



March 29th, 2019

Dominion Diamond Mines ULC
900-606 4th Street SW
CALGARY, AB T2P 1T1

Attention: Ms. Claudine Lee

**Re: Land Use Permit MV2017C0022
Mineral Exploration
Glowworm Lake Area, NT**

Dear Ms. Lee,

An inspection of the fuel cache and ice strip in the Glowworm Lake Area was conducted by Inspectors Clint Ambrose and Brandon Bradbury on March 27th, 2019. The inspection was conducted to ensure that all operating conditions annexed to the above noted land use permit were adhered to during this land use operation. All findings of the inspection were discussed with Mr. Sean Marshall of Aurora Geosciences Ltd. (Contractor).

Land use operations commenced on March 1st, 2019 with the clearing of the ice surface of Glowworm Lake for an airstrip and the delivery of fuel drums for an upcoming exploration program. The only concern noted was the requirement for the Permittee to retrieve the airstrip markers that were left on site (Photo #2) and the Inspectors are confident that this will occur well in advance of spring freshet. Your copy of the Environmental Inspection Report is enclosed and should be self-explanatory.

If you have any questions or concerns, please contact the undersigned at (867) 767-9188 or Mr. Brandon Bradbury at (867) 767-9187 ext. 24193.

Sincerely,

Clint Ambrose
Manager, Resource Management (Inspector)
North Slave Regional Office
GNWT – Department of Lands

cc: MVLWB
Dominion Diamond Mines ULC – via email
Aurora Geosciences Ltd. – via email

ENVIRONMENTAL INSPECTION REPORT

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|------------|-----------------------------|---|
| Permittee: | Dominion Diamond Mines ULC. | Inspection Date - March 27 th , 2019 |
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|----------------------|-------------------------|-----------------------------|--------------------------|
| Land Use Permit No. | MV2017C0022 | Permit Expiry Date | Last Previous Inspection |
| Quarrying Permit No. | | July 5 th , 2022 | Initial |
| Contractor: | Aurora Geosciences Ltd. | Subcontractor: | |

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|------------------------|---|
| Location(s) Inspected: | The fuel cache (N64° 41' 13.4" W109° 20' 15.0" (NAD-83)) and ice strip in the Glowworm Lake Area. |
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| Current Stage of Operation: | Fuel caching was complete and personnel were demobilized from the land use 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 |
|---|---|------------------|--|--|--------------------|
| | | Fuel Cache | | | |
| 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* | | | #28 Remove Garbage |
| 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 | | | |
| 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 | | | |
| R | Sections 8 to 16 M.V.L.U.R. | A | | | |

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Date: March 27th, 2019

Permit #: MV2017C0022

Explanatory Remarks

An inspection of the fuel cache and ice strip in the Glowworm Lake Area was conducted by Inspectors Clint Ambrose and Brandon Bradbury on March 27th, 2019. The inspection was conducted to ensure that all operating conditions annexed to the above noted land use permit were adhered to during this land use operation. All findings of the inspection were discussed with Mr. Sean Marshall of Aurora Geosciences Ltd. (Contractor) upon completion of the inspection.

The Permittee provided notification to Inspectors on February 26th, 2019 (Condition #5 & #6 of the land use permit) stating that land use operations would commence on March 1st, 2019. Initial work proposed was to set up a temporary camp and clear the snow on Glowworm lake for an airstrip that would accommodate a Dash 7 aircraft for the delivery of fuel drums for an upcoming exploration program.

The airstrip can be viewed in Photo #1 & #2 and the only concern noted was the requirement for the Permittee to retrieve the airstrip markers that were left on site. This concern was brought to the attention of Mr. Marshall and Inspectors were informed that a plan to retrieve the markers is in the works and this concern will be addressed prior to spring freshet. This cooperation is appreciated and please let Inspectors know when this task is completed.

On March 10th, 2019 the fuel shuttle out of Yellowknife commenced and fuel was cached at "Camp 1" which is located at **N64° 41' 13.4", W109° 20' 15.0" (NAD-83)**. Since the location chosen had high potential for archaeological sites, the Permittee retained the services of Golder to conduct an Archaeological Impact Assessment to comply with the requirements of Condition #34 of the land use permit.

This assessment was completed in snow free conditions between September 22nd & 24th, 2018 and the Archaeologist completed an aerial and pedestrian reconnaissance of the area and concluded that "Camp 1" had no archaeological concerns and was a viable camp option. Once again, the Permittee's cooperation to comply with the operating conditions annexed to the land use permit is appreciated.

The fuel cache can be viewed in Photo #3 & #4 and consists of 166 drums of jet fuel, 47 drums of diesel, 6 drums of gasoline, and 1 propane cylinder. No concerns were noted with the fuel cache since it appears to have been positioned greater than 100 metres from the ordinary high water mark of Glowworm Lake, wooden stakes are present to mark the fuel location, the majority of the bungs appeared to be at three and nine o'clock, and a spill kit was present.

Land use operations were complete on March 15th, 2019 and the temporary camp was dismantled and removed from the land use area on the final supply flight. Overall, the Inspectors were pleased with the manner in which this operation was conducted.

Please ensure proper notification is provided to Inspectors once another field program is planned and this cooperation by the Permittee is anticipated.

Completed off Site
Representative's Signature

Clint Ambrose
Inspector


Inspector's Signature



Photo #1 - MV2017C0022 - Glowworm Lake
An airstrip was cleared on the ice surface of Glowworm Lake to accommodate the use of a Dash 7 aircraft for fuel delivery.



Photo #2 - MV2017C0022 - Glowworm Lake
Airstrip markers were left on the airstrip and must be removed by the Permittee.



Photo #3 - MV2017C0022 - Glowworm Lake
A fuel cache has been established in the land use area.



Photo #4 - MV2017C0022 - Glowworm Lake
Another view of the fuel cache and a spill kit is present.