



***INDEPENDENT ENVIRONMENTAL MONITORING AGENCY***

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August 4, 2006

David Scott  
Manager Technical Services  
BHP Billiton Diamonds Inc.  
#1102 4920-52<sup>nd</sup> Street  
Yellowknife NT X1A 3T1

Dear David

This is a follow-up to the BHPB Closure Options Evaluation Workshop held July 17-19, 2006 in Yellowknife. We had concerns about the process that we felt important enough to communicate to BHPB in order to assist in the next stages of the Interim Closure and Reclamation Plan development.

We do want to compliment the company on the obvious effort that went into the planning for the event. It was well organized, efficiently managed, and the graphic presentations were excellent. We believe that the workshop accomplished two important objectives. First, the community representatives learned a great deal about closure issues and potential closure options for the Ekati site. Second, BHPB undoubtedly gained a clearer (but not necessarily adequate) view of how the communities generally feel the site should be reclaimed at the end of mine life.

Despite those achievements, however, there were a number of procedural steps or organizational difficulties with the process that in our view impaired the quality of the results. We don't propose to go into these deficiencies in this letter, but we would be pleased to meet with you at some future point if BHPB is interested in our views as to how the process might be improved.

Importantly, there is one overriding issue that requires comment here, one about which we cautioned the company in our closing remarks about how it might use the workshop outcome in finalizing options. This has to do with the adequacy of the information available to participants.

It is a fundamental principle of effective consultation that those being consulted must have sufficient information on which to make meaningful decisions, in this case, to select among different options. Otherwise, the consultation is significantly reduced in value. In our view, availability and delivery of the necessary information was inadequate to make properly informed choices, for the following reasons:

1. Significant information deficiencies remain at this point in BHPB's closure planning (e.g., pit lake investigation results, constructability, reclamation, and long-term stability of extra-fine processed kimberlite, long-term geochemical behaviour of coarse kimberlite, freezing of schists in Misery dump, feasibility of revegetation, etc.), yet these were not acknowledged or incorporated into the discussions on options. Nor were outstanding research needs that might influence choice of options identified.
2. Closure objectives for each of the mine components were not used in the evaluation. Thus, selecting among options was done in a vacuum, without knowing what the option was attempting to achieve. This led to some confusion during the evaluation, particularly between the community tables.
3. Information held by the participants was highly variable (technical experts generally had the most technical information but less traditional knowledge, community representatives had the least technical information but the greatest traditional knowledge) and yet, all tables were treated equally in the evaluation, as if the information disparity was immaterial. BHPB's policy of not mixing the participants (such that technical experts had no opportunity to work with or assist community representatives in gaining a better understanding of the issues and less access to the traditional knowledge from the communities) was, in our opinion, counterproductive. One of the objectives of the consultation process is to 'educate' or inform those being consulted, and denying the sharing of both technical and traditional expertise undermines this objective.

In pointing these difficulties out, we do not mean to imply that conducting a consultation process such as BHPB attempted here is an easy thing to do. For example, community tables had up to three languages to work in without facilitation, which meant greatly reduced efficiency in understanding the issues and deciding between options. Indeed, we are aware of the substantial challenges that your team faced in taking a complex operation like Ekati and treating the various technical issues in a way that provides for effective communication and community participation.

However, as described in some detail in our March 31, 2006, letter to BHPB, the process used by the company to conduct the evaluation, and properly prepare the communities for effective participation in it, was flawed by being too compressed. To summarize our views in that letter, we recommended a second round of community consultation through a multi-party workshop to develop a range of closure options, and a third round to review the results of the company's internal evaluation of options (Failure Modes and Effects Assessment), both to take place prior to the multiple accounts evaluation for selecting options. Had this occurred, the community representatives would have been in a much more informed position to understand the options being presented, to have identified their objectives for closing the various mine components, and to have understood the technical challenges and uncertainties.

We would like to see the results of the closure options evaluation disseminated to the participants, and have a chance to comment on them, prior to their inclusion into the final ICRP submitted to the MVLWB (as an appendix to the main document as we have been told). It seems only proper to the Agency that participants at such an important event have the opportunity to review the results to assure their statements and option selections have been accurately reflected in the document.

Since further consultation events will take place in the years ahead with the Ekati project, we hope that BHPB will take these comments to heart, review the process the company has undertaken for the current round of closure planning (seeking views of the community representatives who participated), and redesign where necessary future consultative processes so that participants can engage in a more effective manner.

We trust that you will find these comments helpful, and we reiterate our offer above to review with you these and other deficiencies of the process if you would find this to be of assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "W. A. Ross".

Bill Ross  
Chairperson

cc. Society Members  
Sarah Baines, Wek'eezhi Land and Water Board