

***7th Environmental Agreement Implementation Meeting
Yellowknife, NWT
June 19, 2009
Summary of Discussion***

Revised: September 29, 2009

Participants

Tim Byers, Independent Environmental Monitoring Agency
David Livingstone, Department of Indian Affairs and Northern Development
Lionel Marcincoski, Department of Indian Affairs and Northern Development
Gavin More, Government of the Northwest Territories
Kevin O'Reilly, Independent Environmental Monitoring Agency
Bill Ross, Independent Environmental Monitoring Agency
Lorraine Seale, Department of Indian Affairs and Northern Development
Laura Tyler, BHP Billiton Diamonds

1. *Selection of Chairperson*

Laura Tyler was selected to serve as the chairperson for the meeting. The purpose of the meeting as set out in the Resolution Agreement was reviewed. There were no changes made to the agenda.

2. *Minutes*

The minutes of the January 12, 2009 were reviewed and accepted by consensus.

3. *Agency Presentation on Communications*

Bill Ross presented the Agency's communications responsibilities and initiatives over the last year and those planned for the current year. The Agency will circulate the 1998 Communications Protocol prior to the next meeting for further discussion of any changes that the parties may believe are necessary.

The Agency's timeline web project that is currently under development was shown at the meeting.

Laura mentioned that there have been some changes in BHPB staff. Charity's position will be backfilled by Andrew for the duration of the maternity leave. John Bartlett has taken a one-year contract to be the on-site wildlife coordinator. A new compliance position is being created in Yellowknife with Jamie Steele filling the position. Leslie and Julie have requested other positions within BHPB and recruitment has begun.

4. *BHPB Presentation on Communications*

Laura provided a presentation on the status of mining operations and communications. BHPB is investigating ways to extend the mine life to 2040 by reducing production costs that would make lower grade ore bodies economical. Current production costs are down to about \$63 per tonne with hope of reducing it to \$50 per tonne.

Diesel plant operations and maintenance has been reorganized down to one department. Wind power is again under consideration but turbines are difficult to acquire now. Alternative energy sources are also being investigated, dependent on the life of the mine. No decision has yet been made on whether to go underground at Misery.

Diamonds have experienced a 40% drop in price and a 50% drop in demand globally. A number of scenarios for future operations were evaluated in light of the current economic downturn. As Ekati was already well on the way to reducing production costs, it was decided to maintain this course. Management has agreed to a wage freeze although the unionized workers did not. Further actions may be necessary at some point in the future.

New mining technologies are being investigated including some German-made surface strippers and possibly underwater mining.

There was some discussion about BHPB's goal of 'Zero Harm'. It is easier to apply to its work force than to the environmental impacts of its operations.

Laura reviewed some of BHPB's upcoming communications efforts including the 2009 Environmental Impact Report meetings at site, and the three-year review of the Aquatics Effects Monitoring Program (AEMP). The Yellowknives Dene First Nation are scheduled to make a site visit July 14, 2009. No archaeological work was done this past summer as there was no expansion of the site footprint.

David Livingstone asked about whether BHPB had considered protected areas status for the narrows between Lac du Sauvage and Lac de Gras. Laura replied that the company has not done an archaeological assessment of the area but some financial assistance from government with such work would be helpful. The area appears to be a major caribou crossing area with Diavik now on the island. The narrows area would also be the most likely location of any power lines that might be built to the mines from hydroelectric sites to the south. All of these considerations would need to be included in any discussion of this as a protected area.

5. Agency Presentation on 2008-09 Annual Report

Bill gave a presentation on the Agency's recommendations from the forthcoming 2008-09 Annual Report. He mentioned that a couple of the recommendations were modified slightly to be clearer and more accurate based on some feedback from BHPB. In particular, the work in reviewing water quality standards for the NWT would be helpful in reviewing effluent quality criteria during the next renewal of the Ekati water licence but would not be the basis for setting the criteria. The role of GNWT in coordinating,

rather than leading, the review of the diamond mine wildlife monitoring programs was also recognized.

Laura mentioned that the costs and expectations around the wolverine hair snagging program were not made clear at the beginning. The company has now set aside the needed funds to carry out the programs in 2010.

Gavin suggested that it would be better in the future to send Agency Annual Report recommendations directly to the Deputy Minister rather than to individual divisions within Environment and Natural Resources.

David Livingstone mentioned that DIAND would be distributing the first of a series of rolling drafts of the AEMP guidelines next week. He also said that there appears to be multiple federal guidelines now on mine closure.

Gavin indicated that the Mackenzie Valley Environmental Impact Review Board will be working closely with GNWT on species-at-risk guidelines to be used as part of the environmental assessment process in the Mackenzie Valley. He also mentioned that the GNWT had recently ratified its own Species at Risk Act legislation.

6. Other Business

No other business was raised and the date for the next meeting, likely January 2010, was not set.