

Government of Gouvernement des Northwest Territories Territoires du Nord-Ouest

18 November 2016

Dominion Diamond Ekati Corp. 1102 4920-52nd Street Yellowknife, NT X1A 3T1 Land Use Permit W2016D0003

Attn: Mr. Dustin Chaffee

Re: Authorization for Temporary Fuel Tank Location at Sable Camp

Dear Mr. Chaffee,

The Inspector received your letter dated November 16th requesting Inspector approval for a variance to Condition 27 of Land Use Permit W2016D0003 to place a 4500L fuel tank approximately 25 meters inside the 100 meter buffer from the Ordinary High Water Mark of Two Rock Lake.

Condition 27 states: "The permittee shall not place any Fuel Storage Containers or Tanks within 100 meters of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized by an Inspector."

The Inspector has reviewed your letter and has determined that there is adequate justification for your request; therefore, the proposed storage location as presented in your letter for the 4500L fuel tank is authorized by the Inspector as per Condition 27 of the permit.

If you have any questions or concerns please contact the undersigned at (867) 767-9187 Ext 24188.

Sincerely,

Jamie Steele

Resource Management Officer III GNWT-Department of Lands

North Slave Region

Jamie_steele@gov.nt.ca

cc:

Ms. Megan Schnurr - Regulatory Specialist, Wek'eezhii Land and Water Board

Mr. Marty Sanderson - Manager Diamond Resource Management, GNWT Department of Lands

Mr. Harry O'Keefe - Team Leader - Environment Projects, DDEC

Attachment – Original DDEC Letter Dated November 16, 2016



November 16, 2016

North Slave Regional Office Department of Lands Government of the Northwest Territories #16 Yellowknife Airport Yellowknife, NT X1A 3T2

Attention: Jamie Steele

Resource Management Officer III

Dear Mr. Steele.

Subject: Requesting authorization for temporary fuel tank location at Sable Camp

As per Clause 27 of Sable Development Land Use Permit W2016D0003, Dominion Diamond Ekati Corporation (DDEC) is requesting Inspector authorization to place a temporary 4,500 L fuel tank within 100 meters of the Ordinary High Water Mark of Two Rock Lake. The fuel tank would be 75 meters from Two Rock Lake, located adjacent to the temporary Frozen Core Plant. The fuel tank will be used to power the generator for the Frozen Core Plant until construction of the Frozen Core Dam has been completed in February, 2017. Upon completion of the Frozen Core Dam the fuel tank, the generator, and the Frozen Core Plant will be removed from Sable Camp.

The proposed location of the fuel tank minimizes environmental risk at Sable Camp. By placing the fuel tank closer to the Frozen Core Plant generator, the length of exposed fuel lines running to the fuel tank is minimized. Placing the fuel tank on the opposite side of the Frozen Core Plant would create the need for additional fuel lines and increase the risk of a line rupture and a diesel spill. Placing the fuel tank behind the Frozen Core Plant significantly reduces the amount of traffic and heavy equipment activity taking place near the fuel tank, further reducing the risk of a spill. For additional spill contingency, the tank is double-walled and placed within a lined berm designed to hold 110% of the capacity of the fuel tank.

We trust this letter provides you with sufficient information to make an informed decision on this matter. Please contact the undersigned, or Harry O'Keefe at Harry.O'Keefe@ddcorp.ca or (867) 669-6164 if you have any questions.

Record #: HSE RCD ENV 576

Document Owner: Environment Department

Date: 16-11-2016

Template # EKA TEM 1852.13



Sincerely,

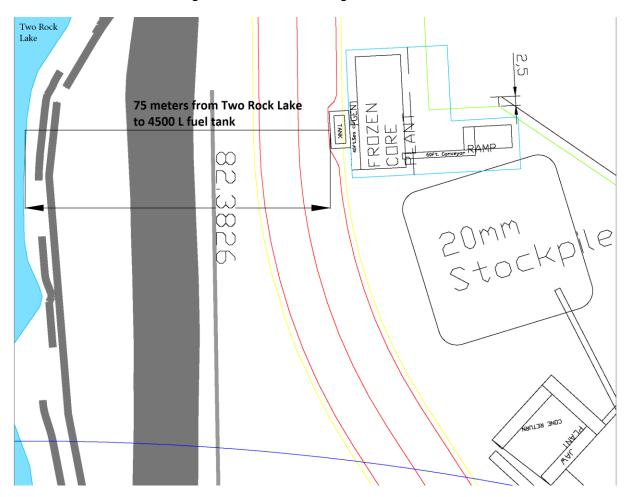
Dustin Chaffee, B.Sc.

Environment Advisor-Compliance Dustin.Chaffee@ddcorp.ca

(867) 766-6514

Attachments:

Attachment 1: As built drawing of Frozen Core Plant, generator, and fuel tank containment



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Attachment 2: Photograph of 4500 L fuel tank in lined containment berm



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