



Independent Environmental Monitoring Agency

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Marc Lange
Manager of Environment and Conservation
Aboriginal Affairs and Northern Development Canada
Box 1500
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Dear Mr. Lange

The Agency has had an opportunity to review Dominion Diamond Ekati Corp. (DDEC) 2012 Annual Environmental Report and the plain language summary. While reviewing these documents, we were also mindful of the full Wildlife Effects Monitoring Program (WEMP), Aquatic Effects Monitoring Program (AEMP) and Panda Diversion Channel (PDC) monitoring reports for 2012.

We note that there has not been a response from the company to the comments we submitted on the 2011 Annual Report. We had hoped this was available prior to filing this year's comments.

The Agency is of the view that the 2012 Annual Environmental Report is satisfactory and that the information provided is adequate, including the description of remedial actions taken or proposed in respect of impact or compliance problems.

The Agency makes the following general observation with a view to improving future Annual Reports.

2012 Environmental Agreement and Water Licence Annual Environmental Report

- Page 12, DDEC reports that several audits were carried out at Ekati but does not provide any details on the findings and whether further improvements were made to environmental management. This is part of an adaptive management system, the premise for the mine's operation under the Environmental Agreement. We have consistently raised this issue of the failure to provide any details on the audit findings and outcomes. While the company deserves credit for conducting the

audits, it only seems logical to report some details and how environmental management has been improved as part of adaptive management.

- Page 13 describes the habitat enhancement undertaken on the Panda Diversion Channel but it is not clear when the remaining work in the canyon stretch will be completed.
- Page 14 shows freshwater use at the mine. The figure for January 2012 for Grizzly Lake is almost twice the amount for any other month. Is there an explanation for this difference?
- Page 18, Table 5 notes state that pumped underground water from Panda and Koala is reported as a single number in the SNP report since October 2012. Is there an explanation of why this is being done and what the significance of October 2012 may be?
- Page 28 discussion of spills and unauthorized spills and accompanying Appendix B is interesting but there should also be a discussion of any lessons learned or intended spill prevention measures as part of adaptive management.
- Page 30 mentions that AANDC inspection reports are available on the WLWB public registry dates for the actual inspections would be more helpful (and possible links to the inspections on the WLWB public registry). The bullet list of areas inspected is helpful but findings or any corrective actions recommended should be added to meet the intent of the Environmental Agreement (i.e., a description of remedial actions).
- Page 31 states that AANDC issued a lease renewal for the Pigeon Pit and Facilities in the fall of 2012 (76D/10-7-2). There is also a reference to a land use permit for the Pigeon area. We would appreciate some clarification. A map and a copy of the lease renewal for the Pigeon area would also be helpful.
- Pages 34-36 WEMP Summary states that the camera results can be interpreted as follows: “*Deflections occurred, but infrequently. Of the caribou that attempted to approach or interact with roads, approximately 7.9% (19/242) displayed an adverse reaction (deflection or running from the road) as opposed to a positive reaction (crawling onto or crossing the road)*”. This should be clarified to note that the 8% deflection rate is drawn from those caribou that are close enough to trigger the cameras (<20-30 m and angled generally parallel to the road), and likely does not represent all caribou that attempted to approach the road. For example, the cameras will likely not detect if a caribou approaches but deflects 50 m away from the road.
- Page 37 and Appendix E provide some details on reclamation research undertaken in 2012. On June 25, 2013, the Agency requested copies of the completed literature reviews (e.g., use of TK in general closure planning, lessons learned from BHPB-sponsored TK projects and work, pit backfilling, wildlife barrier design) but have received no response to date.

- Page 86 mentions that a small amount of kimberlite in the northeast section of the Panda-Koala waste rock pile and waste rock used for the Sable Road are causing impacts on water quality. What are the remedial measures that DDEC is carrying out?
- Pages 91-104, Appendix D Aquatic Effects Monitoring Program Summary provide an extensive overview of the program and results. There is significant duplication in the descriptions of the AEMP for the two watersheds and we wonder whether there may be some opportunities to better summarize the key results from the AEMP in 2012.
- Page 109, Appendix E Summary of Reclamation Work states that the Preliminary Modelling Predictions of Water Column Stability and Water Quality in Pit Lake Report as to be delivered in early 2013. We look forward to receiving this report soon.
- Page 112 mentions the need for another round of groundwater sampling but provides no further details such as when this work will be done, distribution of the report and its implications for proper closure planning.
- Pages 118-119 discuss the pilot project design for a cover on the LLCF. The Agency understood that this work would begin in the summer of 2013. DDEC should provide details on a schedule for completion and reporting on this important closure work.
- Page 137 Appendix G Wildlife Effects Monitoring Program Summary states that 76% of the internal company inspections found food packaging at the Ekati landfill. This appears to the Agency to be a relatively high occurrence. What remedial measures is DDEC taking?
- Page 138 Appendix G 2012 Wildlife Effects Monitoring Program Summary makes the following observation about caribou: *“During 2012, the behaviours of 69 individual caribou were observed near Ekati. Caribou spent the majority of their time (67% for males, 64% for females) either bedded or feeding. Results are consistent with those observed in 2011, which suggests some level of tolerance for areas in proximity to the mine. Consistency in results between years does not indicate tolerance, since comparison of activity levels with control areas far away from the mine are is not presented.*

2012 Environmental Agreement and Water Licence Annual Environmental Report Summary

We also reviewed the plain language version of the Annual Report. We found this to be a helpful and well organized document. The photos and graphics are well done and the definitions in the text boxes are a welcome new addition. We offer the following comments:

- Page 7 of the summary report states that Aboriginal people had participated in the AEMP's fish sampling program with BHPB staff “to observe and comment on new sampling techniques”. Neither the AEMP report nor the full Annual Report makes mention of this involvement. It would have been helpful to document what the feedback was that the Aboriginal participants had given the company biologists. Were there methods of fish monitoring that could have been improved or added to, according to the community participants? This could be another example of how the company uses TK in environmental management at the site.
- Page 9 provides the following definition: “Reclamation restores parts of a mine site to a natural or productive state once they are no longer needed.” The Agency assumes this means biologically productive. It is also not clear what parts of the Ekati site are covered by this definition.
- Pages 13-14 discuss downstream impacts from the mine but do not mention the shifting plankton population dynamics, the likely cause or the remedial measures that the company intends to take.
- Pages 16-19 duplicate the downstream water quality tables from the Annual Report. It may be more helpful to summarize the main points from the tables or to simplify them.
- Page 17 does not mention that portions of the waste rock piles are not freezing and what remedial measures the company intends to take.

We look forward to DDEC’s timely response to our comments. We would be pleased to discuss these comments with DDEC and others to ensure improved public reporting and environmental management at Ekati.

Sincerely,



Bill Ross
Chairperson

cc. Society Members

Mark Cliffe-Phillips, Wek’eezhi Land and Water Board

Bruce Hanna, DFO

Lisa Lowman, Environment Canada