

The EKATI MONITOR



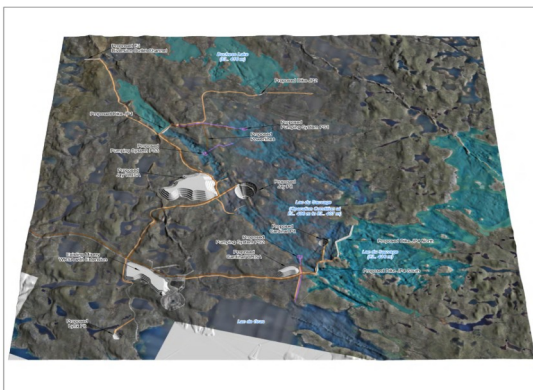
Newsletter of the Independent Environmental Monitoring Agency

Issue 12, October, 2013

INSIDE THIS ISSUE:

Ekati Expansion	1
2012-13 Annual Report	1
Site Visit, September 16-17.	2
Financial Security: Update 2	2
Devolution	3
Zone of Influence	3
About the Agency	4
Director Profile	4

Ekati Expansion: DDEC plans to extend mine life



DDEC submitted an application to the Wek'eezhii Land and Water Board (WLWB) on September 16, 2013 for a land use permit and water licence for the Lynx Pipe. The Lynx pipe is located under a small lake to the west of the Misery pit. The Lynx Project will require the draining of the lake and the development of an access road and will use existing

facilities and infrastructure. With the current life of the mine is set to end in 2019, the Lynx project, although not large (less than one year of production) will allow for other developments such as the Jay and Cardinal pipes located in Lac du Sauvage to be explored further and possibly developed.

On October 23rd, 2013, DDEC filed an application with the WLWB requesting a land use permit and a Class A Water Licence for extension of the Ekati Diamond Mine to include the Jay and Cardinal kimberlite pipes. The project is expected to extend the life of the mine by 10 to 20 years. DDEC hopes to begin production at Lynx in 2015 and Jay and Cardinal in 2019.

2012-13 Annual Report

In September, the Agency completed the annual reports and distributed it amongst the Society Members and other interested people.

Every year, the Agency prints a technical and a plain language version.

These versions can also be viewed online at www.monitoringagency.net under "agency documents and correspondence."



TECHNICAL ANNUAL REPORT 2012-13
A PUBLIC WATCHDOG FOR ENVIRONMENTAL MANAGEMENT AT EKATI DIAMOND MINE™

INDEPENDENT
ENVIRONMENTAL
MONITORING AGENCY

If you wish to have a copy, please contact Jessica at 867-669-9141 or monitor2@yk.com.



Agency Site Visit - September 16-17, 2013

At least once each year, the Agency Directors and staff visit Ekati Mine. This is an opportunity for the Directors to see first hand the mine operations and engage with the mine staff.

This year, the Directors took special interest in visiting the incinerator, which had been a problem for sometime. Mine staff implemented some new waste management strategies, which included the elimination of plastics. Special testing of the stack emissions took place in the summer and the early results are very encouraging.

Directors visited Cell B of the Long Lake Containment Facility and saw the pilot revegetation area.

The Pigeon Stream Diversion, that is being constructed to circumvent the Pigeon Pit, was

also visited. Staff and Directors took notice of the new structures in the stream including vegetation from nearby sites. Lessons learned

from the Panda Diversion Channel have been well applied to this project.

Directors also took the opportunity to visit an area called the Narrows, where Lac du Sauvage meets Lac de Gras, an area that is culturally important and an important caribou crossing. The company has committed to protect this area during the proposed developments at the Lynx, Jay and Cardinal pipes.



Overall, the Agency was please with what it saw. If you wish to know more, visit the Agency's new Facebook page for pictures and commentary.

Financial Security Review: Update 2

In July 2013, the WLWB set the total financial security amount for the Ekati Mine at \$263 million. This is an estimate of how much it would cost for the government to reclaim the site based on the approved closure plan, if the company was not willing or able to do it itself.

It is necessary to look at how much should be held under the different instruments such as the Environmental Agreement and the Water Licence. There may also be additional security required under the Environmental Agreement .

The Agency met with the WWLB, AANDC and GNWT to start these discussions on October 7, 2013. DDEC will submit its estimate of financial security under the Environmental Agreement by the end of October followed by regular meetings. It is hoped to have any issues resolved by the end of 2013.

The Agency's launches a Facebook page!

The Agency officially launches its new Facebook page November 1, 2014. Like the page to keep-up-to-date on the Agency's activities and to connect with Agency staff and directors.

[Facebook.com/monitoringagency](https://www.facebook.com/monitoringagency)

Devolution

Devolution is the process in which responsibilities of one government are transferred to another.

Over the years, a number of programs and services have been transferred to the Government of the NWT from the federal government including health care, education, forestry, and more.

An agreement-in-principle on further devolution, the transfer of responsibilities over land and water to GNWT, was reached in January 2011. A final agreement was announced in June 2013 with an implementation date of April 1, 2014.

What does devolution mean in relation to the Ekati Mine?

GNWT will take over the responsibilities for :

- carrying out land and water inspections and enforcement;
- signing off on the water licences and holding the financial security; and
- setting and receiving some of the royalties from the production of diamonds which must be shared with the federal and Aboriginal governments.

It is not clear what will happen with the roles of the federal and territorial governments under the Environmental Agreement as a result of devolution. If substantive changes are to be made, consultations with Aboriginal government, the Agency and the public may be required.

More information on devolution can be found on the following GNWT website:

<http://devolution.gov.nt.ca/>



Zone of Influence: Caribou

Collared animals in the Bathurst caribou herd and aerial surveys have shown that caribou are being affected by the mines. There is a 11-14 km zone around the diamond mines where it is less likely to find caribou.

As development increases within the range of the caribou, there is less room for them to move and eat. The amount of the range that is affected has grown and when the herd is in decline, this may become more significant. This means that the disturbances on the land should be better planned and managed.

The diamond mines stopped doing aerial caribou surveys in 2009. This was done partly in response to the decline of the Bathurst caribou herd. The Agency and others expected that the mines would find other ways to monitor caribou and manage mining activities to reduce impacts and the size of the zone of influence. In April 2013, the GNWT's Environment and Natural Resource issued a letter stating that the Ekati Mine was no longer required to monitor the zone of influence for caribou. The Agency is concerned about this for a few reasons.

There was no consultation prior to this letter and no requirement to begin to do aerial monitoring to see if changes in mining activities causes changes to the zone of influence. The Agency is also concerned over the lack of progress on determining the causes of the zone of influence. Once the cause is better understood, action may be possible to reduce impacts. The Agency remains concerned and will follow-up and report on this issue.

Measures need to be taken to decide if the current monitoring and mitigation can be improved. The Agency believes this is especially important in this case because there are plans that will increase the activity on the Misery Haul road, which will increase the dust, which is suspected to contribute to this ZOI and there are very few activities that can be done to decide the ZOI.

ENR hopes to present new data/analysis at a November 2013 wildlife workshop.



Independent Environmental Monitoring Agency

CONTACT US!

P.O. Box 1192
203, 5006 50 (Franklin) Ave.
Yellowknife NT X1A 2N8
Phone: (867) 669-9141
Fax: (867) 669-9145
E-mail: monitor1@yk.com

DIRECTORS

Bill Ross (Chairperson)
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
Tłıchq 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 Ekati 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 Ekati 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)
- Tłıchq Government
- Kitikmeot Inuit Association (KIA)
- North Slave Métis Alliance
- Government of Canada (AANDC)
- Government of the Northwest Territories
- Dominion Diamond Ekati Corporation

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

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

Director Profile: Kim Poole

Kim was appointed to the Agency in December 2006 by BHP Billiton, Canada and the GNWT, after consulting with the Aboriginal governments. He has 30 years of professional wildlife experience in the public and private sectors throughout western Canada, with extensive experience in the Northwest Territories, Nunavut and British Columbia.

Kim has hands-on experience with a host of species, ranging from ungulates and large carnivores, to raptors, furbearers and prey species. He is familiar with habitats ranging from the mountains of southern British Columbia to the Arctic tundra. Kim's experience includes 15 years with the Northwest Territories government, and 15 years in the private sector.

