

<u>INDEPENDENT ENVIRONMENTAL MONITORING AGENCY</u>

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Society Members (see Distribution)

Re: Agency Annual Reports

In the spirit of cooperation during the January 2006 mediation over the Agency budget and work plan, the Agency offered to solicit comments from the Society members during the 2006 Annual General Meeting on our annual report.

During our recent 2006 Annual General Meeting, the Agency neglected to raise the issue of the feasibility of tabling a draft annual report in May of each year to allow BHP Billiton, the Government of the NWT and Canada to provide their comments and observations, prior to a twice yearly meeting to improve the implementation of the Environmental Agreement. The Agency would retain the right to incorporate or not, any comments received, into the final version of its annual report.

Given the time involved in writing, editing and layout for our annual report, the Agency can commit to providing an annual report outline, and a draft of Agency recommendations to the parties to the Environmental Agreement. The Directors are of the view that such an arrangement does not compromise the independence of the Agency, and that it should increase accountability and openness by allowing responses to Agency recommendations to be incorporated right into the relevant annual report, rather than wait until the following year to do so. This sort of arrangement is becoming common practice for many audits and reports.

We seek your input on this proposed course of action of circulating an annual report outline and draft recommendations in May, with inclusion of responses for the final version of our annual report for distribution in the late summer of 2007.

Sincerely,

M. A. long

Bill Ross Chairperson

