



INDEPENDENT ENVIRONMENTAL MONITORING AGENCY

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September 25, 2008

David Livingstone
Director, Renewable Resources and Environment
Box 1500
Yellowknife NT
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Dear David

The Agency has had an opportunity to review BHP Billiton's (BHPB's) 2007 Annual Environmental Report and the plain language summary. While reviewing these documents, we were also mindful of the full Wildlife Effects Monitoring Program (WEMP), Aquatic Effects Monitoring Program (AEMP) and Panda Diversion Channel (PDC) monitoring reports for 2007.

The Agency is of the view that the 2007 Annual Environmental Report is satisfactory and that the information provided is adequate, including the description of remedial actions taken or proposed in respect of impact or compliance problems.

The Agency makes the following observations, some with a view to improving future Annual Reports:

- Page 3 describes several internal and external audits and certifications of Ekati and the results. We have suggested such an addition in past comments and commend BHPB for disclosing this information. This is a clear demonstration of BHPB's commitment to adaptive management.
- We note that the communication and external outreach section found in last year's report is absent. This would be a useful addition to show that BHPB communicates the result of its environmental management to all interested parties, particularly communities. Details on issues raised and actions taken arising from community meetings and other communication activities would be helpful to document.
- Page 13, Table 4, the listing of substance loadings to the LLCF does not include petroleum hydrocarbons. The Agency suggested in 2006 that this parameter be added. Such reassurance would be a helpful addition to the Annual Report.

- Page 13, the volume of liquids discharged to the LLCF differ between the table and the text on page 11. (this is the same problem as last year but for different components).
- Page 15, Table 6, the volumes for Panda Pit and Panda surface sumps are combined while they are shown separately in Figure 1. The provision of separate values is more helpful. A similar comment can be made for the reporting with regards to the Koala Pit and surface sumps.
- Page 39, section 4. Part B 3. 1.21 "Road decommissioning" in Table 13 should be explained. It would be more helpful to know what is intended to ensure roads do not become wildlife movement barriers. This section might also contain some reference to the Working Group process and outcomes.
- Page 40, a revised reclamation liability estimate for 2007 is provided for the mine but there are no details on how it was calculated. BHPB should provide such details in future reports.
- Pages 42-53, in the report for 0008 there are several references to the values being reported under 0013. Amalgamation would help to reduce or eliminate this type of cross referencing. In the interim, Figure 1 is particularly helpful in gaining a sense of the flow of materials through the overall operation.
- Page 68, for the Kola Watershed, Underground there is the statement that 'Waste rock was transported to either Beartooth Waste Rock Storage Area or used for landfill containment'. This appears odd, especially given the last line of the same page regarding the Beartooth Pit Waste Rock was transported to the Koala/Panda Waste Rock Storage Area.
- Page 73, lists and abstracts of all environmental plans and programs are required by the Environmental Agreement but not provided in this year's Annual Report. Readers are referred to the numerous appendices. An annotated list should still appear at this point in the Annual Report.
- Appendix G, the AEMP summary effectively highlights the water quality results of the AE monitoring for 2007. However, as we said in our AEMP review, the following were not reported here:

Selenium: has risen above CCME guidelines for the first time in Leslie, Moose and Nema lake water. It is noteworthy that trout livers in Moose Lake also contained higher selenium levels (mean of over 1 mg/kg more) than those sampled in 2002. BHPB has agreed to elevate selenium to an evaluated parameter in 2008.

Dissolved Oxygen: no mention of dissolved oxygen not being recorded in winter due to malfunctioning equipment. This was noteworthy and should have been mentioned.

- Appendix G does not contain any reporting of metals in fish, a serious deficiency, especially considering Aboriginal Society members are keenly interested in this. It would have been helpful for BHPB to outline the Cell E fish study (since completed) meant to address the source of the hydrocarbons in fish that was reported in this Annual Report. We suggest that this study be covered in next year's report. There was also no mention of their lake variability study as reported in "*Analysis of Variability in Water Quality, Sediment Quality and Counts of Benthic Organisms*" as part of the 2007 AEMP.

General Comments on the Plain Language Summary

The Agency believes the summary report needs improvements in the text. This version is very short and some important content and details in some of the sections are missing. Although short in length; 20 pages of which less than half is text, the plain language reader would find some sections difficult to understand because the text includes many technical words.

Some sections, such as the AEMP and Wildlife sections, contained sufficient detail to understand the program and results while others such as the Air Quality focused on their reduction of diesel and recycling of heat generated but gave little indication of the monitoring program that is in place. This section should have included some discussion of the overall Air Quality monitoring programs such as lichen and snow sampling that is done every three years and that the next sampling would take place in 2008 with improvements to the program. This section also did not describe what the continuous air monitoring station at Grizzly Lake measures and the description made it sound like it was working after a few adjustments. It is our understanding that the unit was not calibrated properly at all last year and the data it collected were useless. The report also neglects to mention that a key source of air emissions is from the incinerators and the new ones are not yet operational. These matters are of concern to the Aboriginal people for whom the plain English summary is provided and, accordingly, warrant mention.

The Land Disturbances section states "Once areas are no longer needed for operations these areas are reclaimed." yet there is no mention or evidence of any completed reclaimed areas at the site so readers may find this statement misleading. The Reclamation section was short (two paragraphs) and did not address the ICRP process. This process has been front and centre for all of 2007 and in our opinion is the most important environmental issue at Ekati.

On a positive note, the summary report contains some very nice photos and graphics including one on water usage.

We would be pleased to discuss these comments with BHPB and others to ensure improved public reporting and environmental management at Ekati.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Ross". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Bill Ross
Chairperson

cc. Society Members
Zabey Nevitt, Wek'eezhi Land and Water Board