



Independent Environmental Monitoring Agency

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Mr. Joel Holder
Manager, Environmental Assessment
Environment and Natural Resources
Government of the Northwest Territories
P.O. Box 1320
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Dear Mr. Holder

The Agency has had an opportunity to review Dominion Diamond Ekati Corp. (DDEC) 2013 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 2013.

We note that there has not been a response from the company to the comments we submitted on the 2012 Annual Report. We had hoped this would have been available prior to filing this year's comments.

The Agency is of the view that the 2013 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 general observation with a view to improving future Annual Reports. We would request that DDEC review and respond to these comments before it submits its 2014 Annual Report.

2013 Environmental Agreement and Water Licence Annual Environmental Report

- Page 13, DDEC presents some of the results of Towards Sustainable Mining reporting and performance which is quite helpful and in line with the requirements for the Annual Report to discuss adaptive management. We had also hoped that the company would briefly discuss the results of other audits or

- assessments, especially the external ISO audit, to better explain how it is improving its environmental management.
- Page 13, although the Environmental Agreement is described briefly, the company does not report that it supported the proposed changes from Aboriginal Affairs and Northern Development Canada that would see the federal government drop out of the Agreement.
 - Page 16, DDEC states "*Seine netting was attempted on the East, West and South shores where conditions permitted, proximity to the rock pile prevented any seine netting attempts on the North shore*" [emphasis added]. The Agency is curious to know what constraints there were to the seine netting attempts. Worker safety due to the possibility of rock falls or for some other reason?
 - Page 29, DDEC notes that an instrumentation error resulted in a discrepancy over the amount of processed kimberlite deposited into Beartooth and the LLCF. As the report is dated April 2014, we had expected to receive a corrected value by now, as committed to by DDEC.
 - Page 33 and Appendix B, as was the case in last year's Annual Report, in discussing accidental spills there is no mention of any lessons learned or spill prevention measures to be implemented as a result. This is an important part of adaptive management.
 - Page 35, DDEC reports on the 2013 inspections carried out but does not provide dates or links to the WLWB postings for these reports. A summary of any lessons learned or changes made to operations as a result of the inspections would have been a helpful demonstration of adaptive management.
 - Page 49, DDEC discusses the management of processed kimberlite in the LLCF as an example of adaptive management. This is a rather dated example at this point and there should be much more recent and relevant examples of DDEC using adaptive management at Ekati. For example, the Nitrogen Response Plan that should result in reductions at source from improved blasting practices.
 - Appendix C, DDEC reports on the seepage survey results but does not summarize the waste rock pile temperature data from thermistors and the lack of freezing of some of these areas.
 - Appendix D, DDEC presents a thorough overview of the 2012 AEMP but it would be even more helpful if there was a brief summary of the key points or trends that were observed, along with implications for overall water management.
 - Appendix E (Page 106-107), while the discussion of the use of TK in closure planning such as the vegetation workshop shows DDEC's concerted efforts to engage community TK-holders, an important element is missing. It is not clear how DDEC intends to use TK in closure planning. What TK that was learned by DDEC during the workshops will be used in closure planning and monitoring?

- Appendix E (Page 111), section 4.2 2014 Reclamation Activities mentions that progressive reclamation is ongoing at Fred's Channel, Culvert Camp and the old Fay Bay PK spill site. The current state of these sites is not clear or how much more reclamation work is required on them.
- Appendix E (Page 112), DDEC restates its position on reclamation security but this should have been updated to reflect the Wek'eezhii Land and Water Board decision on this matter. There is also no reference to Environmental Agreement security and the submission of some type of security proposal to the federal and territorial governments in late 2013.
- Appendix F (Page 122), the company states "The percentage of surveys detecting food packages at the Ekati landfill was 80% in 2013." There is no follow-up proposed to state that this is the highest rate of non-compliance since 2005 and what specific additional measures DDEC intends to take.

2013 Environmental Agreement and Water Licence Annual Environmental Report Summary

We also reviewed the plain language version of the Annual Report. We found this to be a helpful and well organized document. The photos and graphics are well done and the definitions in the text boxes are a welcome new addition. The plain language version is an accurate summary of the full report. It would be very helpful to highlight the main environmental trends including the changes to downstream water quality as a result of macronutrients and uncertainty as to the cause of the Zone of Influence for caribou avoidance of Ekati.

We look forward to DDEC's timely response to our comments. We would be pleased to discuss these comments with DDEC and others to ensure improved public reporting and environmental management at Ekati.

Sincerely,



Bill Ross
Chairperson

cc. Society Members
Brett Wheler, Wek'eezhi Land and Water Board
Véronique D'Amours Gauthier, DFO
Sarah-Lacey McMillan, Environment Canada