



INDEPENDENT ENVIRONMENTAL MONITORING AGENCY

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Eric Denholm
Superintendent, Traditional Knowledge and Permitting
BHP Billiton Diamonds Inc.
#1102 4920-52nd Street
Yellowknife NT X1A 3T1

**Re: Comments on the Proposed Changes to the
Sable, Pigeon and Beartooth Water Licence**

Dear Eric

The Agency offers the following comments on the proposed changes to the Sable, Pigeon and Beartooth water licence as provided to the Interagency Coordinating Team on February 7, 2008. The Agency supports such early communications in advance of regulatory submissions but we may, of course, choose to submit further comments as part of the water licensing process.

Our comments are shown below as high, medium and low priorities and concern.

High priority/concern:

- change to producing only a summary of the AEMP (p.8) in the Annual Report. The summary should focus on any significant findings or changes and should contain the details required under Part K 7.
- proposed changes to water quality limits. Detailed justification should be provided by BHPB. Some of the increases proposed are quite high and some of the elements left out could also be problematic. There will likely be some discussion around where the point of compliance should be.
- removal of sump stations from SNP. It could be hard to make sense of some of the water quality balances without this information. Pit sump stations also provide water characterization and early warning of potential water problems is a very important part of an adaptive management approach. It might be possible to decrease the sampling frequency, but we suspect this information might be too important to lose entirely.



Medium priority/concern:

- Part B (1m) : The Agency would want to know the results of geochemistry test work and seepage surveys from the waste rock pile at Sable. So clause (m) should not be deleted.
- Part E (8) re dewatering rates. This may have been included to prevent erosion in the receiving water body (i.e. the discharge rates did not exceed the capacity of the stream). This should be left in unless there is a clear indication that the streams or lakes will not suffer from erosion with higher flow rates.
- reduced submission timelines for documents requiring Board approval. Reducing from 90 or 60 days to 30 days would seem a step backwards and might result in delays to the approval (see F 2, F 12, G 1, G 2(a), G 3(a), J 1).
- Part F (2 b) this area needs work or more explanation. The suggested change would require monitoring for effects after the fact rather than setting a threshold (or more than one threshold) where a specific action would be taken.
- Part F (5 & 10) leave in construction records. We do not understand why the company would not want to make these available.
- Part F (9) any change should make it clear that ground water is included.
- Part G (11 d) p. 23. The explicit inclusion of a dilution zone strikes the Agency as a step backward. It may be reasonable to set a point where compliance will be reached but we do not see that as being exactly the same thing.
- Part K 4(h) changes “an evaluation of the Ekati Mine related cumulative effects on the aquatic environment of Lac de Gras Region” to read “an evaluation of the project-related effects on the aquatic environment”. The Agency would like to ensure that BHPB studies its contributions to cumulative effects in both the Koala-Lac de Gras and Exeter Lake drainage systems.

Low priority/concern:

- leave in definition for Tailing/Processed Kimberlite as it is referred to in the licence itself.
- Part B (1 m) if this is covered in the main licence it can be deleted, if not it should stay here to cover Sable operations to ensure annual reporting (no requirement for annual reporting in Part G).
- Part B (9) would allow BHPB, at its option, to discharge any obligation under this licence by combining reporting, plans and programs under the two licences. It is suggested that the words “or as directed by the Board” might be added to this section.
- A proposed security schedule should be spelled out and security should be posted a reasonable period of time (90 days?) before the actual development starts given the past difficulties in posting proper security instruments.
- Part G (8)(b) BHPB wants to eliminate the need for weekly internal inspections of the Two Rock Lake Sedimentation Pond facilities at the discretion of the inspector, and only when the facility is “operating”. The frequency of inspections should ensure monitoring of storm events. It may be best to define “operating” to avoid confusion.

- Part G (12) “until alternate plans are approved" should be "until alternate plans are approved by the WLWB"
- Part K (8) BHPB has suggested that the review period for the AEMP for the SPB licence be reduced from annually to every three years. For greater clarity, the review timing should be set the same as in the main licence.

We encourage BHPB to provide a detailed written rationale to support each specific request for wording changes to terms and conditions when the renewal application is submitted.

We would be happy to discuss these comments with you at your convenience.

Sincerely,

- Original Signed By-

Bill Ross
Chairperson

cc. Society Members
Zabey Nevitt, WLWB