

**Independent Environmental Monitoring Agency
98th Meeting of the Board of Directors
Yellowknife, NT
September 12-14, 2017
Summary of Discussion**

Directors

Jaida Ohokannoak
Emery Paquin
Kim Poole
Tim Byers
Ron Allen
Jesse Jasper

Staff

Marc Casas, Executive Director
Jessica Simpson, Communications and
Environmental Specialist

Tuesday, September 12, 2017 - Site visit to Ekati Diamond Mine.

Copper Room – Ekati Diamond Mine, 6:30 pm.

Misery Underground (MUG) Presentation by Dominion Diamond Ekati Corporation (DDEC) – Claudine Lee and April Hayward.

DDEC presented to the Agency the details of the Misery Underground Project (MUG), including the site plan. A key component is the water management and how the timing fits with other related projects such as Lynx, Desperation Pond, Misery and Jay Project.

- The water licence amendment application was submitted to the WLWB August 2017. DDEC has been to all communities, except for Gameti, and have had working groups with community members to overview MUG.
- MUG would extend the life of the mine by one year. It is a smaller project with high quality and high carat diamonds. It would also create an economic bridge between Misery and Jay Project because it will feed the mill until Jay Project is ready and it will help DDEC to keep its skilled workforce.
- To accommodate MUG, DDEC will need to expand the Misery Camp, create an access portal to underground operations, extend the power transmission line, pipelines for water management, and modify the King Pond Settling Facility.
- The use of road trains was discussed. It was roughly calculated to be 5 additional trucks a day for 3 years. The increase in traffic was not mentioned in the application.
- DDEC gave an overview of how mine water management plans will need to be adjusted.

- DDEC expects environmental approvals and permits in 2018. End of Misery open pit and beginning MUG construction in 2018. Early operation of MUG 2019. Mug Closure 2022. Start of Jay closure activities 2035.

The Agency and DDEC discussed the WROMP 7.0 and Pigeon Expansion Design Report.

- The Agency's review comments submitted August 8, 2017 made a recommendation to WLWB that the WROMP 7.0 and associated Pigeon Waste Rock Storage Area (WRSA) Expansion not be approved. DDEC does not agree with the consultants' report the Agency put forward that support the recommendation, but did not provide any comments or rebuttals on our technical comments. DDEC is concerned about how other groups rely on our reviews.
- The Agency has raised these concerns for other waste rock facilities since the start of the year and has not heard an adequate response to the actual concerns raised.
- To improve communications between DDEC and the Agency, DDEC will be sending a quarterly update, starting at the end of September. DDEC also proposes to host a workshop on all waste rock storage areas.
- DDEC would like to be informed if the Agency will be making a request for an extension on comments because extensions affect their operations workplan and designs.

The new Fox Deep project was discussed.

- The Agency is concerned that we heard about the Fox Deep from the media. Claudine clarified that legally, DDEC cannot talk about future work unless there is a press release, because it can be considered insider trading. There was also a mistake in the newspaper. The newspaper reported that "the board" approved the Fox Deep. What DDEC's press release actually said is that DDEC's board approved the funding of Fox Deep, not the WLWB.

The sale of DDEC to Washington Corp was discussed.

- Washington Corp is moving forward with their plan to purchase DDEC. The transition team is currently working with GNWT, Canada and Aboriginal leaders to get all of the approvals in place. Once the sale is approved, likely at the end of October, it will be "business as usual." DDEC will be under the group of companies of Washington Corp. There will be a shareholder meeting next week (Dominion Diamond Corporation share holders) where there will be a vote on the sale of the mine.

AGENCY BUSINESS

Thursday September 14, 2017. Meeting Chaired by Jaida. Start 8:35 am.

Information Updates: Since the last board meeting March 2016, Directors have reviewed MUG project amendment application, Potassium amendment application, WROMP 7.0, and the 3-year seepage report. They have also worked on the Agency's 2016-17 Annual Report, and attended Environment and Climate Change Canada's webinar on the Metal Mining Effluent Regulations. The agency is also looking into new office space or making some renovations.

There will be a Zone of Influence Technical Task Group meeting put on by GNWT in October; the Agency plans to attend.

Membership: The appointee from North Slave Metis Alliance (NSMA) has advised the Agency of his intentions to resign. The Agency will seek a formal letter outlining the status of NSMA membership.

<p>Action Item #1: The Agency will send a letter to the NSMA regarding a new appointment.</p>
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Correspondence: Directors reviewed incoming and outgoing correspondence since the last board meeting, March 2016.

Action Items: Directors reviewed Actions Items from the last board meeting, March 2016.

Financial Items: Directors reviewed and discussed the variance report for September, 2017. The report represented year to date expenditures up to August 31, 2017.

Directors also discussed the annual report writing. The Agency saved money by using a copy editor because Directors spent less time reviewing. Directors also liked combining the Annual Report Writing Session with a community visit. Spending a week in a community gave Directors more time to review each other's work and not be so rushed. The community also took notice of the Agency, which facilitated some conversation with community residents.

ITEMS FOR REVIEW

Changes to the Environmental Agreement: The GNWT sent around the proposed changes for another round of consultation as requested by the Agency at the Environmental Agreement Implementation meeting June 2017.

Misery Underground Amendment: Directors received the overview during their site visit to Ekati Diamond Mine. Comments are due October 11, 2017. Internal comments will be due September 28, 2017.

Potassium Amendment: The limit for potassium has been exceeded downstream of the Long Lake Containment Facility (LLCF), but not within the LLCF. Before approving a higher EQC, the WLWB wants to know why this is happening. DDEC thinks it is because of thicker ice in Leslie Lake than in Cell E of the LLCF at the time of sampling, resulting in higher salt levels in the water beneath the ice, and now the WLWB wants to know what parties think.

COMMUNICATIONS UPDATE

The Agency's 2016-17 Annual Report are now available electronically. The plain language version is currently being printed and will be available shortly.

Action Item #2: The Agency will notify recipients that these are now available electronically on the Agency website.

Directors approved to have the Agency's promotional video translated into the Aboriginal languages and French.

M98 - 1: Motion to approve the expenditure to translate the promotional video into the Aboriginal languages and French.

Moved by Emery and seconded by Tim, carried without objection.

PRESENTATIONS

Wek'eezhii Land and Water Board (WLWB) – Sarah Elsasser, A/Executive Director

The Agency and the WLWB had a discussion on how comments, letters, and consultant reports are handled as evidence and weighed by the WLWB.

How comments are reviewed:

- Anything submitted to the WLWB has to be considered. Once the review's comment period is closed, a question of procedural fairness could be raised if the WLWB was to consider any new submissions.
- The WLWB makes decisions by looking at all of the responses and evidence. If further clarification is required, the WLWB may seek further information from the proponent or the party. There is a mechanism to clarify or seek additional information.
- If anything submitted were to be submitted after the formal review period but before the WLWB makes a decision on a review item, WLWB would then have to go back to the proponent for their response, which could affect the timing of the review.

How consultants' reports are considered:

- The WLWB specifically looks at the recommendations made by reviewers in the comment table. The consultant's report provides more content necessary to back up the recommendation. The views outlined in the consultants' report are not necessarily viewed as the party's position unless it is stated in the party's cover letter.

The Agency wanted to know how the WLWB defines a "receiving environment".

- The WLWB is in the process of clarifying what 'receiving environment' means because it is not clear. The WLWB may make a recommendation to the GNWT to review the *Waters Act*. There was a discussion on what natural aquatic environment is. Sarah suggested that small streams and wetlands are not exempt from the definition.

Government of the Northwest Territories Inspector - Marty Sanderson

The GNWT inspector and Agency Directors discussed requirements for covering waste rock piles, caribou crossings, and the bone yard and laydown areas of the mine site.

- The Agency is concerned that there is a large face of exposed waste kimberlite at the Fox Waste Rock Storage Area (WRSA) that is eroding because it does not have a cover on it. The Agency asked what are the company's requirements to cover it. The inspector doesn't seem to think that this is an issue, as it is not affecting the environment around it, and can be addressed in closure and reclamation.
- The caribou crossings along the Sable Road and Jay Road were discussed. During the site visit, Directors visited the Sable Road where they saw over 100 caribou. 72% of the Jay Road is planned to be sloped for caribou crossing, compared to Sable Road where there are only a limited number of designated crossings.
- During the site visit, some Directors spoke with members of the Traditional Knowledge Elders Group (TKEG). TKEG said that DDEC committed to installing another crossing where the TKEG were observing caribou on the Sable Road.
- The inspector spoke about his observations of the "bone yard." There are a lot of unused vehicles that have been there for a long time, and since they are not being used for parts, they should go. The company has committed to moving a lot of these off site in the near future. Progress has been made in this area and items are being shipped off site.
- The inspector mentioned there are several laydown areas throughout out the facility and DDEC will soon be doing an inventory to see what is there.

- There was a discussion on what kind of material will be left underground at closure, such as mining machinery and vehicles (mobile equipment, rock breaker and conveyor system). The inspector has seen this at other mines, like Con Mine and Snap Lake. Transportation vehicles go underground after the underground operations are done. If they drained all fluids and took everything that is not inert, it would be ok. Marty, thinks that they will leave whatever has no salvage value. This issue needs some clarification.
- The inspector said that DDEC has a pretty clean record. With the new company taking over ownership of the mine from DDEC, GNWT was told they will basically be keeping the same environmental awareness and effort into maintaining what they have now. After inspections, a Close Out Meeting is held at site, to discuss what inspectors saw and DDEC instructed to address any issues found by the end of the week.

OTHER BUSINESS

Site Visit Debrief

Directors thought the visit went very well. It's the first time Directors saw all "four corners" of the site in a while. The discussions were all useful, and it was good to see the construction of the Jay Road and drive the Sable Road.

Directors also discussed the evening discussions with DDEC officials with respect to the Agency's response to the WROMP 7.0 Pigeon Expansion Project. Directors agreed the Agency's independence should not be compromised in any manner. It was also agreed that all Agency correspondence and consultants' reports must continue to maintain a high standard of integrity and professionalism.

Action Item #3: The Agency will submit a letter to the WLWB to respond to DDEC's letter questioning the Agency's credibility and integrity.

The Agency thinks that receiving quarterly updates from DDEC is a good idea, especially since DDEC's head office has moved to Calgary.

Update of Admin and Personnel Policies

The Agency is to review these policies on an annual basis, but it has not been done in a comprehensive manner since 2009. Some policies will need to be approved because there is no record of their initial approval.

Staff will review each policy (including appendices) listed in the Agency Policy Binder to ensure they are updated by mid-November so that Directors can review them before the December board meeting. Directors should also look at them to make sure they are familiar with each policy. It is in the Business Resumption Policy that the Agency needs to have offsite data storage and everything needs to be digitized in case of catastrophic destruction of our office or its contents (due to fire, etc.). Staff will look into how we can store our files off site.

Action Item #4: Staff will review each policy, including appendices listed in the Agency Policy Binder by mid-November and ensure that they are located in one place (Agency Policy Binder and a folder in Dropbox).

Action Item #5: The updating of administration and personnel policies will be placed on the Agenda for the Agency's December meeting.

Action Item #6: Staff will look into how the Agency can store files off site.

Dates for December Meetings:

December 5 - Environmental Workshop, Board Meeting,

December 6 – Annual General Meeting and Open House.

December 7 – Board Meeting.

Environmental Workshop topics:

Environmental Workshops are capacity building exercises, and cover a topic from a variety of different speakers and aspects. They are not to receive input, but more of a learning tool for our Aboriginal Society Members. Waste rock as a probable topic was discussed. No topic was specifically agreed on. The workshop topic will be finalized via e-mail.

Office Renovations:

The Agency is looking into office renovations. The Agency received an interior design quote that went well above the budget. The Agency's landlord has also agreed to cover the cost of many of the changes requested by the Agency except for the new floor.

An office down the hall has recently become available and it has most of the features the renovations are intended to address. The issue with moving offices is the joint boardroom space that is currently shared with EMAB. The directors viewed the available office space.

A final board decision was not reached regarding the next step for the reno's. This will be communicated by email.

Meeting adjourned at 5:05 pm on September 14, 2017.

Kim Poole

**Summary of Discussion Approved by
Kim Poole, Secretary Treasurer**
