

*8th Environmental Agreement Implementation Meeting
Yellowknife, NWT
January 18, 2010
Summary of Discussion*

Revised: March 2, 2010

Participants

Tim Byers, Independent Environmental Monitoring Agency
Eric Denholm, BHP Billiton Diamonds
Lionel Marcinkoski, Department of Indian Affairs and Northern Development
Kevin O'Reilly, Independent Environmental Monitoring Agency
Loretta Ransom, Government of the Northwest Territories
Bill Ross, Independent Environmental Monitoring Agency
Lorraine Seale, Department of Indian Affairs and Northern Development

1. *Selection of Chairperson*

Lionel Marcinkoski was selected to serve as the chairperson for the meeting. The purpose of the meeting as set out in the Resolution Agreement was reviewed. A discussion regarding communications was added to the agenda.

2. *Minutes*

The minutes of the June 19, 2009 were reviewed and accepted by consensus.

3. *Agency Presentation on Findings and Recommendations*

Bill Ross presented the Agency's findings and recommendations over the last year and to date as compiled from the Agency's Annual Report and outgoing correspondence.

Eric Denholm reported that BHPB intends to recruit four individuals to help with the wolverine hair snagging program for April 2010. Snowmobiles for this work have already been purchased and will be brought to site on the winter road. Lionel asked whether the report on this program will be jointly authored by GNWT and BHPB. Eric responded by stating that the program is really a GNWT initiative and that it would release the report. He mentioned that GNWT would not be carrying out the program in the Daring Lake area in 2010 as it was completed in 2009. A meeting is scheduled for this afternoon with Robert Mulders to finalize arrangements.

Bill noted that there appears to be better collaboration on the development of water quality standards over the last several months. Eric mentioned that it was not clear if Environment Canada was proceeding with diamond mining effluent regulations. Bill

offered to seek clarification from Environment Canada as representatives would be meeting with the Agency over the next few days.

Tim noted that the Agency presentation had omitted a recommendation from the Agency's 2008-09 Annual Report wherein it was suggested that BHPB should compile a ten-year review of how Traditional Knowledge has been used to improve mine operations and environmental management. It was noted that the BHPB response did not address the recommendation. Eric mentioned that it has been a struggle to get new TK initiatives going and that there may be new opportunities for TK input with changes and improvements to monitoring programs. Tim noted that documenting TK would assist in communicating how BHPB deals with wildlife incidents. Eric agreed that a review of BHPB's experience with TK in site management would be helpful and that it should be put on a list of ideas worth pursuing. Lorraine Seale agreed that this work would be helpful and offered support. Kevin indicated that a summer student might be able to get a good start to such a project.

Eric indicated that he was not sure what the next steps are on the review of the diamond mine wildlife monitoring programs.

Lorraine said that there would be a Minister's Report forthcoming on the 2009 Environmental Impact Report (EIR) stating that it was unsatisfactory, largely based on comments received from the Agency. Bill indicated that the December 16, 2009 had been very helpful and that such a meeting should be held before the submission of the next EIR in 2012. Eric indicated that there will be a close-out report with a plain language summary, and a technical addendum that will be sent to everyone at the December 16 meeting, and that another meeting will be held before the EIR 2012. Lorraine indicated that DIAND will manage the process as to whether the additional information submitted by BHPB is sufficient for the purposes of the Minister's Report.

4. BHPB Presentation on Environmental Management Programs and Operational Projections for 2010

Eric reviewed changes in staffing. Paul Harvey is the new BHPB Canada president. He is a mining engineer who worked on the Panda underground development. The name of the company was changed to BHPB Canada as a result of the acquisition of a potash mine in Saskatchewan.

Mining operations at the Panda underground will continue for about another six months. The Wirtgen surface miners at the Fox pit are working well. A bulk sample will be taken at the Pigeon pipe this winter. If it proves economic, mining of the Pigeon Stream Diversion could start next winter with pre-stripping of the overburden in the summer of 2012. Further work is now under way for a push-back on the Misery pit to allow for further open pit mining as opposed to an underground operation. If this proceeds there will be a need for more haul trucks that would be brought up on the winter road in 2011. SRK is preparing a report on Misery milling issues including molybdenum that will be shared with regulators. Initial indications are that minewater quality should be okay and

there will be no mining operations below the permafrost. The surface strippers may not work in the Misery push-back operation.

A light winter road haul is expected this winter with less than 4,000 loads. H-wing of the accommodation building has been closed for the winter as an energy saving measure. Greenhouse gas emissions will go up over the next few years with stripping operations at Pigeon and the push-back at Misery.

On reclamation matters, the judicial review will be heard on February 3, 2010. The revised Reclamation Research Plans are to be submitted on February 25, 2010. Closure of the Panda underground operations is being discussed with the DIAND inspector. Phase I of the processed kimberlite containment area and the nearby Airport esker are being considered but will likely not begin until the ICRP is approved.

The underground mine water line to Beartooth is now operational. Beartooth could store up to ten years worth of mine water. A revised Wastewater and Processed Kimberlite Management Plan is to be submitted by BHPB to the WLWB on January 31, 2010. The water line will be sampled and tested monthly and the pit water will be sampled annually if safe travel can be accomplished into the pit bottom.

Nitrate management (phosphorus additions in Cell D to encourage algae growth and fix nitrates) in the Long Lake Containment Facility (LLCF) appears to be working as levels have declined. Mine water may be put back into the LLCF if water quality in Cell D continues to improve. An updated LLCF water quality model, using 2009 data, is in preparation for release later this year. Cujo Lake still requires aeration but not Kodiak Lake.

The 2008 Air Quality Monitoring Program report is finished and should be available in the next week or two. The ten-year review of the Panda Diversion Channel (PDC) monitoring will also be ready in the next couple of weeks. The fish counts will continue for 2010 in the PDC as will water quality, but fry fat content analysis will not.

There are no further plans for drilling at the Jay pipe. Engineering work is under way to try to get the incinerator operational.

5. Agency Presentation on Current and Proposed Work Plans and Budgets

Bill gave a presentation on the Agency's expenditures to date for 2009-10, including the Separate Fund, and for 2010-11. The excess Separate Fund expenditures beyond \$40k was discussed. The Agency intends to allocate these expenses to its other core funding to the extent possible. No objections or concerns were raised with this approach.

In discussing the Agency's plans for an environmental workshop for 2010-11, Eric stated that BHPB was unlikely to hold a workshop but would be visiting communities.

6. *Communications*

Bill raised the 1998 Policy Statement on Information Exchange, Communication and Coordination wherein there was a general understanding on timely information sharing. Bill stated that the principle of the statement is that the Agency can function better if it gets information in a timely fashion. As many of the staff have changed since the statement was adopted in 1998, it was felt that it might be time to discuss it again.

There have been some recent instances where information could have been provided to the Agency in a more timely manner. For example, BHPB used to give the Agency copies of wildlife incident reports, spill reports and communications with the inspector but has not done so for last several years. Comments on the EIR 2009 were not copied to the Agency. It was noted that the Agency copies virtually all of its outgoing correspondence to all the Society members, including BHPB. The Agency is not advocating renegotiating the Policy Statement, but that parties should agree again to follow the intent of it.

BHPB, GNWT and DIAND representatives agreed to examine who should serve as official points of contact and to share this with everyone. It was agreed that the issue of communications should be discussed at the next Inter Agency Coordinating Team (IACT) meeting in February 2010.

Lorraine mentioned that she finds the Agency Board meeting summaries distributed by e-mail to be very helpful.

7. *Other Business*

No other business was raised and the date for the next meeting was tentatively set for the week of May 31-June 5, 2010.