



Independent Environmental Monitoring Agency

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April 30, 2013

Ryan Fequet
Technical Coordinator
Wek'eezhii Land and Water Board
#1-4905 48th Street
Yellowknife NT X1A 3S3

Dear Ryan

Re: Ekati Diamond Mine 2013 Reclamation Security Estimate Report

The Independent Environmental Monitoring Agency has reviewed the Ekati 2013 Reclamation Security Estimate. Overall, the report appears to be a reasonable use of RECLAIM to generate a reclamation liability estimate. It was reasonably easy to follow the thread from the ICRP through to the cost estimates. The activities and assumptions regarding the operational requirements and costs appear reasonable with some further comments below and in the attached comment table.

However, the Agency is concerned that the process to arrive at a financial security estimate dragged out far too long and is now significantly shortened. It would have been much better to resolve a number of potential concerns and issues through discussion amongst all the interested parties, as intended in the original schedule produced by BHP Billiton in March 2012.

These are the main high-level concerns of the Agency with the cost estimate:

- The Agency is unsure how cost escalation over time (CPI or inflation) was calculated in the report.
- There does not appear to be any transparent costing of the reclamation research plans.
- Regulatory costs do not appear to have been included for processes related to preparation of a final Closure and Reclamation Plan and other design amendment or approval during the post-closure phase.

The Agency will be in a better position to make representations on the distribution of financial security across the available instruments including the water licence and

Environmental Agreement following discussions amongst all the parties, as intended in the original schedule. We would appreciate the opportunity to make our views known as Aboriginal Affairs and Northern Development Canada reports on its review of the Ekati Reclamation Security Estimate Report and the review conducted by Stratos of financial security under the Environmental Agreement.

We thank you for the opportunity to submit comments and we would be happy to discuss them with you and others at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "W.A. Ross". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Bill Ross
Chairperson

cc. Society Members
Bruce Hanna, Fisheries and Oceans
Lisa Lowman, Environment Canada