



Lands- North Slave Region

June 16th 2017

Dominion Diamond Ekati Corporation

**#1102 - 4920 52nd Street
Yellowknife, NT X1A 3T1**

**Land Use Permit
W2016D0003
Sable Development**

Attn: Claudine Lee – Head Environment and Community

Re: June 12th 2017 Land Use Permit Inspection W2016D0003

Dear Ms. Lee,

On June 12th 2017, a Land Use Inspection was conducted on the Sable Development by the Manager, Diamond Resource Management, Marty Sanderson. On this inspection the Manager/GNWT Lands Inspector was accompanied and assisted by Ekati Diamonds Environment Advisor-Compliance, Mr. Dustin Chaffee.

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. This report provides comments based on general observations and highlights any concerns or items that should be addressed by the Licensee / Permittee. No concerns were identified during this inspection. Attached / enclosed is the full Inspection Report along with related site photographs.

The following area was inspected and the details of the findings are included in the attached report:

- Sable Office Complex
- Site Roads and Laydown Areas
- Sable Crusher facility
- Sable Lake Dewatering Pump and Line

If you have any questions or concerns please contact the undersigned at (867) 767-9187 extension 24186. Thank you for your continued cooperation.

Sincerely,



Marty Sanderson
Manager, Diamond Resource Management,
Department of Lands
North Slave Region
Marty_Sanderson@gov.nt.ca

cc: Ms. Megan Schnurr – Regulatory Specialist, Wek'èezhii Land and Water Board
Ms. Roberta Judas – Regulatory Technician, Wek'èezhii Land and Water Board
Mr. Scott Stewart - Regional Superintendent Department of Lands
Marc Casas -Executive Director, Independent Environmental Monitoring Agency

ENVIRONMENTAL INSPECTION REPORT

Permittee: Dominion Diamond Ekati Corporation	Inspection Date: June 12 th 2017
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		Permit Expiry Date	Last Previous Inspection
Land Use Permit No.	W2016D0003	May 11 2021	April 4 th 2017
Quarrying Permit No.	N/A		
Contractor:	Nuna Logistics		Subcontractor: N/A

Location(s) Inspected:	Field Office Complex Site Roads and Laydown Areas Sable Lake Dewatering Line and Pump
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Current Stage of Operation:	The Sable crusher resumed crushing in the first week of June 2017. Construction of a maintenance building has started at the office complex. Dewatering of Sable Lake to Ulu Lake started on June 8 th 2017.
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Program Modifications Approved:	N/A
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Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable "*" - Cautionary Remark

	Operating Condition	Aspect Inspected		Refers to Permit or License Requirement
		Office complex, laydowns, site roads	Pump and lines for Dewatering of Sable to Ulu Lake	
				Condition (*An Asterisk denotes a cautionary remark)
A	Location and Area	A	A	Office complex located at Zone 12 522320 7191970
B	Time	A	A	26(1) (b) 6: Inspector was given 48 hour notice on commencement of this land-use operation on June 27 th 2016.
C	Type and Size of Equipment	A	A	
D	Methods and Techniques	A	A	
E	Type, Location, Capacity and Operation of All Facilities	A	A	
F	Control or Prevention of Ponding of Water, Flooding, Erosion, Slides and Subsidence of Land	A	A	

G	Use, Storage, Handling and Ultimate Disposal of Any Chemical or Toxic Material	A	A	
H	Wildlife and Fisheries Habitat	A	A	
I	Storage, Handling and Disposal of Refuse or Sewage	A	A	Sewage is pumped out daily and disposed of at main camp facilities. Garbage is trucked to main camp daily or as required.
J	Protection of Historical, Archeological and Burial Sites	A	A	
K	Objects and Places of Recreational, Scenic or Ecological Value	N/A	NA	
L	Security Deposit	A	A	
M	Fuel Storage	A	A	<p>Spill kits where noted at various locations on site.</p> <p>Secondary containment noted under all hydrocarbon products.</p> <p>Secondary containment under office complex generator/generator light plants.</p> <p>All equipment refueled currently with mobile fuel truck.</p> <p>New 4500L double walled fuel tank was installed at the Frozen Core building. Tank and fittings have been placed in a lined berm. This tank will be decommissioned and removed in the near future</p> <p>All fuel containers associated with the sable drill program are double walled.</p> <p>4- 500,000 steel tanks arrived at the Sable Development via 2016-2017 winter road. Tank farm will be constructed in the summer of 2017.</p> <p>Arctic Pump Systems HL 250 pump was placed in secondary containment at Sable Lake. Refueled with mobile fuel truck. Spill Kit has been placed at this pump.</p>
N	Methods and Techniques for Debris and Brush Disposal	N/A	N/A	
O	Restoration of the Lands	A	A	Organics are being stripped and stored for future potential reclamation
P	Display of Permits and Permit Numbers	A	A	Permit is posted at the office complex

Q	Matters Not Inconsistent with the Regulations	A	A	
R	Sections 8 to 16 M.V.L.U.R.	A	A	

ENVIRONMENTAL INSPECTION REPORT

Date:

June 12th 2017

Permit #: W2016D0003

Notes / Explanatory Cautionary Remark

An Inspection of the Sable Development was conducted by Marty Sanderson, Inspector/Manager-Diamond Resource Management. The Inspector was accompanied by Ekati Diamonds Environment Advisor-Compliance, Mr. Dustin Chaffee. 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.

Sable Office Complex

The Sable Office Complex is being used as a lunchroom, washroom, first aid station and emergency accommodations. Breakaway drilling installed foundation pilings for the Maintenance shelter. The piling work was started in mid-May and took approximately 3 weeks to complete (Photo 1). Rig mats will be installed in mid-July for the flooring of the building. Construction of a Chamco building (maintenance shelter) will start once the flooring is done and the building will be completed by the end of September. The footprint of this shelter will be 30 x 70 meters.

Access, site roads and Quarry Pit

The pads and site roads for all of the Sable facilities are being maintained to the satisfaction of the Inspector. The quarry pit was inactive during this inspection.

Falcon Access Road

The Falcon Access Road was inspected and the Inspector noted no concerns.

Sable Crusher Pad and Frozen Core Plant

The Sable Crusher was in operation during this inspection (Photo 2). The crusher started up in the first week of June and will be crushing material for the various projects on site. The Frozen Core Plant will be decommissioned and taken down in the first week of July 2017.

Sable Lake Dewatering

Dewatering of Sable Lake started on June 8th 2017. The Inspector noted a HL250 Pump in secondary containment on the shoreline of Sable Lake (Photo 3). The pump is refueled daily by mobile refueling equipment. The Pump also had a fully stocked spill kit in close proximity. A 10" HDPE pipe was joined together and runs from Sable to Ulu lake. The pipeline and pump are inspected daily by DDEC environmental staff (Photo 4). No concerns were noted. Pumping, Effluent Quality Criteria (EQC) and drawdown rates are inspected/monitored under Water Licence WL2012L2-0001.

The Inspector noted that all conditions of Land Use Permit W2016D0003 are being adhered to. No concerns were noted on the June 12th 2017 W2016D0003 Land Use Permit inspection.

Completed off site

Marty Sanderson



Representative's Signature GNWT Lands Inspector

Inspector's Signature



Photo 1: Sable Office Complex - Pilings have been installed for the new Chamco Building that will be installed this summer. The building will be used as a Maintenance building for equipment.



Photo 2: Sable Development - The Crusher at Sable started in the first week of June. Crushed rock of various sizes will be used for several projects at the Sable Development.



Photo 3: Sable Lake - A dewatering Pump was set up at Sable Lake to remove water from Sable to Ulu Lake. The pump is in secondary containment and a Spill kit was in close proximity.



Photo 4: Sable Lake Dewatering Line- A 10" HDPE line was joined together in sections from Sable to Ulu Lake. The dewatering line is inspected daily for leaks by DDEC environment staff.