



Agency Board of Directors and Staff

Back row, left to right: Allison Anderson, Tony Pearse, Bill Ross, Kim Poole and Laura Johnston.

Front row, left to right: Kevin O'Reilly, Tim Byers, Sheryl Grieve and Jaida Ohokannoak.



About the Agency

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

- Akaitcho Treaty 8 First Nations (Lutsel K'e Dene First Nation and Yellowknives Dene First Nation)
- Tł'ichǫ 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 the environmental programs, reports and activities of BHPB and governments
- Make recommendations on the use of Traditional Knowledge and of the experience of Aboriginal peoples in environmental plans and programs
- Participate as an intervenor in regulatory processes
- Maintain a resource library of environmental information relevant to Ekati
- Distribute information about Ekati to Aboriginal peoples and the general public
- Provide an effective means to bring to BHPB and governments the concerns of Aboriginal peoples and the general public



HOW TO REACH US

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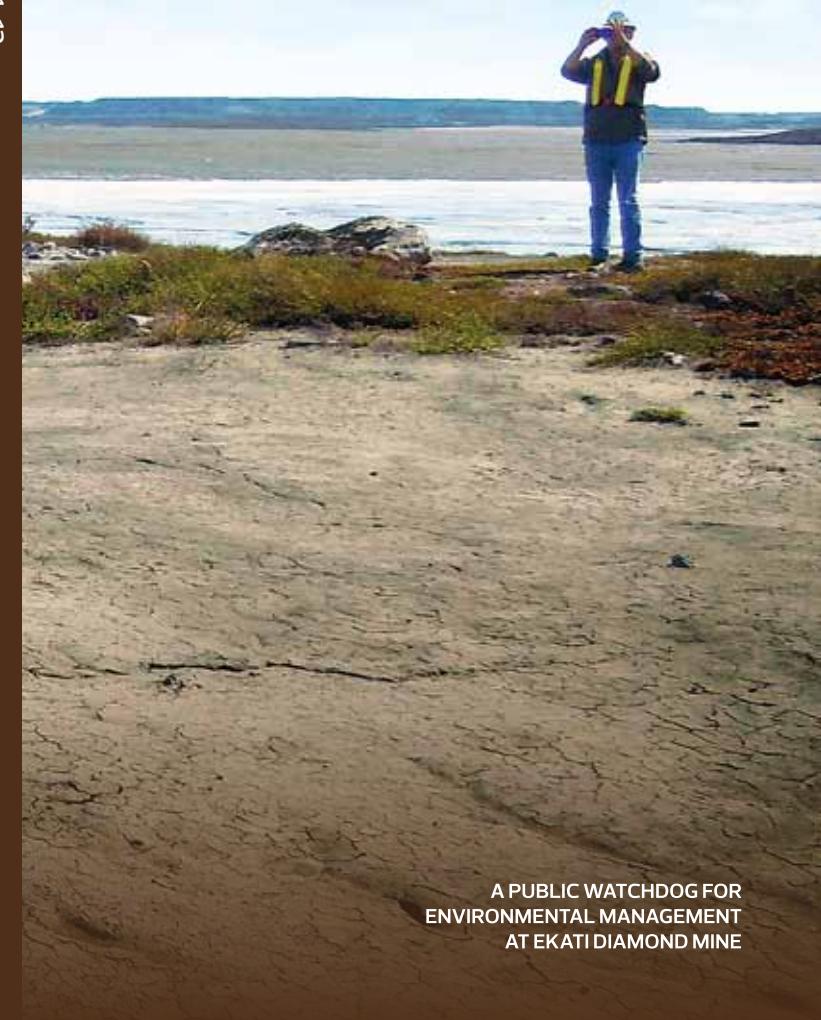
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Please contact us for more information about our recommendations and the performance of BHPB, governments and regulators at the Ekati Mine. Plain language and technical versions of our Annual Report 2011-12 are available on our website or from our office.

ANNUAL REPORT SUMMARY 2011-12



Message from the Chair

BHP Billiton Canada Inc. (BHPB) has continued to do a good job of environmental protection at the EKATI™ Diamond Mine (Ekati). Major events of the last year include the approval of the *Interim Closure and Reclamation Plan*, the start on calculating the financial security needed to close the mine, and the approval to deposit tailings into Beartooth Pit. The Agency believes these are positive developments, and we have worked with BHPB and others to make them happen.

We are making every effort to be part of the work on financial security as required by the Environmental Agreement. If this work goes well, we can assure our Society Members that there will be enough money set aside by BHPB to ensure the environment and human health are protected when the mine is closed. The security can be returned to BHPB when the work is done.

Last year, we expressed concern about how BHPB's Environmental Impact Report was being handled. Since then, several meetings have taken place about the report. We believe the next version in 2012 will be much improved.

Last December, we held a workshop on Traditional Knowledge (TK). All of our Society Members took part, and we are pleased with the results. The Agency's recommendation about community consultation and closure in our *Annual Report 2011-12* is based, in part, on the results and recommendations from our TK workshop.

With respect to wildlife monitoring at Ekati, we have seen both good and bad developments. The regional grizzly bear monitoring program appears ready to begin. Caribou monitoring, on the other hand, seems quite uncertain.

For the last few years, the Agency has been told it needs a good Communications Plan. We are pleased to report major progress on this task.

In the coming year, we will work hard to ensure that the water licence renewal process results in a good water licence that protects the environment.

The Agency welcomes your input and suggestions. As always, we will make our best efforts to address any questions or concerns you may have.



William A. Ross, Chairperson
March 31, 2012



2011-12 Recommendations

Recommendation 1

The Agency recommends that BHPB implement in 2013 a monitoring program with the objective to determine the influence of mine-related activities on the relative abundance and distribution of caribou.

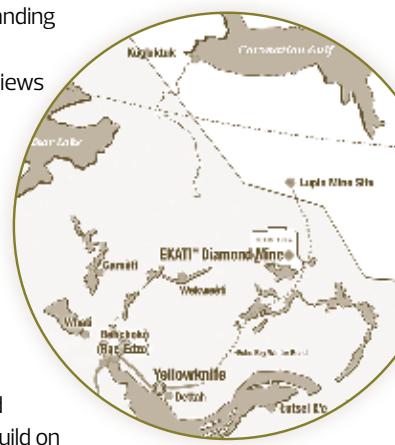
BHPB Response: BHP Billiton monitors for mine-related effects on caribou in several ways. Behavioural scans were augmented in 2011 by remote cameras and enhanced field procedures, which will continue through 2012. Also, an aerial survey is planned for 2012. The specific programs for caribou monitoring in 2013 will consider the information gathered in 2012.



Recommendation 2

BHPB should undertake more effective community consultation regarding closure in order to:

- Achieve better community understanding of the closure plan
- Gain a better understanding of the views of communities regarding closure
- Facilitate the incorporation of Traditional Knowledge into closure planning



BHPB Response: It is important to BHP Billiton that Aboriginal communities participate in planning for closure and reclamation of the EKATI Diamond Mine. The *Interim Closure and Reclamation Plan* approved by the Wek'eezhii Land and Water Board includes programs that will build on established relationships to further enhance community participation. BHP Billiton will seek to work directly with Aboriginal communities through 2012 and beyond to implement these programs.

2011-12 Scorecard for the Environmental Performance of BHPB at the Ekati Mine

Environmental Indicator	Agency Rating	Comments
Water and Downstream Aquatic Life	Satisfactory to Good	Continued monitoring of contaminants, zooplankton and fish is needed. The levels of some contaminants are above guideline levels (chloride, nitrate, molybdenum and phosphate), and changing zooplankton populations are a concern. Improvements were made to the fish sampling program. BHPB made commitments to improving the Panda Diversion Channel and applying the lessons learned there to the Pigeon Stream Diversion.
Wildlife	Satisfactory	BHPB took a leadership role in putting together and carrying out a regional grizzly bear monitoring program. Caribou aerial surveys should be restarted. Improvements to caribou monitoring are needed to identify why caribou are avoiding the mine.
Air	Satisfactory to Good	BHPB made some improvements in the monitoring and management of air quality. The new incinerator is finally operational, but a revised Waste Management Plan is needed. Monitoring equipment and training should be improved to get more consistent and reliable data. Further investigation of dioxins and furans from incinerator emissions should be done (e.g., sampling of benthic invertebrates and/or fish).
Land and Reclamation Planning	Satisfactory	The <i>Interim Closure and Reclamation Plan</i> was approved.
Overall	Satisfactory to Good	Ekati is operated in an environmentally sound manner, but there continues to be room for improvement.

Rating Definitions

Unsatisfactory – BHPB failed to meet the expectations of the Agency, failed to carry out important commitments, or its performance resulted in sanctions or violations.

Satisfactory – BHPB met the expectations of the Agency, monitored and managed environmental impacts, and its performance did not result in sanctions or violations.

Good – BHPB exceeded the expectations of the Agency, actively investigated and managed issues of concern, and its performance demonstrated best practices, Best Available Technology, initiative and/or leadership.