



Independent Environmental Monitoring Agency

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**Summary of Discussion from the
Inter-Agency Coordinating Team (IACT)
Meeting of May 9th, 2003**

Participants:

John Witteman	BHP Billiton (BHPB)
Jane Howe	BHP Billiton (BHPB)
Chris Hanks	BHP Billiton (BHPB)
Lionel Marcinkoski	RWED
Anne Wilson	Environment Canada
Eric Yaxley	Department of Indian and Northern Affairs (DIAND)
Darnell McCurdy	DIAND
Carole Mills	Environmental Monitoring (Agency)
Sean Kollee	Agency

Meeting began at 1:15pm

Chair: Eric

Review and Acceptance of Agenda

One agenda item was delayed (Review of Impact 2003 Report) to allow time for further review.

Introduction:

Eric mentioned the Ekati project is new to him and he is learning as much as possible about the mine. The Environmental Agreement security deposit regime is a particular area he has been working on now that Tamara has left DIAND for an extended maternity leave. He announced a slight change to IACT format that will include posting of agenda items prior to round table updates. Early distribution of the agenda should allow follow up items from prior IACT meetings to be addressed and can ensure the appropriate person attends the meeting on specific topics (such as air quality).

Presentations can also be made if appropriate. The group discussed that IACT used to operate more in this manner; current management issues at the mine would dictate meeting topics.

Eric also suggested a new format for the identification and resolution of potential compliance issues with BHPB reports. Formerly Tamara coordinated responses and would deliver them to BHPB. Eric is encouraging the regulator or Agency to:

- First contact BHPB directly and copy to IEMA and Eric
- If necessary, discuss the issue at IACT and resolve problems interactively
- As a last resort, DIAND could issue a deficiency report to the Minister for review

Agenda Follow up Items

1. Online OEMP publication

John replied this will be done in the next while but is not his current focus or priority. Eventually all reports will be online hosted by BHPB in Australia, along with a summary and index system to aid users in finding documents. This will serve to assist everyone in locating lost documents or accessing documents while traveling. The site will be publicly available.

2. Asphalt plant volatilization results

John mentioned the results were sent out earlier and there were no remaining hydrocarbons in the contaminated material. The program will be ramped up to handle more volume of material.

Lionel, Darnell and Anne mentioned their interest in stack emission testing. Lionel remarked that this is an emission to the air and RWED is interested in the discharge of contaminants and implications to the licencing of the mine.

John replied that he believes only dust is being emitted from the stack. This program is to destroy the hydrocarbons and has been done before in Ontario. Analysis was conducted of samples in a lab (at 300°C). Hydraulic fluids also exist in the contaminant samples at the mine. The remaining sand and crush will be used for landfill cover. There is no licencing required for the program as it is not currently regulated. Darnell lacks the authority to enforce the Territorial Environmental Protection Act to address the issue of contaminants from the stack. BHPB mentioned it has a large volume of hydrocarbon-stained material that must be managed and land farming is a slow process in the arctic. The plant is located on the west side of the waste rock dump, 200 metres from the crest. The dust fall zone from the stack is dependent on the wind direction, if it were blowing from the west most would fall on the waste rock dump. John suggested operating the system preferentially under this wind condition. After continued disagreement about the necessity of stack testing John agreed to investigate stack-testing opportunities and provide detail at the next meeting.

Follow up item for next meeting – investigate stack testing (John)
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Chris mentioned the plain English version of the EA and WL report is pending and should be available soon, likely in July. BHPB will be sending out CD's first. Carole mentioned that it is difficult to read the Impact 2003 Report because of the table structure and double-columned pages, supporting the need for hard copies.

Eric distributed copies of the updated Environmental Agreement, including the addendum and signatures. Sean agreed to put the updated version on the agency website plus consider adding the table of contents.

Follow up item for next meeting – update web version of environmental agreement and table of contents (Sean)
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Revised PDC program

What happens to the young of the year (YOY) grayling when they enter Kodiak Lake is a question BHPB has been unable to answer. BHPB is in agreement that the future PDC monitoring program must attempt to answer this question. In the meeting with DFO and the Agency, BHPB agreed to do extra work in Kodiak Lake (fishing for arctic grayling) and less in the diversion channel itself. There will be a shift from relative measurements of grayling size and abundance within the PDC to more research on fish in Kodiak Lake and a reference (Vulture-Polar stream). Some of the work occurs later in the summer allowing more time to develop the program.

The snow was excavated along the entire length of the PDC this spring to ensure that ice dams don't occur from drifted snow. Snow removal is required annually in the PDC and is the main reason why BHPB has retained the option of decommissioning the PDC during reclamation. Currently removal of the PDC and restoring of natural drainage is BHPB's intent. The channel will continue until all mining in Panda and Koala is complete as well as underground mining, probably until 2012 or 2014.

DFO Fishout Analysis

Bill Tonne may be contracted to look at all the fishout data collected by BHPB and Diavik. Dillon reviewed the data compiled from the fish out studies in a report from April 2002. The fish out study may also become a thesis for a student. Both diamond mines are partially funding the project. BHPB simply collected the basic biological data it was required to under the fisheries authorization and the data has been sitting since 1996-7. Analysis of the data could help in future with predictions on how to deal with fish-outs and lake losses. Carole mentioned the Agency is concerned the protocols for fishouts are so rigorous loons were being caught in the nets. John mentioned bycatch is a problem. Fortunately for BHPB fishouts are complete for the time being. Before fishouts occur again BHPB intends to request revisions to the protocol so that the nets are left in for less time.

Security Deposits and Reclamation Criteria

Eric has been working with Helen Butler (BHPB) to define a securities schedule. The total security is estimated to be \$134 million by 2014 without progressive reclamation included (\$46 million EA and LUP, \$88 million WL for 2014). For 2003 the total security is likely to be around \$83 million (EA and LUP \$24 million, WL \$60 million), as estimated by the Monte Carlo model. INAC will need to review and confirm these numbers.

BHPB and DIAND are discussing an issue for clarification related to the guarantee and whether the guarantee should be part of the security deposit. Currently, \$24 million security is required for the EA and LUP; and BHP has submitted \$8.175 million in the form of an Irreversible Letter of Credit (ILOC) and \$20 million is in the form of a corporate guarantee. Two options exist, depending how the issue of the guarantee is resolved, either BHPB owes \$16 million or has overpaid by \$4 million. .

Future Sable and Pigeon development will likely not occur until likely 2005. DIAND is coordinating how they hold the securities along with the MVLWB. The Minister's perspective is it is the total sum that is important, not the division of it between regulatory instruments. 65:35 is the arbitrary split between the MVLWB and DIAND holding the security.

Follow up item for next meeting – distribute draft securities schedule for IACT to discuss (Eric)

Diamonds Technical Advisory Committee (TAC)

Eric discussed his knowledge of the diamonds TAC idea that was being driven by Carl Lauten (former MVLWB employee). The idea was to create one technical committee for all diamond mines, looking at all technical aspects. His understanding is that the MVLWB is not going ahead with implementation of this although the TAC for Diavik will continue. Further discussion on the need for a consistent approach to technical reviews for diamond projects is likely.

Leslie Lake fish sampling

Anne mentioned that non-lethal sampling for mercury in fish flesh might be a possibility by taking a flesh plug and releasing the fish. This has been getting good results for metals and aging could be incorporated as well as fork length by removing scales from the fish.

Ekati water licence renewal

Jane delivered a presentation to the group on the BHPB perspective for renewing N7L2-1616. Her objective was to provide some background about the licences BHPB holds and its proposed plans for consultation activities for the main renewal. N7L2-1616 expires December 2004 (it was issued January 7th, 1997) and covers the original pipes, Koala, Panda, Fox, Koala North, Misery and infrastructure.

BHPB's objective is to renew the water licence in a timely and efficient manner and obtain a licence with reasonable terms and conditions. Its approach is to learn from history, work cooperatively, avoid confrontation, identify issues early, and address issues before the renewal application is submitted.

Timeline of Proposed Licence Renewal Process (from BHPB)

Action	Date to Complete
Initiate discussions	May 2003
Consultation (community and technical)	May-October 2003
Address technical issues	As they are identified
Submit renewal application	October-November 2003 (provides MVLWB > 1 year to renew)
Receive licence renewal	December 2004

Jane remarked that once again BHPB is first in line in applying for a renewal as this is the first type A water licence renewal for an operating mine in the region. BHPB initiated consultations in the communities of Gameti and Whati recently and more community visits will occur. BHPB hopes to attend aboriginal assemblies. The uncertainty around the timing of the creation of a Tlicho Land and Water Board creates uncertainty about how this will effect the renewal application process or if the board will be in place and what jurisdiction it may have.

A group discussion followed. The Agency agreed to coordinate some of the meetings as part of IACT meetings and based on agenda items that are circulated from individual organizations. Jane said that of the six management plans covered by the water licence would all be updated in advance of the licence renewal (i.e. Wastewater and Processed Ore Management Plan is due at the end of the month). The Canadian Tungsten Mine and Giant Mine must also be considered for water license renewals and this may aid in establishing the process for BHPB.

The group discussed if the board would be applying the same standards to all the licences. Some parameters that are not now regulated may be in the future based on studies such as the chloride study undertaken (similar to criteria for the atomization licence quality parameters).

Carole requested an explanation about the difference between IACT and TAC. The key differences between TAC and IACT are that TAC is more formalized and is under the mandate of the MVLWB, there is aboriginal representation on TAC and more plain English discussion occurs at TAC meetings

Chris mentioned that for consultation of aboriginal groups it is difficult for the communities to apply for funding until the application has actually been delivered to study the technical aspects of the water licence. BHPB would prefer if the communities could get off to an earlier start. It was also mentioned that Latisha (MVLWB) couldn't facilitate or drive the consultations but could participate as it is BHPB's responsibility.

IACT May 9th, 2003 Summary Notes

The people present at the meeting agreed that IACT would be one appropriate venue to address technical issues. It was noted that some key people were not in attendance at the IACT meeting, primarily MVLWB, DFO and DIAND-Waters, so no decision was made.

Chris mentioned the SNP is a good way to look at how the discharge parameters have functioned. Lionel enquired about what effect an ore production increase from 9000 tonnes per day to 18,000 tonnes per day would have and how that compare to the original EA predictions for trends. Statistical analysis the evaluated AEMP water quality parameters will occur as part of AEMP in 2003 for publication in early 2004 and could take into account the increased ore throughput.

BHPB and IACT were unsure of what formal information request (IR) process will be used during the renewal process, it is contingent on ensuring participation of all stakeholders. The Water Licence renewal portions of future IACT meetings are also open to the consultants of any groups that feels extra technical expertise is necessary.

The group then discussed if for the next IACT meeting a similar agenda format should be used. It was agreed to continue with the new format. It was also agreed that BHPB should meet with any party that was not in attendance to go over the consensus to discuss the water licence at future IACT meetings and to receive a commitment to participate or send an alternate from their organization.

Round Table Updates

Darnell

Darnell mentioned his next inspection is set to occur in the week following the IACT meeting.

Carole

The Agency board meeting and site visit is planned for May 30- June 2, 2003. The Agency is extensively reviewing the air quality reports and meeting with EC and RWED to discuss common issues. The plan for this year mentions relocating the HVAS off the accommodations building. The Agency hopes to offer guidelines on where to locate the sampler. BHPB asked that Jayda Mecredi be contacted prior to meetings on this subject. Jane mentioned Jayda is on a two-week in two-week out schedule and may be available on some Tuesdays for meetings in Yellowknife. A discussion ensued on how air quality is regulated and how it fits in the MVRMA and the EA. May 25th was suggested for a meeting on the air quality monitoring plan as well as an update at the next IACT meeting.

The agency also sent a letter to BHPB on consultation and requested a CD version of the presentations at the annual environmental workshops. John mentioned technical problems but the CD should be available soon.

Follow up for item for next meeting – BHPB deliver CD version of annual workshop presentations (John)

Follow up for item for next meeting – send out a draft agenda prior to June 13th (Sean)

Chris

Chris mentioned the internal reorganization of BHPB. Ian Goodwin is Manager of Environment, Community and External Affairs with John in environment, Denise in external affairs, Jane in permitting, Chris in TK and John Bekale for community affairs and impact benefit agreements. Ian Goodwin and Sean Brennan report to Jim Excel. Driving the change has been the completion of Panda pit, the main revenue source for the mine.

John

John mentioned the ISO 14001 pre-audit occurred. Some outstanding issues remain on hydrocarbon management. Dust suppressants in use at site are currently water and DL 10 around the main haul roads and accommodations. For an IACT site visit it has to be on regular flights. Visitors can fly in on Friday and fly out on Monday morning. The IACT group did not agree to this suggestion.

Jane

Jane updated the group on the Misery atomization project monitoring program status. Allison met with Anne and Steve from EC and a preliminary proposal for a master's project on the atomization project was developed. The proposal does not cover some aspects of what BHPB has requested, and must be expanded to include the wetlands area down-slope of the depositional area as well as more sampling outside the deposition area. A consultant will be preparing a proposal to account for this. The beginning of June is the deadline for the monitoring program (June 5-6th) and circulation will occur hopefully before it goes in. Construction of piles is set to begin in late May, and operational in mid-July. She also mentioned a CEAM workshop is scheduled for the following week. Some IACT participation is anticipated including BHPB.

Next meeting Friday, June 13th 1:15 pm at the Agency boardroom