

The EKATI MONITOR

Newsletter of the Independent Environmental Monitoring Agency

Issue 11, April 2013

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New Owners of Ekati



On April 10, 2013 the Dominion Diamond Ekati Corporation (DDEC), formerly Harry Winston, took over the Ekati Diamond Mine from BHP Billiton (BHPB). BHPB announced in November 2012 that Ekati was "up-for-sale".

DDEC, which also owns 60% of the Diavik Diamond Mine, purchased Ekati for \$553 million.

Part of the sale involved BHPB setting up a new company just for the Ekati Mine. The Ekati Mine was transferred to BHP Canadian Diamonds Company and then sold to DDEC.

DDEC will assume all of BHPB's obligations under :

- The Environmental Agreement with the Governments of Canada and the Northwest Territories;

- The Socio-Economic Agreement with the Government of the Northwest Territories;
- The Impact and Benefit Agreements with Aboriginal Governments; and
- pensions for the workers.

BHP Billiton employees working at EKATI, in Yellowknife and in Antwerp where the diamonds are sold, have become employees of Dominion Diamond as part of the transaction.

It is the company's intention to have an updated mine plan on or before April 24, 2013.

For more information on the new owners of the Ekati Mine, visit their website at www.ddcorp.ca

Welcome to the Agency!

On April 8th, 2013, Jessica Simpson joined the Agency as the new Communications and Environmental Specialist. She is a Tlicho First Nations from Whati and has a Bachelor of Arts in Anthropology from Mount Allison University, and was a Sauve Scholar 2010-2011.

Jessica has nearly 10 years of experience getting Northerners involved in the regulatory system through her work with

the Mackenzie Valley Environmental Impact Review Board as the Community Liaison Officer, and with the Arctic Indigenous Youth Alliance.

Welcome to the Agency Jessica!



Water Licence Renewal Hearing Feb. 12-13, 2013

The water licence for the Ekati Mine will expire August 2013. BHP Billiton submitted its application for the renewal of the water licence in May 2012.

Throughout the water licence renewal process, the Wek'eezhii Land and Water Board looks at water use, diversions, dewatering, and deposits of waste associated with Ekati. A water licence renewal provides an opportunity to re-evaluate the terms and conditions of the licence and to gather a broad range of input and make sure all of the information is sound and up to date.

This past February, WLWB held a hearing on BHPB's application to renew its water licence. The company did a lot of work to review its water quality data over the last 15 years and predictions were made for future water quality to the end of the mine's life. The Agency believes BHPB did a good job on the mine's effects on water quality, but a greater focus and more work is needed on preventing water pollution, particularly related to blasting and mine water.

The Agency has reviewed the draft water licence and provided its comments. The WLWB is expected to complete the licence in May 2013. However, there is still a need to set financial security for closure and reclamation and the Agency has just received a new cost estimate from BHPB. We will carefully review this document and report our views on it and the new water licence in the next newsletter.

Financial Security Review: Update

A part of mine closure planning is deciding how much money (financial security) must be set aside for the reclamation of the Ekati Mine. Once the Interim Closure and Reclamation Plan was approved in November 2011, it was supposed to guide a new estimate for how much it would cost to close the mine using an outside contractor.

In March 2012, BHPB proposed a schedule working with the Agency and AANDC to complete a review of a new estimate for financial security for Ekati by November 2012. This process became delayed when BHPB sought clarification of what should be covered in the estimate. The WLWB finally directed BHPB to submit a new cost estimate by March 22, 2013. BHPB's new cost estimate shows that it would take about \$235 million to close Ekati according to the approved ICRP. There is currently \$126 million set aside.

AANDC and the Agency are reviewing the new estimate and will respond by May 1, which should provide time to include a new amount for financial security in the water licence renewal. We will report further developments in the next newsletter.

Who is the Wek'eezhii Land and Water Board?

WLWB is a co-management board that regulates the use of land and water and the deposit of waste in the Tlicho region. They do this by issuing water licences and land use permits, as well as carry out any preliminary screenings for development proposals in the region.

For more information, you can go to www.wlwb.ca

The Agency's AGM, Dec. 2012

On December 6, 2012, the Agency held its Annual General Meeting at the Champagne Room in Yellowknife. This was an opportunity for the Agency to provide an update and gain feedback from society members, BHP Billiton, AANDC and the GNWT.

The Agency began by presenting a summary of the Annual Report for 2011, which included the financial review and a presentation on the work plan and budget. Society members expressed additional concerns. In particular, the Kitikmeot Inuit Association is concerned about the water quality, and the non-freezing of some waste rock piles (the Fox and Misery piles).

The Agency also talked about the declining frequency of inspections, recommending that perhaps AANDC could devote more resources towards that as the current inspector has many demands on their time. It was also noted that BHPB has improved its community consultation and the air quality program since the Annual Report was written in May 2012.

Other topics of discussion included the sale of Ekati and the education and employment opportunities for youth. Marvin Apples, a Tlicho, mentioned that a lot of youth have technological backgrounds that could be of use to the



Agency. BHPB has success stories from community members working their way to high level positions. BHPB also wants to educate, train and maintain them as staff.

The next AGM will be late 2013.

Wildlife Workshops



GNWT's Environment and Natural Resources sponsored wildlife workshops with mines and other interested partners in Yellowknife early March 2013 covering wolverines, grizzly bears, and caribou. The primary purpose of these workshops was to review and establish standardized monitoring programs that can test monitoring objectives for development impacts, aid in species management, and feed into cumulative effects assessment. Several current and proposed mining developments provided overviews of existing and proposed monitoring program methodology and results, and ENR reviewed regional monitoring, with a focus on the Bathurst caribou herd. IEMA participated in these generally productive workshops to remain current in the latest developments in monitoring and cumulative effects assessment, and to lend expertise and opinion to the directions taken. We will continue to watch and report on wildlife monitoring and look forward to further im-



Independent Environmental Monitoring Agency

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appointed by BHP Billiton/
Canada/GNWT

Tim Byers (Vice-
Chairperson) appointed by
Akaitcho Treaty 8

Jaida Ohokannoak
(Secretary-Treasurer)
appointed by
Kitikmeot Inuit Association

Tony Pearce
appointed by
Tłı̄chq̄ Government

Kim Poole
appointed by BHP Billiton/
Canada/GNWT

Laura Johnston
appointed by BHP Billiton/
Canada/GNWT

Arnold Enge
appointed by
North Slave Métis Alliance

STAFF

Kevin O'Reilly
Executive Director

Jessica Simpson
Communications and
Environmental Specialist

The Agency is a public watchdog for environmental management at Dominion Diamond Corporation's Ekati Diamond Mine. The Agency was set up in 1997 under the Environmental Agreement. It requires Dominion Diamond Corporation and the federal and territorial governments to protect the environment and land-based way of life of Aboriginal peoples of the area.

The Agency reviews Dominion Diamond Ekati Corporations environmental reports and plans for the Ekati Mine, visits the mine site and listens to community and public concerns. We make recommendations to Dominion Diamond Corporation, government and regulators on how best to protect the environment at Ekati.

We are set up as a non-profit society in the Northwest Territories. The Agency's Board has seven Directors appointed by our Society Members:

- Akaitcho Treaty 8 (Łutsel K'e and Yellowknives Dene First Nations)
- Tłı̄chq̄ Government
- Kitikmeot Inuit Association (KIA)
- North Slave Métis Alliance
- Government of Canada (AANDC)
- Government of the Northwest Territories
- Dominion Diamond Ekati Corporation

Our Directors are independent of the appointing parties and work together in the best interests of the environment and the people affected by Ekati.

Please visit our website at www.monitoringagency.net to see photos, meeting minutes, correspondence, the Ekati Timeline and other information about Ekati.

Director Profile: Tony Pearce

Tony Pearce has been a Director since the Agency's inception in 1997, appointed by the Tłı̄chq̄ Government. He is a consultant with over 30 years of experienced in wide range of project assessments, planning and community development activities emphasizing effective internal practices and external partnerships that produce beneficial change.

Tony has a B.Sc in Geology (honours) and M.Sc in Regional & Community Planning, (M.Sc., 1980) from University of British Columbia. In the past Tony has worked on the Nisga'a Comprehensive Land Claim Agreement, Coastal Zone Cultural Resources Study in Haida Gwaii, the Tłı̄chq̄ IBA agreement with Ekati and the Northern Gateway Oil Pipeline Project.

