

***Independent Environmental Monitoring Agency
34th Meeting of the Board of Directors
Yellowknife and Ekati, Northwest Territories
May 30th to June 2nd, 2003
Summary of Discussion***

Directors

Red Pedersen Tim Byers
Bill Ross Tony Pearse
François Messier

Staff

Carole Mills Sean Kollee

The meeting was called to order by the chair at 8:45 am, Sunday June 1st, 2003. A meeting on the BHPB air quality-monitoring program occurred on the afternoon of Friday May 30th and was attended by representatives of the Agency, RWED and Environment Canada. The site visit occurred over a two day period (Saturday May 31st to Sunday June 1st), and included inspections of Fox Pit, the tank farm and dewatering line, the explosive storage area, the landfarm, a helicopter tour of the Pigeon culvert, waste rock pile and pits, the Misery Pit, Lynx Lake, and the Lac de Gras winter road access point.

The agenda was reviewed and the following additions made:

- Progress report on Agency meeting with Environment Canada and RWED on the air quality monitoring program
- Request for input on Misery atomization monitoring program from Steve Harbicht (Environment Canada)
- Review of the Agency presentation for the Ottawa diamonds conference
- The Agency Cc. list for formal correspondence
- Ekati Water Licence renewal
- For meeting with BHPB – Air quality update, securities, plain English Impact Report, data availability, reclamation/closure criteria

Information Updates:

Red – He met regularly with KIA members, and reviewed Agency internal communications. The environmental assessment hearing for the proposed Tahera Diamond Mine was adjourned due to deficiencies in the EIS identified by participants.

François – He has been involved with financial affairs such as ensuring the audit is complete, and was contacted during the Snap Lake hearing regarding caribou behaviour and for grizzly bear survival. He mentioned the amount of grizzly bears that can be

removed without jeopardizing the local population of the species could be as low as ‘one-third’ of a grizzly bear each year in the study area.

Tony - He is going into the Dogrib communities for official consultation on Colomac reclamation activity and will also attempt to provide an Ekati update where possible.

Tim – He was involved with the De Beers Snap Lake public hearing. At the hearing the Agency was mentioned by Jean Teillet (the lawyer representing the Dogrib delegation) whom incorrectly stated that a 5-7% reduction in caribou numbers was identified in Ekati area, rather than 5-7% reduction in feeding time for caribou cows and calves referred to by François. Both recent diamond mine applicants (De Beers and Tahera) believed that caribou do not pass through multiple projects during migrations (northern Contwoyto Lake, Lac de Gras and Snap Lake), therefore suggested that each project will not contribute to cumulative effects on caribou. RWED presented contrary evidence that individual caribou may indeed pass through all 3 areas in a single migration.

Bill – He has been preparing a presentation for the Ottawa Sustainable Development in the Diamond Sector conference and reviewing Agency annual report drafts. He also mentioned the upcoming 2004 IAIA conference in Vancouver.

Carole – She met with Chris Hanks (BHPB) and discussed the IEMA-EMAB Traditional Knowledge (TK) workshop. BHPB agreed to list projects funded by BHPB and shorten the delivery period of the plain English report. Chris is considering a caribou workshop and wolverine TK-science workshop. GeoNorth (The Agency’s consultant involved in facilitating and documenting the TK workshop) delivered the TK workshop summary report. Agency input was considered in preparing the report. She met with Jane Howe to discuss how site visits should occur and with Zabey to discuss the upcoming water licence renewal process. She also participated in a Diavik site visit along with EMAB Directors and made them aware of the extent of technical project review undertaken by the Agency.

Sean – He discussed his attendance at a DFO meeting on a policy for diamond mining, the results of an intensive semi-annual web tracking effort and the replacement of office equipment and other year-end upgrades and purchases.

MEETINGS WITH OTHERS:

Meeting with RWED and EC - *Graham Veale and Dave Fox*

Air Quality Monitoring Program

The Agency met with Graham Veale (RWED) and Dave Fox (Environment Canada) to discuss the BHPB Air Quality monitoring program. Two major improvements will be suggested to BHPB by the Agency to improve the program and a third considered.

1. Relocation of one or both of the high volume air samplers (HVAS). The HVAS on top of the accommodations building does not provide an accurate portrayal of emissions from the mine because ambient air quality cannot be monitored within the zone of

operation. The HVAS located at Grizzly Lake is potentially affected by the proximity of a diesel generator and should receive consideration for relocation.

2. Re-do or revise the air quality model prediction in the 1995 EIS. BHPB should revisit its model and update Ekati's volume of emissions. Predictions made in 1995 are not reflective of the current expanded mine operation. BHPB should consider the potential cumulative impact with Diavik in the model. It should also include appropriate parameters, PM10 and PM2.5, and also gaseous emissions, NO_x and SO₂. Modeling should occur at a 'near field' boundary point outside the active mine area as well as at the current 'far field' claim block boundary.

Other air quality issues discussed by the meeting participants

- BHPB should also consider an annual emissions inventory to ensure the modeling predictions are based on factual information.
- The standard deviation of wind direction and the importance of quality wind direction data to the model were discussed.
- Snow cores and lichen sampling were mentioned as valuable techniques to estimate loading into the watersheds but cannot yet determine the extent of deposition.
- Dave and Graham mentioned they have not yet submitted comments in writing to BHPB but did appreciate the SENES consultant report. They also believe the new BHPB consultant (Dr. Greggor) demonstrated a high technical capacity.
- Ambient air quality standards emphasize the need not to pollute up to a given standard but to minimize impacts using feasible technology.
- 4000 tonnes of NO_x and 200+ tonnes of SO₂ are produced each year by the mine but the dispersion ability of the atmosphere at the site is unclear.
- Fuel volumes combusted are known but the diesel contains a high proportion of particulates and fugitive dust from roads and stockpiles are the major concern.
- Ammonia, NO_x and SO₂ are precursors to secondary particulate formation. The Misery atomization project has the potential to impact air quality due to the air stripping of ammonia. Steve Harbicht (EC) has requested input on monitoring of the atomization program.
- The asphalt plant emissions – high temperature thermal desorption, a process using heat to volatilize hydrocarbon-contaminated material is proposed by BHPB as a means of treatment at Ekati. RWED and EC have concerns with fugitive emissions from the asphalt plant stack.
- Snow deposition – snow doesn't scavenge air pollutants as well as wet precipitation and pollutant chemistry changes within the snow pack and as the snow is moved by wind. Nitrogen-based contaminants are particularly unstable in snow and ammonia volatilizes quickly.

Internal Follow Up Meeting

The Directors discussed the meeting with RWED and EC and reviewed the list of potential recommendations. It appeared to the Directors that BHPB is not prepared to respond to the SENES report at this time but a letter containing recommendations should be delivered to BHPB.

Action Item #1 – The Agency will send a letter to BHPB containing recommendations for the BHPB Air Quality Monitoring Program.
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Meeting with BHPB, Jane Howe, John Witteman, and Allison Armstrong

Organizational structure of BHPB

Jane mentioned BHPB's new organizational structure. Ian Goodwin is now Manager of Environment, Community and External Affairs. Ian reports to Jim Excell (President). Jane agreed to keep the Directors up to date on BHPB's organizational structure.

Highlights of current mine activities

Panda and Koala Pits - Diamonds are now nearly completely removed from the open pit of Panda. Approximately 300 metres of excavation have occurred. The pit will now become an underground mine, likely in 2005, when the Koala North underground shaft is connected at the bottom of the pit. Freshet water has collected in the bottom of the pit. An ore pass will extend from the bottom of Panda to the process plant via a conveyer belt and crusher (both underground) so no trucks will be necessary to move the ore. Koala pit may also connect to the conveyer belt. Reclamation will include pit lakes (flooding of empty pits). Beartooth may be backfilled with kimberlite with surface restoration.

Fox Pit and Dewatering - Waste rock stripping has begun and ore will be removed in 2006. Most of the larger trucks have been moved to Fox Pit for stripping of the overburden. It is undetermined as of yet where sump water will be disposed. BHPB plans to use cell D of the LLCF for processed kimberlite containment eventually, depending on the ability of BHPB to deposit processed kimberlite back in the empty pits.

Dewatering of Fox Lake will continue until November. Two ponds that the original waste rock pile would have buried are flowing into Fox Lake at this time. BHPB has the authorization to divert ephemeral streams associated with Fox Lake and approval to stop flow from entering Fox Pit (a safety hazard if rock fall occurs into the pit). Water from the ponds will be pumped to the old settling pond from the Fox portal, through a trench and silt curtain and monitoring station to ensure there is no erosion or exceedence of discharge criteria into One Hump Lake.

Beartooth Pit - Dewatering of Beartooth Lake is continuing. Bearclaw Lake will be decanted to mimic the natural freshet. Its initial discharge will be into Beartooth Pit until BHPB is sure that the water meets discharge criteria (there may be disturbed sediments from the jetty construction). Beartooth Lake water was discharged to the LLCF only and this was completed in 4 days. Beartooth Lake contributed 60,000 m³ to the PDC before development occurred. Bearclaw jetty was modified slightly compared to the original drawings. The frozen core

dam as-built design is not yet available. Dam construction began on January 24th, 2003. BHPB ran out of cold weather slightly earlier than it expected. The MVLWB requested the dam be built to contain a one-in-a-thousand-year flooding event. BHPB is attempting to maintain the Bearclaw Lake at its historic level and avoid creating lethal fish habitat by drawing down the water too low.

Misery Pit and Atomization project – Operations continue at 1500 tonnes of ore per day but less actual mining is necessary because large volumes of waste rock have now been removed from the pit. Misery ore is more difficult to process plant because it has higher metals content so it is blended with ore from other pits during processing.

BHPB noted that the pilings for the atomization towers and two ground temperature monitoring cables are installed at the site. Progress on the draft monitoring program has occurred through a conference call with EC and the Inspector to go over the proposal. The proposal is due to the MVLWB next week, covering soils, bacteria (quantitative studies on two main types), chemistry, and vegetation change in composition and uptake, and water quality. BHPB's impression was that EC was developing the program not BHPB, but now BHPB is developing it with its consultant (Rescan). EC requested involvement in the monitoring and has a project through the U. of Sask. July 15th is the planned start-up date. It will be turned off before the temperature drops and will not reach its discharge allowance of 100,000 m³ total for 2003. BHPB will not be pumping water from King Pond at the same time it is spraying to ensure results of the monitoring program are not affected. Once spraying is complete, it will begin to pump discharge water from King Pond. Therefore there will be no snow production this year. The air quality monitoring program development will wait until EC and RWED submit comments. The SNP station from Cujo Lake will be at the point of entrance from the wetland runoff. However it will not be so shallow that a drop in water level would prevent sampling. At the current time the monitoring requested by the regulators could be too costly, causing BHPB to shut the atomization project down.

Recent construction – The accommodation building was extended to offer 90 new rooms totalling 615 rooms in a variety of wings and trailers including the Misery camp.

Fox tank farm spill – 60,000 litres of diesel was spilled. Of that, 30,000 litres were recovered quickly by BHPB. An overflow valve was installed upside down according to manufacturer specifications and fuel drained into the bermed area. Darnell McCurdy (DIAND) inspected the area earlier in the week of May 23-31st. Excavation of fill could not occur until thawing has occurred and potential remains for a sump pump to be installed.

The Directors mentioned that the number of spills being reported has increased. The Agency asked if there were more spills at Misery than at main camp.

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BHPB responded that the number of spills is not necessarily higher, but the reporting of spills has increased. Machine operators are now more likely to take corrective action by reporting and cleaning up spills. Spills in pits are now considered reportable spills but the high number must be improved upon. BHPB mentioned the main site has improved but is unsure if Misery has. As most spills in pits are hydraulic lines, BHPB is looking at the hoses that are most vulnerable to help direct preventative maintenance.

Exploration camp- 1600 empty fuel barrels went out on the winter road in 2003.

Power smart and water smart programs – BHPB has saved >1 million litres of diesel. Motion detector lights and avoidance of unnecessary plugging in of block heaters and idling has contributed to the savings. The water smart program intends to reduce fresh water use and utilize reclaimed water for camp use.

Norm's Camp contaminated material and asphalt plant – John Witteman (BHPB) committed to provide data on the asphalt plant and written confirmation of the fate of the contaminated material at Norm's Camp.

BHPB engineers have added a new term to their dictionary, 'design for closure'.

ISO14001 – Obtaining ISO 14001 certification by BHPB is nearly complete. Certification will likely occur at the end of June 2003.

Consultation at Aboriginal communities, site tours and assemblies - Elders from Gameti and Whati came to the site for a visit. Gameti and Whati (Dogrib), Dettah and N'Dilo (Yellowknives Dene) participated in a BHPB consultation visit and information presentation. BHPB has not been to Rae, Kugluktuk or Lutsel K'e so far this year. All communities were invited up to site for the caribou migration. John Bekale has mentioned there is difficulty in getting into the communities for BHPB. The people are apparently over consulted and time constraints exist. Many other tours are planned for the summer including a joint community representative's tour and a trip for land and environment committee members of each of seven aboriginal communities, IACT and the MVLWB. BHPB plans to attend four annual treaty assemblies this summer.

The community people appeared to be unaware of many details of the project. In Dettah the people were interested in the nurses' responsibility to monitor worker health and in impact benefit agreements (IBA's) rather than environment issues. BHPB mentioned that reports are often submitted to it after site visits by the lands and environment committee's of the aboriginal parties.

The Directors commented it is also the Agency's responsibility to bring the concerns of its members to BHPB and that the Tlicho council had been bypassed by BHPB entering the communities.

Recently approved reports/plans- BHPB presented a table of the many plans and reports that have been approved and others that remain outstanding for the mine.

PDC- BHPB is working with Ian Birtwell (DFO) and David Janz (University of Saskatchewan) on biochemical measurements of estimating fish survival in the PDC. The technology uses larval fish to examine lipid concentrations and estimate potential survivability based on fat reserves for the eight-month closed water season. Fish sampling from Kodiak Lake is planned to occur in 2003 because 2002 AEMP data is not sufficient (few arctic grayling were captured due to the fishing technique). BHPB may also examine the archived otoliths to look at pre-PDC and post-PDC growth rates. At the BHPB February 2003 environmental workshops there was discussion of suspending benthic invertebrate sampling in 2003. Hydrology data recording and habitat assessment would also be reduced. Those resources would be switched to larval emergence and fishing in Kodiak Lake for grayling. The PDC 2003 program is not finalized yet and DFO will have final approval of the program. BHPB is moving ahead with the fish box and the collection of size and abundance of young arctic grayling. The reference stream is also critical to the new program (Polar-Vulture Stream). Nick Jones also used this stream in his research. The cost of the new program must come out of reductions in the old program. The PDC 5-year synthesis report has not been received.

New research initiatives – BHPB may conduct an ecological risk assessment of zinc in the Sable watershed because the effluent requirement may not be met in Two-Rock Lake discharge (background seeps currently do not meet that criteria). Other possible risk assessments include caribou-vegetation, chloride effluent quality requirements and nitrate toxicity.

Exploration – Norm's Camp will be active again in 2003 and is located on the beach at Exeter Lake.

Pelzer Pond and Lookout Pond – BHPB intends to determine if fish exist in these two ponds and has applied for research permits to do so. Lookout Pond flows into the Koala Pit creating a safety hazard from falling rock.

Upcoming events – BHPB is working on terms of reference for closure criteria, which are expected in July. An update on water quality in LLCF is scheduled for August and an update to the interim Abandonment and Restoration Plan and fishout reports are also due in July.

Closure Criteria - BHPB is proposing it develops generic closure criteria policy for submission to the government of Canada. This would come before BHPB's site-specific reclamation plan.

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Security Deposits BHPB mentioned they have no closure criteria the federal government can sign off on. For example the end of the airstrip is near the point of completion. BHPB would appreciate reclamation credits for their reclamation activity.

The Directors mentioned that for the Environmental Agreement (EA) security deposits are reviewed every two years, but for the water licence the amount is not revised until the water licence itself is renewed or expires. The Agency mentioned a pre-emptive workshop on closure criteria would be helpful. MVLWB should approve the criteria, and the DIAND inspector should act as the agent of the water board.

Data Availability – BHPB wants to ensure proper use of its data, and has not heard back from DIAND on its data release protocol that BHPB issued early in 2003. BHPB also mentioned that attempting to go back to the consultants and request data from prior years' data would be very expensive.

The Agency would like data to be received in digital form regularly for use by itself and others for purpose of impartial analysis. Directors clarified that the Agency under the Environmental Agreement is able to request data in any form it feels is necessary.

Plain Language summary for Impact 2003 Report and 2002 Environmental Agreement and Water Licence report - BHPB mentioned that a plain English document to be delivered this year will be a joint EA and water licence annual report and Impact 2003 report summary.

Directors agreed this is a reasonable technique of avoiding repetitive reporting.

Air Quality Monitoring Program (AQMP). Directors mentioned to BHPB that it hosted a meeting with RWED and EC to jointly review and make recommendations on the BHPB AQMP. Views were exchanged regarding the air quality program. The Agency will be recommending the HVAS be removed from the roof of the accommodations building.

BHPB agreed with this recommendation and will be repositioning it in a better location that continues to have access to electricity.

N7L2-1616 Water Licence Renewal Process. BHPB requested the Agency and IACT assist it in identifying key technical issues for further study and any suggestions for data analysis that could be undertaken to avoid receiving late information requests. Adjunct technical meetings may be hosted for key reviewers of the *Wastewater and Processed Kimberlite Management Plan*. A public open house will occur in the fall in Yellowknife, and the renewal application will be submitted to the MVLWB in October or November 2003. Expansion of the mine to 1,8000 tonnes per day of ore is planned by BHPB. Staff from the MVLWB have commented to BHPB that combining the Sable, Pigeon and Beartooth water licence with the main water licence could be overly complicated.

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Directors advised against BHPB stating that there is ‘nothing new’ in the project during the water licence renewal process because of the dynamic nature of the operations of the mine. Rather it should focus on adaptive management capacity of the company. The volume of water and processing of ore for example are changing and another new issue is the atomization that is covered by a separate licence.

BHPB stated the expanded ore volume was assessed originally in 1995. Operational details however are changing, such as the details of how many water lines exist in taking pit water to LLCF.

The Canadian Tungsten mine water licence renewal process is being looked at by BHPB because its water licence is also near its expiration date (end of 2004). BHPB does not see the need for involvement of the MVEIRB. The MVLWB should offer to host a public hearing if there is interest in the public for it. Due to the unfolding land claims, BHPB expressed uncertainty as to which water board would have jurisdiction at the time.

Directors mentioned change in parameters, such as pH, should be well documented in the application. How water quality out of LLCF will change through time is key, and notification of potential emerging problems such as zooplankton or nitrogen will be intensively scrutinized. Significant closure issues require greater clarity including the fate of the Panda Diversion Channel, pit lake formation and filling strategies, and the surface cover of the LLCF.

BHPB stated that 18 months after the expansion of Sable, Pigeon and Beartooth begins, the modeling of the LLCF by Rescan in 2001 would be updated. The six updated monitoring plans would go to the board prior to the water licence renewal. It is unlikely any of the plans will be approved by the MVLWB prior to the water licence renewal. Comments on each of the plans are synthesized by the MVLWB and BHPB is asked to address those comments prior to approval. Mill expansion is targeted for 2006-2007, to be ramped up over time. More ore being processed requires more process water, because the water is a carrying mechanism.

Haul traffic to Misery road - Directors had requested traffic data be delivered from May 1 to Oct 31, not from November to April when the presence of caribou is less likely. BHPB commented that there would be no data from May 2003 and possibly none from June because the counter is broken. There will be haul truck data from May but the Agency has already indicated that light-truck traffic (that is, the vehicles are light, not the traffic volume is light) is more problematic for caribou. The width of the haul road is also greater than the capacity of the traffic counter. The data were declared to be important to build a database to monitor changes in caribou disturbance at the mine.

BHPB responded they it has had enormous difficulty with operating the traffic counter.

Pigeon Culvert – The Directors thanked Jane for the document detailing the decision-making process that led to the selection of the large culvert over other types of stream crossings. They also agreed that their questions were addressed about the design of the crossing by the document. The Agency stated it intends to use the culvert as an example about the necessity to balance and minimize impacts to the aquatic and terrestrial environment.

Wildlife Monitoring – The Agency mentioned its support to BHPB of the new sampling technique for wolverines and the unfortunate lack of success of the scent stations. It also supported the new RWED led wolf-collaring project.

Meeting with BHPB Ian Goodwin and Jane Howe

Red thanked Jane and the Environment Staff at BHPB for hosting the Agency site visit. The Directors mentioned the openness and helpfulness of the Environment Staff and the improvements in environmental awareness, spill reporting and prevention it has achieved and offered encouragement to BHPB to continue raising environmental awareness at the site. Red also invited Ian Goodwin (Manager of Environment, Community and External Affairs) to engage in dialogue with the Agency at any time informally. The Directors highlighted the need for more informal interaction and advice, and stressed that BHPB staff can contact a director on any specific issue. Wolverine monitoring improvements and road slope issues has been a good example of this in the past. The Directors reiterated their view that the purpose of environmental monitoring programs is to provide the information to allow good management to occur. The Directors then requested Ian to describe the new BHPB communication policy for Agency correspondence.

Ian replied that all official correspondence should go through him and he will direct the document towards the appropriate person to ensure all parties remain informed. He requested the Agency collate information and other requests together for delivery to BHPB.

Directors mentioned that the Agency meets five to six times per year and BHPB is notified and usually attends for part of each meeting. On the subject of exchange of

information the Agency spends a great deal of effort when a new monitoring program is developed then lets BHPB do the job and prepare the summary report. The way the Agency operates does not necessitate a fixed schedule of information exchange and requests, but when information needs to be exchanged (quite frequently) there must be a well-defined protocol in place.

On the subject of the water licence renewal process, traditional knowledge, and community consultation, the Agency offered advice to BHPB. The Directors believe the water licence renewal is a good opportunity for BHPB to ensure Aboriginal organizations intervene on behalf of the project rather than as opponents. As part of the water licence renewal issue, renegotiating Impact Benefit Agreements (IBA) will likely be identified in the communities, because the community understanding is that increases in the size of the mine correspond to renegotiation of IBA.

Ian replied that the Aboriginal communities are part of his portfolio and he will be working with John Bekale on these issues. He believes that competition for time exists within the community leading to consultation bombardment. He noted that IBA are very sensitive issues and he would like to see an improvement in how they work, to be closer to how they are intended to function. Ian then described his vision for the company; for the Ekati mine to be the company that everybody wants to be part of; leaders in environment, safety, employee treatment and a model for regulators and other agencies. Improvements in working together collectively are necessary to achieve this vision. He also mentioned a company directive to employees that there is to be no “project creep” (i.e. keeping project footprint to bare minimum for operations).

The Directors discussed issues from the site visit such as the Agency opinion on environmental risk of the land farm and the requirement that it be managed with greater supervision by the environment department, and potentially through an enhanced sump system. They felt solid waste management has improved but the traffic counter problems are unacceptable. Directors then mentioned the spatial scale of the operation is huge and expanded operations will lead to further terrestrial impacts. Reclamation is a priority, and vital to a sustainable development philosophy. Any option to use an old pit for tailings storage, provided this can be done in an environmentally sound manner, is a high priority for mine planning considering the LLCF has a finite capacity especially in view of exploration and expansion potential.

12-18 months ago BHPB formed a team to address the mine footprint and predict the mine footprint expected in 20 years. A new helicopter pad and geological storage area were viewed as necessary additions. Efforts were redirected to reclaiming the old camp. Jane mentioned that avoidance of ‘development creep,’ is a policy of Sean Brennan (BHPB). Ian offered an open invitation to visit the mine when necessary for the Agency.

Meeting with DIAND, David Livingstone, Dave Milburn and Eric Yaxley

Security Deposits

Eric presented a revised schedule of past and future securities payments broken down into water licence and environmental agreement components. The water security payment is on track. The security schedule is renegotiable concurrent with water licence renewal of 2004. Reclamation completion criteria to determine re-imbursement of security liabilities have not been developed or agreed to by either the proponent or regulators. BHPB has contributed to clarity of the security issue by producing a spreadsheet containing mine liabilities and security payment schedule and amount. This table has been added to the Agency resource centre.

David mentioned a mine reclamation policy has been developed for the NWT. The absolute total amount of liability that BHPB has estimated is still under consideration by DIAND. If government does the reclamation work the price would be much higher than if the company does, so the reclamation estimate should be based on the price of the company abandoning the site without restoring it.

Directors asked about road reclamation specifically. Directors mentioned that the mine reclamation policy should be worked into the water licence renewal. The Agency is considering a workshop on reclamation/closure guidelines and best practices for the near future.

DIAND believes that roads when abandoned should not leave any environmental liability or risk to the public. The RECLAIM model is used by DIAND to estimate that risk because of its transparency and relative simplicity. Guidelines for NWT and Nunavut are close to being ready. David L. also expressed support for a future reclamation workshop.

Regional Monitoring Agency (RMA)

David mentioned that discussions on a possible RMA have not gone beyond the Terriplan consultant report that was sent to workshop participants earlier in 2003. The next step is the formation of a working group to review the Terriplan report and direct efforts. He then discussed possible options for the future makeup of a RMA, these include:

- Formation of a third project specific monitoring agency
- Use one of the two existing boards to take on Snap Lake in the interim prior to the formation of a coordinated regional agency
- Creation of an Environmental science institute for the NWT along the Alberta research council model. It would be an arms-length crown corporation to build capacity that is distanced from government decision-making. It could be autonomous and receive core funding that could allow it to market its services. It would be similar to the former NWT science institute but

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specialized to environmental science, traditional knowledge and cumulative impact initiatives. The idea is that companies, boards and government would want to use it to provide unbiased information for decision-making. A Nunavut general monitoring program is also necessary and would be separate but could agree to participate with the NWT science center.

DIAND Participation in diamond initiatives

Directors asked David to explain why EMAB wrote a letter to DIAND regarding dereliction of its duty for diamond mine environmental regulation.

David mentioned funding has not been established for the Renewable Resources and Environment Directorate because 80% of its funding is received through special projects funding which is not yet available. Only 20% is provided as regular funding (A base). This ratio used to be the opposite. Since core resources are not growing with demand, top up funding was usually available but not for 2003. The funding decrease for the directorate has been \$1 million, almost 50% of the usual amount. The Treasury Board declined to renew the diamonds program money although the enforcement budget remains. It is unclear what DIAND Water Resources or Environment and Conservation is expected to do in the regulatory process, to promote industry, provide best available science, or provide some other function.

AEMP

The Directors informed DIAND that the Agency decided that a strategically focused review of key issues contained in the AEMP would be wise. A group should be formed to oversee the project consisting of DIAND, some Agency Directors, BHPB, Rescan and others. Then BHPB/Rescan would be then approached for the data necessary for the undertaking.

Use of IACT in Water Licence Renewal

DIAND agreed to participate in the process to identify key issues in the BHPB water licence renewal early on via IACT (prior to the public hearing). While an IACT meeting is not a public forum if it can improve the application package that would be beneficial for all parties.

Meeting with Environmental Monitoring and Advisory Board (EMAB) – John McCullum

John McCullum was introduced as the new executive director of EMAB. As follow up to the recent TK workshop, another EMAB meeting is scheduled for the week of June 9-13th. John will begin drafting a TOR for a project specific TK panel under the Diavik EA. It will be focused on the Diavik project in hopes that it can expand in the future. EMAB does not see setting up the Diavik TK panel as addressing the recommendations from the TK workshop explicitly, but it is a response to it.

West Kitikmeot Slave Study

John mentioned that Terriplan has taken over the general secretariat role of the WKSS. There is one project underway for the upcoming year but no industry funding is committed yet. There is also an interim research agenda idea and the WKSS wants to work with the boards to see what sorts of issues are relevant to them in terms of cumulative effects research.

FOLLOW UP TO MEETINGS WITH OTHERS:

Spills

The Directors discussed the explanation offered by BHPB for the apparent increase in spills at Ekati (better reporting techniques and increased awareness of employees). BHPB should continue investigating the improvement of managing spills as a good example of adaptive environmental management. The BHPB volunteer environment committee is also worthy of positive recognition.

Pigeon Culvert Rationale

The requirement for caribou to freely move across the Sable road played little role in BHPB's decision-making process (although other factors were mentioned such as avoidance of eskers and eliminating the need for a Fisheries Authorization). The rationale provided by BHPB validates the Agency's concerns about balancing and minimizing terrestrial and aquatic impacts.

BHPB N7L2-1616 Water Licence Renewal (expires Dec. 31, 2004)

The Directors agreed this issue requires special attention from the Agency. This was initiated during the meeting with BHPB. August would be the latest that advice can be delivered to BHPB based on the tight timeline for its application in the winter. Pete discussed a third-party review of the AEMP at the previous Agency Board meeting. DIAND is also interested in this and has identified a consultant to assist it. The Directors agreed that an impartial view of the data could be beneficial. The complexity and vastness of the AEMP data set determines that the review must be focused. This would preclude a complete review of the five years worth of data. Pete should be utilized to refine this approach. Re-doing statistics would not likely be a good use of the consultant's time. The involvement of Rescan with respect to data treatment was thought to be advisable by the Directors.

Action Item #2 - Next steps regarding third party review of the AEMP data: Staff to contact Pete McCart, Dave Osmond and Don Macdonald to discuss the scope of the assignment. The Agency then will request the data from BHPB and discuss what the data will be used for. The intent is to use such a review to suggest possible improvements in future AEMP analysis.

A contribution to the BHPB's waster licence renewal process was considered beneficial and potentially requiring a late August Board Meeting. Directors agreed to review upcoming IACT discussions that include water licence renewal as part of the meeting.

The staff was directed to solicit ideas from Directors prior to attending IACT meetings. The Agency may also consider hiring a mine closure expert to review the project with closure criteria in mind after the BHPB abandonment and restoration document has been received.

Consultation of Community Members regarding Water Licence Renewal

Carole mentioned that the Agency should consider its role to provide an understandable review of the technical details to communities to ensure their consultation sessions with BHPB are productive. Agency technical reviews would be necessary by early fall 2003. Directors mentioned the community should be contacted to determine who is interested and what sort of contribution is requested from the Agency. The Agency has been asked by BHPB to offer advice on the most important issues. If the Agency informs one member of important issues as a matter of proper procedure it must inform all members as per the outgoing correspondence protocol.

Misery Water Atomization Monitoring Program

The Directors agreed that BHPB appears to have covered off the major issues in its proposal for monitoring. There could be some difficulty in having a long list of monitoring to be approved by BHPB and a more moderate list approved by the MVLWB.

Wolf Monitoring Program

The Directors supported the Dean Cluff (RWED) initiative to collar wolves and examine the relationship of the wolves to mine infrastructure and caribou.

Action Item #3 – Staff draft a letter supporting the proposed change to the wolf-monitoring program and distribute to Directors for approval.

BHPB Impact 2003 Report

The Directors agreed that comments on the 2003 Impact Report should be sent to BHPB because the report is a significant document that is prepared every three years. Staff mentioned hard copies of the report were received on the 14th of May, rather than the end of April when a CD was received prior to the month-end deadline. Due to the 45-day review period attached to the document the Agency staff were instructed to provide an initial review of the document to seek compliance issues worthy of board review. If no compliance issues highlighted by the EA requirements (such as if the report does not include satisfactory information regarding remedial measures from impacts identified) the review period will be extended to a time when the Directors have more opportunity to inspect the document thoroughly.

Action Item #4 – Staff to provide further review of the BHPB Impact 2003 report to the Directors. Directors review the impacts table at the end of the report to review remedial actions taken by BHPB to determine their appropriateness.
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BHPB response to 2001-2002 Agency Annual Report

Carole described the two letters delivered by BHPB to the Agency regarding the Agency 2001-2002 annual report. Directors discussed BHPB's response to the Agency

recommendation to document suggestions and concerns from aboriginal people visiting the site. This lack of reporting continues to be less than satisfactory to the Agency. The Agency needs to attempt to resolve this issue with the aboriginal society members in the near future. The Agency is not recommending BHPB take minutes of site visits and community consultations, but it would appreciate some documentation of the main issues and suggestions. Directors agreed the agency also should document community concerns from society members. This should also be reflected in the content of Agency reports.

Another issue with site visits the Directors have observed in the past is the conflicting advice that BHPB can receive from different communities. BHPB puts very little on paper because it does not want to publish traditional knowledge information without consent of the communities. While improvements have been made, the Agency disagrees with how BHPB reports the information.

Action Item #5 – in consultation with aboriginal society members, attempt to gain a resolution on the issue of documentation of comments of aboriginal people regarding BHPB site visits and concerns

The Directors agreed that, on the wolverine monitoring protocol issue, BHPB has improved the program in accordance with the Agency recommendation. The scent station program does not work at this time. However, the increased frequency and incorporation of random transects for track surveys is a substantial improvement over the former program.

Directors mentioned the importance of reviewing the upcoming A&R plan. The review would include but not be limited to the issue of deposition of waste kimberlite in Beartooth Pit, and the compensation for the loss of stream habitat if the PDC is closed.

Agency 2002-2003 Annual Report

Carole mentioned the critical need to agree on recommendations in order to ensure staff can complete the text for the report to the publisher on June 23rd. The Directors participated in clarifying the recommendations and advised that the choice of language should be to give equal weight to all recommendations. No recommendation should be included without being accompanied by context attached to it in a chapter of the annual report.

ADMINISTRATIVE ISSUES:

Action Items from last Board meeting:

No action items were identified as outstanding from the 33rd Agency board meeting. The Directors would like a letter on tailings characterization located. The topic of low pH of water samples at the mine was delayed for a future discussion and potentially linked to the BHPB water licence renewal process. As secretary, François moved the minutes to be approved from the 33rd Board Meeting (held March 15th, 2003).

Finance

The Agency budget was approved by BHPB and payment was received for the first of the two years (\$518,000). Last-years spending pattern was \$536,000 spent and \$511,000 received. Therefore the Agency surplus was reduced by about \$25,000. The payroll tax for Directors was less than estimated, and the capital expenditure that occurred at fiscal year end is delayed due to the depreciation factor of the technology purchases. The contingency fund sits at \$42,228 at this time compared to \$67,000 last year. The auditor report was positive and without surprise although a deferred revenue issue is an item that will be cleared up in the near future by Carole. Recommendations were received from the Auditor to improve the Agency's documentation of spending. Spending over \$1,000 for an outside contract must be documented more officially and attached to the invoice. Two-years ago Agency investment income was \$8,794 and in the past year was \$3,377. The Directors commended François and the Managers (Zabey Nevitt and Carole) for a job well done in 2002-2003.

Cc. List for Official Agency Outgoing Correspondence

The Agency has 7 Society Members and two contacts for Treaty 8. All communications were instructed by the Directors to go to all Society Members. IACT members can be added if appropriate and others based on the content of the individual letter.

DIAND Role in Review of documents

Carole mentioned that DIAND used to collate comments on BHPB's reports but Eric Yaxley (Tamara's replacement at DIAND) no longer intends to do that. Any agency with issues related to a BHPB report should send the comments directly to the company, copied to DIAND. If the issues cannot be resolved between the parties or within the IACT group then DIAND can act as an arbitrator and potentially involve its Minister.

Agency Presentation – Sustainable Development in the Diamonds Sector (Ottawa, June 5-6th, 2003)

Bill presented the draft version of the Agency slideshow that is to be delivered at the conference and the Directors reviewed and approved its contents.

Action Item #6 – Staff place the Agency presentation on the public registry (web and library).
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Tlicho (Dogrib) Treaty 11 Tribal Council, Zabey Nevitt

Zabey mentioned that a Dogrib land and water board responsible for issuance of permits in the area would be developed. Large-scale projects will be dealt with in a specific way he is currently unsure of. The name of the institution may be the Wek'èezhii Land and Water Board (for areas outside of settlement area).

Site visit wrap-up

A thank you note should be delivered to reflect the Agency appreciation of the efforts of the BHPB staff. The site visit was quite successful, including gaining more photos of Ekati and sharing of photos from BHPB.

Action Item #7 – Staff compose a thank-you note to BHPB for the hospitality incurred at the site visit.

Director Community visits

Directors agreed to discuss with the Aboriginal society member communities how they want site visits to be documented, and to encourage copying of any written material to the Agency.

Next Meeting and Schedule Planning

For the Agency AGM the Directors considered the last week of October or first week of November. September 22nd is currently the final due date for arrival of annual reports from the printers. August was considered for the Agency 35th Board Meeting due to the water licence renewal schedule and was set for August 24th – 25th for a two-day (Sunday-Monday) meeting, plus an option to stay on Tuesday if necessary.

Action Item #8– Sean create director business cards for each director, with agency and personal contact information, in a small denomination, and show proofs to directors.

The Meeting was adjourned Monday, June 2nd at 3:30 pm

Minutes Approved by:

-ORIGINAL SIGNED BY-

François Messier,
Secretary-Treasurer