W by 64° 28' 31" N and 110° 47' 31" W.

2. The Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, item 1 of this Permit.
3. Compliance with the terms and conditions of this Permit does not absolve the Permittee from the responsibility for compliance with the requirements of all applicable federal, territorial, and municipal legislation.

Part B: Definitions

“Act” - the *Mackenzie Valley Resource Management Act*.

“Board” - the Mackenzie Valley Land and Water Board established under Part 4 of the *Mackenzie Valley Resource Management Act*.

“borehole” - a hole that is made in the surface of the ground by drilling or boring; does not include a well.

“drilling fluids” - any liquid mixture of water, sediment, drilling muds, chemical additives or other wastes that are pumped down hole while drilling and are specifically related to drilling activity.

“drilling waste” - all materials or chemicals, solid or liquid, associated with drilling, including drill cuttings and drilling fluids.

“durable land” - land that is able to withstand repeated use, such as gravel or sand with minimal vegetative cover.

“flowing artesian well” - a well in which water:

- a) Naturally rises above the ground surface or the top of any casing; and
- b) Flows naturally, either intermittently or continuously.

“fuel storage container” - a container for the storage of petroleum or allied petroleum products with a capacity of less than 230 L.

“fuel storage tank” - a closed container for the storage of **petroleum** or **allied petroleum products** with a capacity of more than 230 litres.

“greywater” - all liquid wastes from showers, baths, sinks, kitchens, and domestic washing facilities but not including toilet wastes.

“habitat” - the area or type of site where a species or an individual of a species of wildlife naturally occurs or on which it depends, directly or indirectly, to carry out its life processes (adopted from proposed *NWT Wildlife Act*).

“Inspector” - an Inspector designated by the Minister under the *Mackenzie Valley Resource Management Act*.

“Minister” - the Minister of Indian and Northern Affairs Canada.

“ordinary high water mark” - the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing waters (rivers, streams) this refers to the “active channel/bank-full level” which is often the 1:2 year flood flow return level. In inland lakes, wetlands, or marine environments, it refers to those parts of the watercourse bed and banks that are frequently flooded by water so as to leave a mark on the land and where the natural vegetation changes from predominately aquatic vegetation to terrestrial vegetation (excepting water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

“permafrost” - ground (soil or rock) that remains at or below 0°C for at least two years.

“secondary containment” - containment that prevents liquids that leak from fuel storage tanks or containers from reaching outside the containment area and includes double-walled tanks, piping, liners, and impermeable barriers.

“sewage” - all toilet wastes and greywater.

“spill contingency plan” - a document, developed in accordance with Aboriginal Affairs and Northern Development Canada’s *Guidelines for Spill Contingency Planning* (April 2007), which describes the set of procedures to be implemented to minimize the effects of a spill.

“sump” - a man-made pit or natural depression in the earth's surface used for the purpose of depositing waste material, such as non-toxic drilling waste or sewage, therein.

“toxic” – a substance is toxic if it enters or may enter the environment in a quantity or concentration or under conditions such that it:

- a) Has or may have an immediate or long-term harmful effect on the environment or its biological diversity;
- b) Constitutes or may constitute a danger to the environment on which life depends; or
- c) Constitutes or may constitute a danger in Canada to human life or health.

“waste management plan” (WMP) - a document, developed in accordance with the Board’s *Guidelines for Developing a Waste Management Plan*, that describes the methods of waste management from waste generation to final disposal.

“watercourse” - a natural body of flowing or standing water or an area occupied by water during part of the year, and includes streams, springs, swamps and gulches but does not include groundwater.

Part C: Conditions Applying to All Activities (The headings correspond to subsection 26(1) of the Mackenzie Valley Land Use Regulations.)

26(1)(a) Location and Area

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| 1. The Permittee shall not conduct this land use operation on any lands not designated in the accepted application. | Location of Activities |
| 2. The Permittee shall not conduct any part of this land use operation within 300 metres of any privately owned or leased land or structure, unless otherwise authorized in writing by the Board. | Private Property |
| 3. The Permittee shall not conduct any part of this land use operation within 300 metres of a cabin used for traditional activities including trapping, hunting, or fishing, unless otherwise authorized in writing by the Board. | Avoid Cabins |
| 4. The Permittee shall locate all camps on durable land or previously cleared areas. | Camp Location |
| 5. Prior to the commencement of drilling, the Permittee shall submit, to an Inspector and the Board, the drill target locations on a 1:50,000-scale map with coordinates and map datum. | Drill Locations |

26(1)(b) Time

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| 6. At least 48 hours prior to the commencement of this land use operation, the Permittee's Field Supervisor shall contact an Inspector at (867) 669-2794. | Contact Inspector |
| 7. At least 48 hours prior to commencement of this land use operation, the Permittee shall provide in writing to an the Board <u>and</u> Inspector, the following information:
(a) the name(s) of the person(s) in charge of the field operation; (b) alternates; and (c) all methods for contacting the above person(s). | Identify Agent |
| 8. At least ten days prior to the completion of the land use operation, the Permittee shall advise an Inspector of:
a) the plan for removal or storage of equipment and materials; and
b) when final cleanup and reclamation of the land used will be completed. | Reports Before Removal |

26(1)(c) Type and Size of Equipment

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| 9. The Permittee shall not use any equipment except of a similar type, size, and number to that listed in the accepted application. | Only Approved Equipment |
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26(1)(d) Methods and Techniques

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| 10 The Permittee shall remove or cut off and seal each drill casing at ground level immediately upon completion of operations at each borehole. | Removal and Sealing of Drill Casings |
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11 The Permittee shall not erect camps or store material other than that required for immediate use on the ice surface of a watercourse. **Storage on Ice**

12 Prior to the expiry of this Permit, the Permittee shall replace all excavated material, unless otherwise authorized in writing by an Inspector. **Excavated Material**

26(1)(e) Type, Location, Capacity, and Operation of All Facilities

13 The Permittee shall ensure that the land use area is kept clean at all times. **Clean Work Area**

14 The Permittee shall not locate any sump within 100 metres of the ordinary high water mark of any watercourse, unless otherwise authorized in writing by an Inspector. **Sumps From Water**

26(1)(f) Control or Prevention of Ponding of Water, Flooding, Erosion, Slides, and Subsidence of Land

15 The Permittee shall insulate the ground surface beneath structures associated with this land use operation to prevent: **Permafrost Protection**

- a) any vegetation present from being removed;
- b) the melting of permafrost; and
- c) the ground settling and/or eroding.

16 The land use operation shall not cause obstruction to any natural drainage. **Natural Drainage**

17 The Permittee shall, where flowing water from flowing artesian well is encountered: **Flowing Artesian Well**

- a) plug the bore hole in such a manner as to permanently prevent any further outflow of water; and
- b) immediately report the occurrence to the Board and an Inspector.

18 The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface. **Prevention of Rutting**

19 The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting. **Suspend Overland Travel**

20 The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging. **Vehicle Movement Freeze-up**

21 The Permittee shall not use any material other than clean water and snow in the construction of ice bridges. **Ice Bridge Materials**

22 The Permittee shall not use any materials other than clean snow and water in the construction of snow fills. **Snowfill Materials**

23 Prior to spring break-up (March 31) or completion of the land use operation, the Permittee shall clean up and either remove or v-notch all snowfills from stream crossings, unless otherwise authorized in writing by an Inspector. **Remove Snowfills**

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| 24 | Prior to spring break-up (March 31) or completion of the land use operation, the Permittee shall clean up and v-notch all ice bridges, unless otherwise authorized in writing by an Inspector. | V-notch
Ice Bridges |
| 25 | The Permittee shall not cut any stream bank, unless otherwise authorized in writing by an Inspector. | Stream Banks |
| 26 | The Permittee shall minimize approach grades on all water course crossings. | Minimize
Approach |
| 27 | The Permittee shall not ford any wet water course. | No Fording of
Streams |
| 26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any
Chemical or Toxic Material | | |
| 28 | The Permittee shall maintain a record of all spills. For all reportable spills, as defined in the <i>NT-NU Spill Report Form</i> , the Permittee shall: | Report Spills |
| | a) immediately report each spill to the 24-hour Spill Report Line (867) 920-8130; | |
| | b) report each spill to an Inspector within 24 hours; and | |
| | c) submit, to the Board and an Inspector, a detailed report on each spill within 30 days. | |
| 29 | The Permittee shall provide Material Safety and Data Sheets (MSDS) for any chemicals that were not identified in the accepted application to the Board and an Inspector at least seven days prior to their first use. | Chemicals |
| 30 | When drilling within 100 metres of the ordinary high water mark of any watercourse, and when drilling on ice, the Permittee shall contain all drill water and waste in a closed circuit system for reuse, off-site disposal, or deposit into a land-based sump or natural depression. | Drilling Near
Water |
| 31 | The Permittee may deposit non-toxic drilling waste in a sump or natural depression. Any sumps or natural depressions used to deposit drilling waste must be located at least 100 metres from the high water mark of any water course, unless otherwise authorized in writing by and an Inspector. | Drilling Waste |
| 32 | The Permittee shall not allow any drilling waste to spread to the surrounding lands or watercourses. | Drilling Waste
Containment |
| 33 | The Permittee shall remove all drilling waste containing toxic or persistent chemical additives to an approved disposal facility. | Drilling Waste
Disposal |
| 34 | Prior to the expiry date of this Permit or the end of operations, whichever comes first, the Permittee shall backfill and restore all sumps, unless otherwise authorized in writing by an Inspector. | Backfill Sumps |
| 35 | The Permittee shall dispose of all toxic or persistent substances as described in the approved Waste Management Plan. | Waste Chemical
Disposal |

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| 36 | The Permittee shall dispose of all combustible waste petroleum products by removal to an approved disposal facility. | Waste
Petroleum
Disposal |
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26(1)(h) Wildlife and Fish Habitat | | |
| 37 | The Permittee shall take all reasonable measures to prevent damage to wildlife and fish habitat during this land use operation. | Habitat Damage |
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26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage | | |
| 38 | The Permittee shall adhere to the approved Waste Management Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals or fuels. Revisions to the plan shall be submitted to the Board for approval. | Waste
Management |
| 39 | The Permittee shall dispose of all garbage, waste, and debris as described in the approved Waste Management Plan, unless otherwise authorized in writing by an inspector. | Remove
Garbage |
| 40 | The Permittee shall dispose of all sewage into a sump at least 100 metres from the high water mark of any watercourse. | Sewage in
Sump |
| 41 | The Permittee shall dispose of all sewage as described in the approved Waste Management Plan. | Sewage
Disposal |
| 42 | The Permittee shall use a forced-air, fuel-fired incinerator to burn all combustible garbage except plastics. | Incinerator |
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26(1)(j) Protection of Historical, Archaeological, and Burial Sites | | |
| 43 | The Permittee shall not operate any vehicle or equipment within 150 metres of a known or suspected historical or archaeological site or burial ground. | Archaeological
Buffer |
| 44 | The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site. | Site
Disturbance |
| 45 | The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered: | Site Discovery
and Notification |
| | a) immediately suspend operations on the site; and | |
| | b) notify the Board at (867) 669-0506 <u>or</u> an Inspector at (867) 669-2794, <u>and</u> the Prince of Wales Northern Heritage Centre at (867) 920-6182 or 873-7688. | |
| 46 | The Permittee must conduct an Archaeological Overview study to identify areas with moderate or high potential to contain archaeological sites. An archaeological impact assessment must be conducted for any areas of moderate or high potential identified in the Archaeological Overview that cannot be avoided by exploration activities. These reports shall be submitted to the Prince of Wales Northern Heritage Centre. | Archeological
Studies |

26(1)(k) Objects and Places of Recreational, Scenic, and Ecological Value

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26(1)(l) Security Deposit

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| 47 | Prior to commencement of the operation, the Permittee shall deposit with the Minister a security deposit in the amount of \$75,000.00. | Security Deposit |
| 48 | All costs to remediate the area under this Permit are the responsibility of the Permittee. | Responsibility for Remediation Costs |

26(1)(m) Fuel Storage

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| 49 | The Permittee shall adhere to the approved Spill Contingency Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels. Revisions to the plan shall be submitted to the Board for approval. | Spill Contingency Plan |
| 50 | Prior to commencement of operations, the Permittee shall ensure that spill-response equipment is in place, to respond to any potential spills. | Spill Response |
| 51 | The Permittee shall not place any fuel storage containers or tanks within 100 metres of the ordinary high water mark of any watercourse, unless otherwise authorized in writing by an Inspector. | Fuel Near Water |
| 52 | The Permittee shall report in writing to an Inspector <u>and</u> the Board the location and quantity of all fuel caches within ten days of their establishment. | Report Fuel Location |
| 53 | The Permittee shall not allow petroleum products to spread to surrounding lands or watercourses. | Fuel Containment |
| 54 | The Permittee shall ensure that all fuel caches containing 20 or more fuel storage containers have adequate secondary containment. | Fuel Cache Secondary Containment |
| 55 | The Permittee shall mark all fuel storage containers and tanks with the Permittee's name. | Mark Containers |
| 56 | The Permittee shall mark all stationary fuel caches and fuel storage facilities with flags, posts, or similar devices so that they are at all times plainly visible to local vehicle travel. | Mark Fuel Location |
| 57 | The Permittee shall seal all outlets of fuel storage containers and store the containers on their sides with the outlets located at 3 and 9 o'clock, except for containers currently in use. | Seal Outlet |
| 58 | The Permittee shall only use stands approved by the Inspector for supporting fuel storage containers that are in use. | Fuel Container Stands |
| 59 | The Permittee shall clean up all leaks, spills, and contaminated material. | Clean Up Spills |

- 60 All equipment that may be parked for two hours or more, should have a haz-mat/drip tray under it or be sufficiently diapered. (Leaky equipment should be repaired immediately.) **Drip Trays**

26(1)(n) Methods and Techniques for Debris and Brush Disposal

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26(1)(o) Restoration of the Lands

- 61 Prior to the expiry date of this Permit, the Permittee shall complete all cleanup and restoration of the lands used. **Final Cleanup and Restoration**
- 62 Prior to the expiry date of this Permit, the Permittee shall prepare the site in such a manner as to facilitate natural revegetation. **Natural Vegetation**
- 63 The Permittee shall carry out progressive reclamation of disturbed areas as soon as it is practical to do so. **Progressive Reclamation**

26(1)(p) Display of Permits and Permit Numbers

- 64 The Permittee shall display a copy of this Permit in each campsite established to carry out this land use operation. **Display Permit**

26(1)(q) Biological and Physical Protection of the Land

- 65 The Permittee shall not commence any drilling or move any equipment within five hundred (500) metres of one or more caribou. **Caribou Disturbance**
- 66 The Permittee shall construct and maintain the water intake(s) using DFO's Freshwater Intake End-of-Pipe Fish Screen Guidelines. **Prevent Entrainment**