

About the Agency

The Independent Environmental Monitoring Agency was formed in 1997 to act as a public watchdog for the Ekati Diamond Mine™. We are governed by a Board of Directors, appointed by:

- ➔ Akaitcho Territory Government (represented by Lutsel K'e and Yellowknives Dene First Nations)
- ➔ Tłı̨chǫ Government
- ➔ North Slave Métis Alliance
- ➔ Kitikmeot Inuit Association
- ➔ Government of Canada
- ➔ Government of the Northwest Territories
- ➔ BHP Billiton Canada Inc.

Agency Mandate

- ➔ Review, report and make recommendations on BHPB and government reports and plans
- ➔ Make recommendations on the addition of Traditional Knowledge and experience of Aboriginal peoples into environmental plans and programs
- ➔ Participate as an intervenor in regulatory processes
- ➔ Provide an accessible public library of all environmental information relevant to the project
- ➔ Provide ways of distributing information to Aboriginal peoples and the public
- ➔ Provide an effective means to bring to BHPB and governments the concerns of Aboriginal peoples and the general public

Tłı̨chǫ Elders; Inter-Agency Coordinating Team site visit July 2010.



A PUBLIC WATCHDOG FOR ENVIRONMENTAL MANAGEMENT AT EKATI DIAMOND MINE™

AGENCY BOARD OF DIRECTORS AND STAFF

Independent Environmental Monitoring Agency: Back row, left to right: Kim Poole, Tim Byers, Audrey Enge, Laura Johnston, and Tony Pearse.

Front row, left to right: Kevin O'Reilly, Bill Ross, Monica Krieger, and Jaida Ohokannoak.



INDEPENDENT ENVIRONMENTAL MONITORING AGENCY

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For further information on the recommendations please refer to the Technical or Plain Language Annual Report available through our office or website.



A PUBLIC WATCHDOG FOR ENVIRONMENTAL MANAGEMENT AT EKATI DIAMOND MINE™



INDEPENDENT ENVIRONMENTAL MONITORING AGENCY

ANNUAL REPORT

SUMMARY 2010-11



Message from the Chair

Our main activity last year was helping make a better Interim Closure and Reclamation Plan for the mine. We are proud of our efforts and we believe the Wek'ezhii Land and Water Board made a wise decision. It will lead us to a good closure plan. The Agency was also pleased that BHP Billiton (BHPB) asked to work with us on the reclamation research plans. We look forward to working with BHPB and others to do so.

Problems with the 2009 Environmental Impact Report (EIR) seem to be solved. BHPB has promised to hold a workshop on this subject in the fall of 2011. We have sent out a discussion paper with our suggestions on how to improve the EIR. We look forward to a good workshop which should help BHPB prepare the 2012 EIR.

We are not satisfied with the outcome of the Diamond Mine Wildlife Monitoring Program Review. The mines did work together, but the resulting monitoring program for EKATI™ Diamond Mine does not seem to meet its goals. We have made suggestions to improve the Ekati wildlife monitoring program for future years. We also support the new NWT *Wildlife Act*. It will make for stronger wildlife monitoring.

The Air Quality Monitoring Program has improved because of work by BHPB staff. We still see some ways to make it better, and we are pursuing these. After a good workshop about air quality, we recommended that BHPB start running its new incinerator as soon as possible.

As suggested by our Society Members, another big change has been better Agency communication. We followed advice from our annual general meetings and from the SENES Consultants report (2009) on Agency performance. We have improved our main website. We have also started our Ekati Timeline Project. This is a new website with information and pictures showing major events in the history of the Ekati Mine. We also send out short summaries of our meetings and summary brochures after community visits.

As always, we welcome your ideas and will try to answer any questions. ■



William A. Ross, Chairperson
March 31st, 2011



2010-11 Recommendations

2010-11 Recommendations (for the complete recommendations and responses please see our Annual Report on our website or contact us)

► Recommendation 1: ► Recommendation 2:

The Agency recommends that, before the end of 2011, BHPB make its new site incinerator operational.

BHPB Response: BHP Billiton plans to commission a new solid waste incinerator at the Ekati main camp that provides the most up to date technology for waste incineration and reduction of emissions. BHP Billiton has discussed this with technical staff from Environment Canada and the Government of the Northwest Territories. The incinerator is in place at Ekati. However BHP Billiton has encountered a number of frustrating operational issues that have prevented it from being put into use. Necessary physical modifications to the incinerator are underway and the facility will be commissioned as soon as it is ready.

GNWT Response: The GNWT fully supports IEMA's recommendation. Appropriate technology and operation are vital for responsible incineration waste management, especially at a facility the size of Ekati. The GNWT understands that BHP has been in possession of the noted incineration units since 2006, therefore, bringing them into operation by the end of 2011 is a welcome conclusion to the installation phase.

The Agency recommends that BHPB implement in 2012 a monitoring program with the objective to determine the influence of mine related activities on the relative abundance and distribution of grizzly bears.

BHPB Response: BHP Billiton plans to conduct this program in 2012. Additionally, BHP Billiton is conducting a preliminary program in 2011. The 2011 program will utilize a smaller number of hair-snagging posts (12 posts in 2011 and an estimated 30 posts in 2012) to test the methodology and to collect preliminary data. The post locations will be selected with community input when possible and will be moved at least 3 times to assess the best locations. BHP Billiton is looking forward to working with communities, the Government of the Northwest Territories and others on this program and will report the results of its 2011 program to provide experience and important lessons learned.

GNWT Response: The GNWT supports the continued monitoring of the influence of the Ekati Mine on the relative abundance and distribution of grizzly bears. The GNWT will continue to engage with BHPB and other mines on the preferred

methods for this monitoring program. GNWT recommends that hair collected from the posts be identified to species and sex to confirm that the survey design is effective for monitoring grizzly bears. GNWT is prepared to provide some support for the analysis of hair samples pending a proposal and budget from BHPB.

► Recommendation 3:

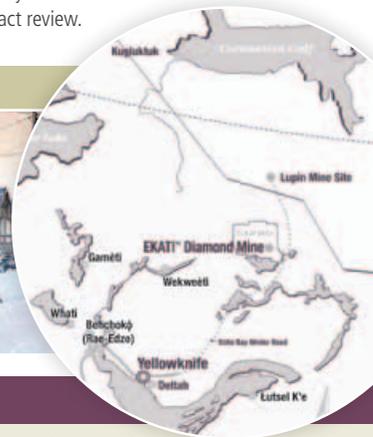
The Agency recommends that BHPB and GNWT-ENR agree to a regular (we suggest every three years) formal review of wildlife monitoring and management at the Ekati Mine.

BHPB Response: BHP Billiton views the recent joint review of wildlife monitoring programs for the diamond mines as a progressive and positive experience that has set the stage for implementation of improved programs. This was a new approach that included community input

and the timing allowed for the beneficial use of lessons-learned. BHP Billiton cautions that this level of in-depth review and change should not be undertaken too frequently because this could interrupt important continuity of data collected over successive years. BHP Billiton would be interested in working with communities, the Government of the Northwest Territories and others to develop a process and timeframe for future reviews of the Ekati wildlife monitoring program.

GNWT Response: The GNWT remains committed to reviewing wildlife monitoring programs for Ekati Mine as frequently as needed based on the implications of monitoring results. While a schedule may not be possible, a full review of the adequacy of wildlife monitoring should be possible after each three-year environmental impact review.

Streets of Kugluktuk.



2010-11
Environmental
Performance
Scorecard at
Ekati for
BHPB and
Government
Regulators

Environmental Indicator	Agency Rating	Comments
Water and Downstream Aquatic Life	Acceptable	Need to continue monitoring contaminants, zooplankton, and grayling fry (young fish). Aquatic monitoring is detailed and provides helpful information. Levels of some contaminants slightly above guideline levels and changing zooplankton populations are a concern. Not clear whether Panda Diversion Channel grayling fry survive through winter.
Wildlife	Acceptable	Progress on grizzly bear monitoring has been very slow. Need to improve caribou monitoring to identify causes for avoidance of mine (possibly dust).
Air	Improved, except new incinerator is not running	Monitoring program improved, including snow sampling. Should address dioxins and furans in lake sediment by getting new incinerator operational.
Land and Reclamation Planning	Substantial improvement	Much improved closure plan but more research still needed. Implementing this plan and especially getting the necessary information from reclamation research plans is now needed.
Overall	Good	Ekati is operated in a manner protective of the downstream environment and of wildlife, but there is room for improvement.