



ANNUAL REPORT 2009/2010



EMAB

ENVIRONMENTAL MONITORING ADVISORY BOARD

Report Card

WHAT'S HAPPENING WITH THE ENVIRONMENT?

Water

All measurements are within licence limits. The main effect on Lac de Gras is from increased nutrients. The Aquatic Effects Monitoring Program (AEMP) detected several changes in the lake that need further investigation. The Adaptive Management Plan development remains on hold while the WLWB develops guidelines. The discharge showed no toxic effects when tested on aquatic animals including rainbow trout. Ammonia levels continue to drop. Further investigation is needed soon to assess whether the effect of increased nutrients on Lac de Gras is more than predicted. If so Diavik will need to start looking into ways to reduce nutrients. Questions remain about mercury in fish and a possible link with increased nutrients.

Diavik has still not made any progress adding Traditional Knowledge/Inuit Quayumajatuqanqit (TK/IQ) to the AEMP monitoring.



Wildlife

All impacts are within predictions except caribou are avoiding the mine at larger distances than was predicted. Communities remain concerned about effects of the mine on caribou migration routes and caribou health. Work is needed to find out why caribou stay so far from the mine. Waste management at the Waste Transfer Area in 2009 was better than previous years and attracted less wildlife.

Diavik provided useful data and analysis to support discussions on Wildlife Monitoring Program (WMP) revisions. It will test a new grizzly study method in 2010 and will suspend the caribou aerial surveys for the year. The process for revising the WMP stalled following a workshop in September. Diavik needs to do a better job of providing information on the WMP to communities and receiving meaningful input from them.

Diavik does not use TK/IQ in the WMP and does not have a program to work with communities to develop studies.

The GNWT pilot project to look at cumulative effects on Bathurst caribou does not seem to have made progress. More attention needs to be focused on this.

Fish

Questions about fish health and consumption continue. The question of why mercury is being found in fish near Diavik's discharge, and whether levels are rising in trout in Lac de Gras, has not been answered definitively. The next testing of fish will be in 2010. Fish palatability study participants thought the fish were good.

Progress is being made on fish habitat compensation. Work has started to replace fish habitat altered or destroyed by the mine development, including work in communities.

WHAT'S HAPPENING WITH THE ENVIRONMENT?

Air

Dust levels continue higher than predicted. Diavik should speed up its work to develop a full air quality monitoring program. It committed to monitoring air quality when it signed the EA ten years ago. EMAB made a recommendation that Diavik do this in 2006 and sees no good reason for the delay.

Closure

Diavik has submitted a draft Interim Closure and Reclamation Plan. EMAB is concerned about some important gaps and wants some changes made soon. Diavik needs to make sure communities have a full understanding of the plan and a way of providing meaningful input. Diavik needs to make sure the ICRP addresses the commitments it made about closure during the environmental assessment. Diavik needs to develop an effective way of collecting and incorporating TK/IQ into the ICRP that is acceptable to communities. The closure objectives and criteria need to be clear and link directly to the plan. The information gaps, including research needs, should be addressed soon, including possible effects of climate change.



LETTER FROM THE CHAIR

Welcome to the 2009–2010 Annual Report for the Environmental Monitoring Advisory Board (EMAB).

Ten years ago five Aboriginal groups and governments, the federal and territorial governments and Diavik, signed the Environmental Agreement (EA). EMAB has worked almost as many years to ensure the implementation of the EA. This last year has been difficult.

On a positive note, EMAB undertook a major review of Diavik's draft closure plan, and worked to support communities in doing their own reviews including providing technical review documents. Traditional Knowledge/ Inuit Quayumajatuqanqit (TK/IQ) continued to be a major focus. Lack of progress in implementing Diavik's commitment to include TK/IQ in its monitoring is a concern we have heard frequently from communities and we hope that our efforts can assist the Aboriginal Parties in moving forward. We have also devoted a lot of time to the Wildlife Monitoring Program revisions.

We continue to work hard to ensure communities are well informed. This year, in addition to our regular community updates, we developed a new communications plan that flows from the strategic plan we finalized last year.

Disappointingly, Diavik attempted to close EMAB offices and operations during a period where it reduced activity at the mine. This challenge was rejected by both EMAB and the Indian and Northern Affairs Canada (INAC) minister as going against the intent of the EA. More discouraging was the company's second unauthorized reduction to EMAB's funding. We are disappointed a solution has not been reached after almost two years of effort. We have diverted substantial resources to solving this lack of compliance in a respectful, principled way while protecting our independence. We appreciate the support offered by many of the Parties and hope that all our efforts will pay off next year.



The EA allows for the Parties to review the document after a five-year interval. As this had not yet occurred and in keeping with the ten-year anniversary of the signing, we launched a review of Party satisfaction with the way the agreement is being implemented. The Parties made many comments and suggestions and we look forward to following up on the recommendations in the coming year.

Our annual report includes details on all these activities. Also included is a ten-year photo retrospective throughout the document.

Regards,

Doug Crossley
EMAB Chair

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The Environmental
Monitoring Advisory Board maintains
a website to keep you updated. Visit:
www.emab.ca

WHAT HAVE WE DONE THIS YEAR?

The Environmental Monitoring Advisory Board welcomes questions and comments.

Call us at 766.3682 Email us at: emab3@arcticdata.ca

Note: In order to keep readers updated some actions and information have been included in this report that took place after the end of the fiscal year (March 31, 2010).

We continue to work with the people of the Affected Communities to help protect the environment around the Diavik mine site. As a public watchdog, EMAB's primary role is to ensure that Diavik and the regulators do what is necessary to protect the environment. The following summarizes major activities for 2009-2010. Details on all these activities can be found in the following pages.

Aquatic Effects Monitoring Program (AEMP): This environmental program tracks the effects the mine is having on Lac de Gras. Diavik samples water at various locations in the lake, close to and further from the actual mine site. Environmental staff also take samples of sediment and bugs. Each year, the mine reports on the results and EMAB hires a technical expert to review the report. We share this review with Affected Communities and with the Wek'ëezhii Land and Water Board (WLWB), which is responsible for oversight on Diavik's water licence.

Wildlife Monitoring Program (WMP): Equally important to EMAB is the annual report documenting effects of the mine on wildlife. We hire a technical expert to review this report, as well, and share the review with communities and other agencies that have responsibilities regarding wildlife, such as Environment and Natural Resources (GNWT) and the Wek'ëezhii Renewable Resources Board. We also put a lot of work into the almost two year long ongoing process to revise Diavik's Wildlife Monitoring Program, and hope that the changes will not only improve our understanding of the mine's effect on caribou and other wildlife, but provide for an expanded program that includes TK/IQ.

A21 mining method: When Diavik originally applied for their water licence, all four kimberlite pipes were to be mined using an open pit method, although the Environmental Assessment also encouraged Diavik to consider other mining technologies as an opportunity to reduce disturbance of the land. This year, it decided to mine the final pipe (A21) using an untested mining method. EMAB, along with the Aboriginal governments, objected to amending the water licence to accommodate the new method without a technical review or environmental assessment. Generally, the feeling was that the information provided was inadequate. Diavik withdrew their request, citing community concerns as the reason.

Interim Closure and Reclamation Plan (ICRP): Mine closure is high on the list of EMAB priorities. The closure plan continues to be a draft and is revised on a regular basis by Diavik. We hired a technical expert to review the plan and we conducted an internal review based on the Comprehensive Study Report, a document that lists commitments the company made prior to approval of the project. We shared both sets of comments with the communities, as well as submitting them to the WLWB.

Environmental Agreement Review: We continued working on an internal review process of the Environmental Agreement. However, we also felt it was time to contract an independent reviewer and have them go directly to the Parties who signed the EA to determine their level of satisfaction with its implementation, particularly Diavik and EMAB roles. After preliminary research and a survey with the Parties, Senes Consultants Limited facilitated a workshop to discuss the survey findings.

Capacity funding: EMAB distributed \$150,000 to the Aboriginal Parties through its Capacity Funding Program. The goal is to help the Parties enhance skills and learning in environmental monitoring.

Budget disagreement: The Environmental Agreement originally required that Diavik fund an independent monitoring board: \$600,000 annually, plus the annual consumer price index increase. We submitted our two-year workplan and budget in September 2008. As with the fiscal year of 2009-2010, Diavik withheld \$150,000 in 2010-2011. EMAB disagrees with this and sees it as compromising EMAB's independence and have asked the Parties to the EA to initiate the dispute resolution process.

Communications: Communication with Aboriginal Parties is one of EMAB's highest priorities. This year we visited Whati, Łutselk'e, and Kugluktuk and met with members of the North Slave Métis Alliance. In addition, Doug Crossley made a presentation to the KIA board and Florence Catholique update the Łutsel K'e chief and council. We also finalized and approved our communication plan.

HOLIVITA OMANI OKIOMI?

Tatja holi Inuit havakatigihimmaaktavot nunakaktot oyagakhioknikot aktomayaoyonit ekayyogomaplogit nunapta monaktaotiaknighaagot Diavikmi Oyagakhiokviovomit. Inungnik tamainnnik ekayogahoakhota amighiyiogapta, Avatiliginikomot Monakhiyioplotat Katimayiogapta havaagiyakot Oyagakhioktit amigiyavot maligakhalioktillo nakoatoogahoakoplogit tilihimavaktavot avatiliginikot pittigahoakoplogit nunakpot monagitiakoplogo. Hapkoa titigakhimayot nainaagahoakhogit okaotigihimayavot havaagoyoghatigot okiokni 2009-mi 1010-milo . hapkoa naonaiyatiakhogit titigakhimayavot takoniaktahi omongga titikamot elaiotihimayot.

Emangmialiginikot Naotiktoinik (AEMP-KOT): Ona Avatiliginikot naotiktoijotaoyok kanogilivaliajotaokmagaat emangmianot oyagakhiokviovomi Lac de Gras. Diavik-kot emakmik naonaiyaotigivagait oyagakhiokviovop haniani ahikpanilo oyagakhiokviovomit. Avatiligiitkonni havaktit naonaiyaivakmiyot tattit natiinit komagoiniklo alatkiinik pivakhotik. Aipagotoagaagat, oyagakhiokviovok naonaigotighanik tohaktitivaktot kanogiliogotaoyonik, talvanga EMAB-kot naloghangitonik havaktighakpakmiyot takoogiyoghamik tohagakhliokhimayainnik oyagakhioktit onipkaaliokhimayainnik. Hapkoa takootaohimayot naonaigotighat tohaktitpakmiyavot nunaliknot okononggalo Wek'eezhii-kot Nunalikinikot Emalikiyiinotlo Katimayiinot, hapkoa amighiyookmata oyagakhiokvikmik Diavik-konnik Emalikinikot Laisighaktitainikot.

Angotighalikinikot Naotiktoinik (WMP-KOT): Talvataok pimmagiokmiyot okonongga Avatiliginikmot Monakhiyit Katimayiinot aipagotoagaagat tohagakhalioktaovaktot kinggoknakhitivaiyonik angotighanot oyagakhiokvikmit. EMAB-kot naloghangitonik havaktighakpakmiyot takoogiyoghamik tohagakhliokhimayainnik oyagakhioktit onipkaaliokhimayainnik ovalo tohaktaghat takopakpakhogit tohaktaghaliokhogillo nunaliknot alantlo monakhiyioyonot angotighalikinikot, naliannot hapkonongga Avatiligiinot Nunalotaligiinotlo Nunatiap kavamaini Havakviovot, okonogalo Wek'eezhii Nunamialigiit Katimayiinot. Talvalotaok havaagikhaahimalikmiyavot ehoaghivaaligahoakhogit Diavik-kot angotighalikinikot naotiktoijotigiyaghainik naonaiyaotigilogit, nigioigilogillo allangootaoyot ehoaghivaalitiiniaktoghaovot

naloghagoikpaalioitigiyaami angotighalikinikot naonaiyaotaoyoghanik. Talvalo pikahiotihimaniaktot Kaoyimayatakaoyotigot atoktaoyoghanik elittoghailigaikpata nunamialikinikot.

A21 oyagakhioktit atokpaktait: Diavik-kot toghiktogamik emiktaotighamikmik laisighagomaplotik piyomayot, Tamaita oyagaktakvigiyomayait oyagakhiokviginiaktaingook nunap kaaganit taonongga algakpalialotik atittokpalialogo pinahoaktogiyot Avatiliginikot Naonaiyaotaoyonik atokoyaoplotik tiliyaohimayot Diavik-konnot hapkoa atokoyaoyot ehomaghakhiotigikoplogit alat oyagakhioknikot atoktaovaktonik atokoyaoplotik imaagook nunamot piomipiyominaigotinnaitomik oyagakhioklotik piyaaginni. Omani okiokmi taimaaktigotigilogo ona (A21) nalvaakviginahoakniaktaat oyagakhioktit atoklotik oktongakhimaitamikmik atoklotik oyagakhioknikot oyagakhioknikot, EMAB-kot ppikatigiplogit Nunakakkaakhimayot kavamait pinahoaktogot emiktaknighakot laisighaotaovaktok nutaagoktigahoaklogo atoohighaa piyomayakot ayoknakhivalaakhimaitomik hivonighijotigivagaa ehoaghainighakot naonaiyaotaovaktonik. Ona ehomagigamikot naonaigotighangook ehoinaakhimavaknikmata tamaitomik Diavik-kot toghigaotigiyagaloatik piffaahimayaat malikatiyomagamik nunalit ehomaalotigivagainik okaotaovaktonik.

Oyagakhiokvik Taimaaktaopat Nunap Elitkohianot Hanakiyaofaaktaonighaanik Opalonggaiyaotit: Oyagakhiokvik omiktaokpat EMAB-kot hivolikpaalioitilogo ehomagiyat pittiaaktaonighaanik. Taimaaktaonaholik opalonggaiyaotighat holi tatja atoktaojotighait inikpiakhimayoitot kihimi ehoaghagahoakhimmaaktaat alanggoktikataghogo Diavik-kot kanok piyaojotighainnik. priorities. The closure plan continues to be a draft and is revised on a regular basis by Diavik. Opalonggaiyaotaoyonik takoogiyoghamik ayoghanggitomik havaktighaktogot taamna opalonggaiyaotighak ehoakmagaat naonaitiagiami. Oyagakhioktit titigagiihimayaat kanogiliokniagiamingnik omiktilikat oyagakhiokvik pittiaaktaoniakmagaat haklovioknaigiami. Hapkoa naonaigotigiyavot okagiiktaohimayot pipkakhimakmiyavot naliannot nunaliknot okoalo pipkahiotiplogit WLWB-kot.

HOLIVITA OMANI OKIOMI?

Avatiliginikot

Takoogifaaknik: Holi ona havaagihimmaaktakot kanok inmagaat nakoatookhimakmagaallo Avatiliginikmot Angikatigiigotaohimayok. Taimaitomik, kaantolaaktitilota pinahoagomalikmiyogot naonaiyaiyoghamik opaloggaiyaotaohimayomik takoogiyoghamik ovalo tililogit hivoliotilogit havaagoyoghat takooktaoyaaginni oyagakhiokti avatiliginikmot angikatigigot sainigiikhimayaanni haklovioknaiyaiyoghamik, okoavalaat Diavik-kotlo WMAB-kollo sainikhimakmajok. Takoogitaakata naonaiyaotaoyomik piniaktot katimapkailotik elittoghaotigilogit kanogitonik ehoaghaotighanik nalvaakhimalikmagaagita..

Maniknik Atoktaghanik Pipkainik: EMAB-kot tonihiyot \$150,000-taalamik Nunakakkaakhimayonot maniknik atoktaghainnik Maniknik Atoktaghanik Totkogiikhimayomit. Ekayogomagaptigik elihaotigilogo kanogilioknighamik Avatiliginikot Naotiktoitighanik.

Maningnik Atoktaghanik Akitoyonot Ehoigijotaoyok: Avatiliginikmot Angikatigiigotaokaakhimayok imaa Disavik-konggook akiliktokniaktogiplogit okoa naotiktoinikot katimayit: \$600,000-taalamik aipaagotoagaikpat talvalo aipagotoagaagat maniliogotaoyonot aklivaaliotaovaktot pitjotigiplogit. Pipkaitaakhimaliktogot maniknik atoktagjhaptiknik okioknot malgoknot Saptaiapa 2008-gotillo. Talvalo hoyagiikahiotiplogik okiok 2009 2010-lo, Diavik-kot tigomiinakmajok manik toniyaghaotigaloaktik \$150,000 2010-mi 2011-milo atoktaoyghat. EMAB-kot taimaa hamna ehoigikmajok ehoahhaotighanotgook ehoilijotaokmat taimaitomik oyagakhioktit tiliyaitk Avatiliginikmot Ehoaghaotighat pinagikoplogit eniktikovait.

Tohaktitainik: tohaktitakarnik Nunakakaakhimayonik EMAB-kot hivolipaaliotiplogo havaagivaktaat. Omani okiomi Itkilgit nunalit hapkoa polaaktaghogit opakhimayavot, Whati, Lutselk'e, Kugluktukmionotlo ovalo katimakatigivakhogit hapkoa a North Slave Metis Alliance. Katimayit talvalo, Doug Crossley havaagivaktaptigot tohaktitihimakmiyok KIA-kot katimayinik onalo Florence Catholique Lutselk'e-miot Hivolikhoktiannik katimayiniklo nutaanik tohaktaghanik tohaktitimiyok. Ovalo eniktikhotigik namagilikhogillo angiktavot tohaktitainighakot atoktaghavot.



DII XO K'E AYII EDÀTS'ILÀ?

Diavik sòmbak'è ndè wemqò esawodèch'á ɣa wexots'ihdi gha dɔne xè eghàlats'ide. Dɔne gha dɔ sòmbak'è wexots'ihdi, eyit'a t'a EMAB wela hɔt'e, eyits'q amii la k'e eghàlada sɔ weghà eghàlahoda nàowo sɔ ghà eghàlagide gha wexòedi. Dɔ nɔht'è hòlɔ sɔ 2009-2010 xo k'e ayii edàatɔ wek'e eghàlaginda wegondɔ hɔt'e.

Ti Gott'a Tich'aadɔ Nadè La (AEMP): Dɔ la t'à edàani Ek'atɔ wexèdi wexòedi ha hɔt'e. Diavik eyii tɔ edlatɔ ts'q tɔ wek'agehta, adɔ sòmbak'è k'e eghàlagide ts'q goɣwa-lea eyits'q wets'q goɣwa sɔ wexòegihdi. Xo tɔt'e, sòmbak'è k'e eghàlagidedɔ ayii edàatɔ gogihɔ weghɔ hagedɔ eyits'q EMAB dɔne dɔ hani la k'ezhòdee elɔ sɔ la k'e negehtè t'à nezɔ yìghàgenda. Dɔ nɔht'è weghɔ nagit'e nɔdè, kòta yagola amii wexidi sɔ eyits'q Wek'èezhii ndè eyits'q tɔ wexòegihdidɔ nɔht'è ghagenda, Diavik gha tɔ nɔht'è ts'q k'agede hɔt'e.

Tich'aadɔ Wexòedi La (WMP): Xo tɔt'e sòmbak'è edàani wek'e eghàlagide weghɔ nɔht'è hohlè dɔ nɔht'è EMAB wegħa sɔ wet'azà hɔt'e, tich'aadɔ t'ahsɔ gɣha wet'azà. Dɔne dɔ hani la k'ezhòdee elɔ sɔ dɔ nɔht'è yìghada ha la gha wenets'ihit'e, dɔ wegondɔ kòta yagola ts'q ats'ehɔ eyits'q amii see tich'aadɔ xòedi elɔ sɔ, sɔ gɣhada, asɔch'azɔdɔ eyits'q Wek'èezhii gha gehkw'edɔ dɔ nɔht'è ghagenda. Eyits'q ɔdɔ nàk'e xo gots'q tich'aadɔ wexòedi la ɣadɔ ats'ele ha sɔ hot'òd wek'e eghàlats'inda, edàani sòmbak'è wets'ɔdɔ ekwò eyits'q tich'aadɔ ɣadɔ wexidi ha hɔni, hanikò, dɔne nàowo sɔ weta whela ats'ele ha ts'ɔwɔ.

A21 sòmbak'è weghàlada k'è: Akwelò Diavik tɔ nɔht'è eke hò, sòmbakwe dɔ nɔht'ɔ sɔ, ndè yìl gɔzà k'è weghàlada ha gedɔ ɣlè, hanikò, ndè wexòedidɔ yagɣlɔ asɔ ɣadɔ k'è wek'e eghàlageda ha gehdzà gogedɔ, wet'á ndè sɔ hot'òd tsɔwɔ haa-le ts'ɔdɔ. Dɔ xo k'e, nɔde sòmbakwe A21 nɔht'ɔ sɔ, dɔ la hani wegihdzà while gedɔ. Dɔne hazhɔ dɔ hagɣwɔ, eyii gehdza ha gɣwɔ sɔ, wegondɔ deghà gohlɔ-le gedɔ. Diavik eyi la wedɔ agɣla, kòta dɔne nadè ghghò nànidè ts'ɔdɔ gedɔ.

Whalea ts'q eniet'ja eyits'q senàdle ha la (ICRP): EMAB dɔ sòmbak'è eniet'ja la gɣha sɔ wet'azà hɔt'e. Sòmbak'è wedaetɔ la ɣa weghàlageda eyits'q ats'q Diavik dɔ la senàgehɔ. Dɔne dɔ hani la k'ezhòdee elɔ sɔ, dɔ nɔht'è ghada ha wenets'ihit'e eyits'q gohxɔ dɔ la sɔ nezɔ weghàgɣda nɔht'è weghɔ dɔne

dagoghke, dɔ la wexòehɔwɔ kwe, dɔ asɔ hatɔ hats'ele ha gedɔ t'à weghɔ nɔht'è gehtsɔ ɣlè. Dɔ nɔht'è kòta yagola gɣghàinda ats'ɔla xè WLWB ts'q ats'ɔla.

Ndè Wegondɔ Nàgehtsɔ Gha Elek'èagɣwò Nàowo Weghògeda:

Dɔ ndè wegondɔ nàgehtsɔ gha elek'èagɣwɔ nàowo ɣa gohxɔ gonɔht'è kò weghòts'eda gha wek'e eghàlagide. Hanikò, dɔne ɣadɔ dɔ nàowo yìghada ha wenets'ihit'e ha ts'ɔwɔ eyits'q eyii dɔne amii ndè esawodech'aa gedɔ t'à ndè wegondɔ nàgehtsɔ k'e eghàlagide eyits'q amii wexè dɔ nàowo hohlɔ sɔ xè ahsɔ dɔ la nàowo ghà eghàlagide nɔ eyits'q ahsɔ gɣgha nezɔ eghàlagide nɔ gedɔ t'à gɣk'agehta ha, Diavik eyits'q EMAB t'ahsɔ. Akwelò wegondɔ nàgehtsɔ t'axòd eyits'q dɔne xè dagogehke t'axòd, wegondɔ ayii wegogihɔ weghɔ Senes Consultants Limited dɔne xè ɣeghedɔ t'à dɔne ts'q hagedɔ.

Asɔ Wet'á Hohlè Sòmba: EMAB \$150,000 dɔne sɔlɔ gɣkòta yagola gots'q agɣla, wet'á kòta yagola edàani ndè wexoets'ihdi nàowo weghɔ dɔne hoghàgetɔ xè wela sɔ dɔne hoghàgetɔ gha kòta ts'q sòmba agɣla.

Sòmba Nàowo Weghɔ Lek'èagɣwɔ-le: Akwelò Diavik, ndè wexòedi gha elek'èats'ɔwɔ nàowo gehtsɔ hò, dɔne whacho dehkw'e t'à whacho dɔ hani la k'e eghàlagide \$600,000 xo tɔt'e wet'á eghàlagide ha goghàgele ɣlè eyixè, xo tɔt'e asɔ hazhɔ defɔ at'ɔ gha wesòmba ɔdɔ at'ɔ gha sɔ gits'aredɔ ɣlè. ɔda nàke xo ts'q ayii edàatɔ wek'e eghàlats'eda gha nɔht'è ts'ehitsɔ eyits'q September 2008 k'e dɔ la sòmba wets'q edàatɔ k'ehowɔ ha weghɔ nɔht'è ts'ehitsɔ. 2009-2010 xo k'e hani eghàlats'ɣda, 2010-2011 xo k'e Diavik \$150,000 dek'azɔ goghàgɣla. EMAB dɔ hani eghàlaginda gɣgha nezɔ-le eyits'q EMAB whacho eghàlagide gɣlɔ ɣlè, hanikò gɣla ɣadɔ adade gɣwɔ eyit'á amii ndè wexòedi nàowo gɣtɔ dɔ gɣlɔ sɔ ehkw'ɔ-le gits'q eghàlaginda gedɔ t'à weghɔ hagɣdɔ ha gɣwɔ xè gixè senàdle ha gɣwɔ.

Elèts'q Gots'ende: Kòta yagola goxè gogedo nàowo EMAB gɣgha sɔ wet'azà hɔt'e. Dɔ xo k'e Whati, ɔlts'ohk'è eyits'q hotenda nèk'e Kugluktuk kòta k'ets'èadè eyits'q Waàk'ɔa got'ɣlɔ sɔ xè ɣets'èadɔ. Eyixè, Doug Crossley dɔ la weghɔ KIA ts'q goɣindo eyits'q Florence Catholique ɔlts'ohk'è gots'q dɔ la weghɔ Kw'ahtindee eyits'q kw'ahtia gots'q goɣindo. Eyits'q elèts'q gots'ede nàowo weghɔ nàts'it'e.

DIAVIK

What is the mine's environmental setting?

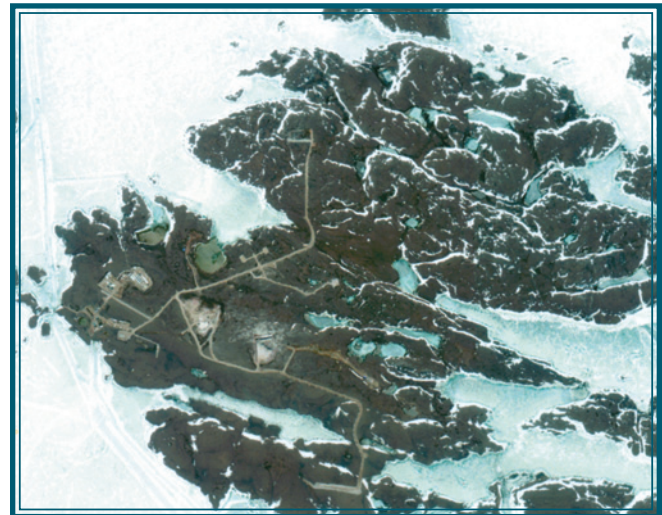
Lac de Gras is a large lake, 60 kilometres in length, with an average width of 16 kilometres and 740 kilometres of shoreline. This lake is located roughly in the centre of the Slave Geological Province, north of the tree line, and in Canada's Southern Arctic ecozone. The area is cold and dry. Lac de Gras is the headwaters of the Coppermine River, which flows 250 kilometres north to the Arctic Ocean. Typical of arctic lakes, it is cold with long ice-covered periods and, historically, with little food for fish and other creatures. Fish species include lake trout, Cisco, round whitefish, Arctic grayling and burbot. Lac de Gras was also considered near the centre of the Bathurst caribou herd range. The caribou population was estimated at 32,000 in 2009 (GNWT) as compared to 186,000 in 2003. Many other animals included the Lac de Gras area in their home ranges, such as grizzly bears, wolves and wolverines, smaller mammals, migratory birds and waterfowl.

Diavik continues to exploit all three diamond bearing kimberlite pipes - A154 south, A154 North and A418 - that will be mined using open pit and underground mining methods. A fourth pipe, A21, is being reviewed to determine the viability of mining. Underground mining is part of the original mine plan that was the basis for Diavik's feasibility study, environmental assessment, and permitting. Underground construction is now substantially completed. The final completion of the paste fill plant is underway. The 2010 mine plan has been approved by the funding partners. The plan includes completing the underground to its full scope, commencing underground production and extracting the high grade crown pillar at the bottom of the A154 open pit via open pit mining and underground extraction. Underground operations have successfully commenced and will steadily ramp up as the open pits are depleted. By 2012, Diavik is expected to be a 100% underground mine when open pit mining of A418 ceases. Significant efforts are underway to reduce the cost of the operation as the transition is made to more costly underground mining. Hiring of the underground mining teams is well underway. Diavik is working with existing employees to prepare the transition from open pit to underground and has a progression plan designed to ensure local employment/advancement opportunities. Throughout these efforts, Diavik continues its commitment to the North and to the health and safety of our workers and the protection of the environment. We encourage all Parties to the Environmental Agreement to continue to work together in seeking to deliver effective environmental management programs. We look forward to our continued close and cooperative partnership with EMAB.

Kim Truter, President, Diavik



Diavik mine site, summer of 2010.



Diavik mine site prior to dike construction.

ENVIRONMENTAL MONITORING ADVISORY BOARD (EMAB)

Why was EMAB formed?

We exist because of a contract called the Environmental Agreement (EA) for the Diavik Diamond Project. The EA came into effect in March 2000.

The goal of the EA was to ensure that Aboriginal groups and governments, federal and territorial government departments, and Diavik work together, throughout the life of the mine, to protect the environment around the Lac de Gras area where the mine site is located.

Clause 4.2 of the EA emphasizes the arm's length and independent nature of EMAB in relation to Diavik and the other Parties who signed the agreement.

The EA remains in effect until full and final reclamation of the site is completed or, after commercial production, the Minister of INAC, in consultation with the Parties and EMAB, can a) relieve Diavik of its EA responsibilities and b) set a schedule for winding down and concluding the operations of the board.

Why is the EA important?

The EA is a legal contract between the Parties that have signed it. It states the commitments that Diavik and the other Parties made to make sure that the effects of the mine on the environment are kept to a minimum. The EA includes the requirement that Diavik:

- a. meaningfully involve the Aboriginal Peoples in the environmental monitoring of the Diavik mine, and
- b. include the use of Traditional Knowledge and Inuit Qaujimajatuqangit (TK/IQ) monitoring in its environmental monitoring activities.



In November, 2002, EMAB members visited La Ronge, Rabbitt Lake, and Stony Rapids in Saskatchewan. The purpose of the trip was to learn how the Northern Mines Monitoring Secretariat (NMMS) was formed and how it operates, describing the relationship between the NMMS and the mining companies, regulators and communities. The group also heard firsthand how Kitsaki Management, an Aboriginal joint venture company, has become involved in the mining industry in northern Saskatchewan, specifically with the Cameco mine. The project officer (similar to an INAC inspector) described how inspections and permitting issues are dealt with.

The EA also says that Diavik must comply with all licences, leases, and laws, and explains the steps that may be taken if it does not. It talks about environmental management plans and monitoring programs, and several other issues such as the security deposit, enforcement, and closure and reclamation.

Finally, the EA sets out EMAB's mandate.

For a copy of the Environmental Agreement visit www.emab.ca or contact our office at 867.766.3682

Who signed the Environmental Agreement?

The Board has one representative from each of the Parties that signed the EA:

- Tłı̨chǫ Government (TG)
- Yellowknives Dene First Nation (YKDFN)
- Łutsel K'e Dene First Nation (LKDFN)
- Kitikmeot Inuit Association (KIA)
- North Slave Métis Alliance (NSMA)
- Government of the Northwest Territories, Environment and Natural Resources (ENR)
- Government of Canada
- Diavik Diamond Mines Inc. (Diavik)

The Government of Nunavut (GN) has a representative on the Board because the EA recognizes their involvement in trans-boundary issues, such as water quality and wildlife.

ENVIRONMENTAL MONITORING ADVISORY BOARD (EMAB)

What do we do?

The EA lists 13 points that cover a broad range of issues and activities that we need to consider in relation to the Diavik mine and the environment of the Lac de Gras area. We've condensed the full mandate into four categories in our strategic plan:

- Oversight and Monitoring
- Aboriginal and Community Involvement
- Communications, Relationships, Reputation Management and Advocacy
- Leadership and Governance

The full mandate is on page 10 of the EA

How are we funded?

Diavik provides an annual contribution, as detailed in the Environmental Agreement (clause 4.8). The amount of the annual contribution has been in debate since February 2009. (See page 16)

For special research or projects that don't fit within EMAB's usual budget, the EA allows EMAB to submit proposals to Diavik. It must either fund them or explain its reasons in writing for not funding them. EMAB or Diavik can ask the Minister of INAC to review the proposals to Diavik, as well as the decisions.

We also occasionally request funds from the Government of Canada and the Government of the Northwest Territories for specific projects that relate to their mandates.

EMAB is a registered not-for-profit society of the Northwest Territories.

Where are we?

We have an office in Yellowknife, with three staff:

- Executive Director
- Communications Coordinator
- Administrative Assistant

Our hours are from nine to five Monday to Friday. Our office is open to everyone and houses a library of materials on environmental matters related to the Diavik mine. (Contact information is listed on the back cover of this report.)

WORKING FOR THE ENVIRONMENT - ENVIRONMENTAL MONITORING ADVISORY BOARD (EMAB)



The Environmental Monitoring Advisory Board (EMAB) is composed of members and alternates. Pictured finishing a Diavik site tour during the summer of 2010 are (from left): Lawrence Goulet (Yellowknives Dene First Nation, member), Charlene Beanish (Government of Nunavut, alternate), Teresa Joudrie (Canada, alternate), Danielle DeFields (North Slave Métis Alliance, alternate), Charlie Catholique (Lutsel K'e Dene First Nation, member), John McCullum (Executive Director), Doug Crossley (Kitikmeot Inuit Association, Chair), and Martha Kodzin (Administrative Assistant).

The Board

The Environmental Monitoring Advisory Board members, appointed by each of their Parties, have a range of experience related to the environment. With years of living close to the land or years in corporate or public service, each member brings to EMAB a commitment to protecting the environment. This diversity brings with it challenges and opportunities, as we search for ways to build strong relationships with each other and with regulators and company representatives. We will continue to work to ensure that communities are participants in all aspects of environmental monitoring associated with Diavik.

Who are we?



Doug Crossley, Chair
Kitikmeot Inuit Association

I have been a member of EMAB since 2002. EMAB, with the support of KIA, has been a strong advocate of finding means to incorporate Traditional Knowledge/Inuit Quayumajatuqanqit (TK/IQ) in the environmental monitoring programs at the Diavik operation. I have worked with KIA staff at several workshops, including a workshop on Party satisfaction with Environmental Agreement implementation. Closure and reclamation is also a top priority

for KIA as it is critical to ensure that Diavik's closure plan is adequate so that the environment is protected when the mine closes.

Diavik's funding decisions continue to be a concern as they relate to our ability to meet our responsibilities in an independent and effective manner. I continue to be hopeful that the situation can be resolved in order to allow us all to focus on the environment at and around the mine site.

What happens when EMAB makes recommendations?

Since 2001, EMAB has made 62 recommendations. We get involved and make recommendations when regulators raise issues, or when regulators and Diavik disagree on an issue. We also make recommendations when the regulators or the mine are not addressing an issue we think is important. The Environmental Agreement says our recommendations are to be taken seriously and given full consideration. Parties, including Diavik, must respond within 60 days. They must act on our recommendations or give us reasons why they will not.

Before making a formal recommendation, we try to resolve an issue through dialogue. EMAB made two recommendations in 2009-2010 and continues to follow up on recommendations from previous years. These are outlined throughout this report and are summarized at the end.

If there is an issue that interests you and you would like more information, contact us at 867.766.3682 or visit www.emab.ca

WORKING FOR THE ENVIRONMENT - ENVIRONMENTAL MONITORING ADVISORY BOARD (EMAB)



Florence Catholique, Vice Chair
Lutsel K'e Dene First Nation

I have been involved with EMAB since the beginning as the Lutsel K'e Dene First Nation (LKDFN) representative. This Board was set up to allow the Aboriginal Parties to the Environmental Agreement to have a better understanding of the environmental aspects of the Diavik mine. Our key concerns have been water, wildlife, air quality, and the inclusion of Traditional Knowledge in monitoring. More recently, we have been involved in the process of reviewing an updated closure plan. We continue to await the training of our people in the environmental monitoring programs as stated in the Environmental Agreement.



Erik Madsen
Diavik

Since 1996 I have held several management positions with Diavik Diamond Mines Inc: Environmental Manager, Health and Safety Manager; Northern Affairs Manager; and, currently, Director, Winter Road Operations. I was recently appointed back to the Board, having served as the Diavik representative from 2001-2006. As the mining operation shifts from open pit to underground and moves to the second half of its mine life it is important that the health and safety of the workers remains paramount and that environmental protection continues to be a priority. I remain committed to working cooperatively with the Board members to ensure this happens, including focusing the attention on the environmental programs/plans that are related to this next phase of the mine such as interim closure planning.



Sheryl Grieve
North Slave Métis Alliance

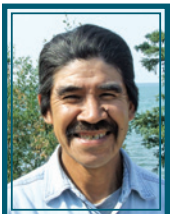
I have, at various times since 2005, represented the North Slave Métis Alliance on all three environmental monitoring agencies, as well as the one socio-economic monitoring agency, set up to monitor the three active diamond mines in the Northwest Territories. I see that each has its strengths and weaknesses, but all of them, including EMAB, are negatively affected by significant capacity issues at the community level, despite the provision of capacity funding to the Aboriginal Parties. The meaningful engagement of communities and the integration of Traditional Knowledge with scientific studies remain elusive goals. It is my hope that an increased commitment to the terms of the Environmental Agreement that assures each Aboriginal Party training and employment in each of the environmental monitoring programs, and a cooperative re-write of each of the monitoring programs to include meaningful and substantial Traditional Knowledge components will eventually overcome the challenges, and achieve the spirit and intent of the agreement. This would be a fine legacy for Diavik to leave to the North, to Canada and to the world, and would make me proud.



Eddie Erasmus
Tłı̨chǫ Government

I have represented the Tłı̨chǫ Government in many capacities, including serving as one of several negotiators for the Tłı̨chǫ Agreement. I am the Director of Tłı̨chǫ Lands Protection Department. In all my duties, the land and its resources have always been of great importance to me. This is also true of my duties on EMAB. The role of an independent watchdog in relation to the environment and mining development is critical to the careful guardianship of the land and its resources for future generations.

WORKING FOR THE ENVIRONMENT - ENVIRONMENTAL MONITORING ADVISORY BOARD (EMAB)



Lawrence Goulet

Yellowknives Dene First Nation

I am proud to be an ongoing member of EMAB. As someone who continues to be active on the land, as my father was, I know the value of carefully monitoring what happens with the mines and the regulators. Sitting on

EMAB is important for my family and my community, today and for the future.



Floyd Adlem

Canada

I have been a member of EMAB for several years as the representative for the Government of Canada. In that time I have seen EMAB grow into a more and more active participant in the protection of the Lac de Gras area.

I've been in the North for over 30 years, and in that time I've seen the evolution of environmental responsibility. Boards like EMAB serve a critical role in ensuring that mining in the North is done responsibly.



Gavin More

ENR, Government of the Northwest Territories

I have represented the Government of the Northwest Territories as an EMAB member for two years. I have spent over nine years in the North working in the environmental assessment and regulatory field, and am

currently the Manager of Assessment and Monitoring in the Department of Environment and Natural Resources. My section has been responsible, since the inception of the *Mackenzie Valley Resource Management Act*, for coordinating GNWT and ENR participation in relation to all three of the territories' diamond mines. This has included the regulatory, environmental assessment, and environmental agreement processes. In my capacity as an EMAB member, I hope to promote responsible management and sustainable development of the NWT's resources.

New members

Several new members were appointed to EMAB after the end of the fiscal year.

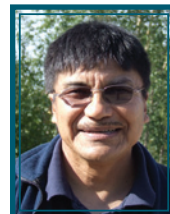


Ted Blondin

Tłı̨chǫ Government, Vice Chair

I have been involved in benefit agreements, as well as socio-economic and environmental agreements for all three diamond mines. These all came about from concerns raised in communities. Nobody can predict what will

come about at these mine sites at any time, which is why boards like EMAB are important. After ten years, this is certainly true of Diavik operations. Circumstances change, new situations arise, and new opportunities are there in front of us. How to deal with these issues is what we do at EMAB. We want to make sure environmental monitoring and protection is done right. We have to keep our communities informed so they know what's going on and they can share their concerns with us. As a leader, I want to make sure we do the job right. We don't want to leave a legacy where our children can't enjoy the land. We want to leave a legacy that they can be proud of.



Charlie Catholique

Lutsel K'e Dene First Nation

I am a hunter and trapper and have been involved with environmental issues for many years. For four years I was the Chair of the Wildlife, Lands and Environment Committee for the Lutsel K'e Dene First Nation. Protecting the land is important. Ensuring that nothing happens to the water, the animals and the land is a priority. I am looking forward to working with fellow Board members.

WORKING FOR THE ENVIRONMENT - ENVIRONMENTAL MONITORING ADVISORY BOARD (EMAB)



Stephen Ellis

ENR, Government of the Northwest Territories

I have advised and facilitated engagements among First Nations, governments, and industry pertaining to land and resource challenges for ten years. My particular focus has been:

- Building First Nation capacity to deal with industrial activity, particularly through the development and implementation of practical measures for consultation and accommodation.
- Bringing Traditional Knowledge and community views into environmental monitoring and decision-making processes.
- Negotiating balance between industrial and conservation interests.

Besides sitting on EMAB for the GNWT, I am a Director of the Denesoline Corporation Ltd. and I chair the Akaitcho Screening Board. I have also been a member of the Protected Areas Strategy Steering Committee, the Łutsel K'e Housing Authority, and the NWT Cumulative Effects Assessment and Management Steering Committee.



Colleen English

Diavik

I have worked at the Diavik mine site in various positions within the Environment department for the past seven years. During this time, I was involved in EMAB meetings and visited many communities to help explain some of the environmental monitoring programs that Diavik carries out at the mine site, as well as to let people know the results of the programs. A recent move to a new position with the Communities & External Relations department in 2010 allowed me the opportunity to become involved with EMAB as the DDMI representative. I am committed to working with the Board and people from the communities to talk about environmental protection and determine how industry requirements and community needs can be better understood by all parties, and identify opportunities where these may align. Achieving this understanding and alignment will be especially important as mining activities change from open pit to underground, and move towards closure.



WORKING FOR THE ENVIRONMENT - ENVIRONMENTAL MONITORING ADVISORY BOARD (EMAB)



Charlene Beanish

Government of Nunavut

I have represented the Government of Nunavut since February 2010. I am also new to the North, employed as an Environmental Protection Officer in the western arctic community of Kugluktuk, Nunavut.

My background over the last 5 years has been mostly in enforcement; however, environmental stewardship, protection and sustainability have always been of great importance to me. My participation with EMAB involves trans-boundary issues related to water quality as well as wildlife. I'm looking forward to bringing new assets to the table as well as engaging myself in environmental protection and monitoring, as well as environmental plans/projects with the other experienced board members. Boards like EMAB are imperative for supporting northern communities in protecting resources for our future generations. I am pleased to be a representative on the board for the Government of Nunavut.

What are our special issues?

In EMAB's start-up days, the Board, with community input, chose to focus on water, fish, wildlife, and air. Early on, we realized just how many environmental issues there were and how comprehensive our mandate was. We knew that some areas were of highest priority and needed our complete focus. Thanks to the fact that the Aboriginal representatives communicate with their communities and understand their concerns, we were able, right from the start, to establish priorities.

In the last couple of years, though we continue to focus on those important issues, closure planning has become as important as we look forward to the years when the mine site will need to be prepared to return to a more natural state.



Participants at a Traditional Knowledge workshop organized by EMAB in 2003.

What are the communities?

The communities we support (Affected Communities in the EA) are those that belong to the Aboriginal Parties who signed the EA:

- Behchokò
- Wekweètì
- Gameti
- Whati
- Ndilo
- Dettah
- Łutselk'e
- Kugluktuk
- Métis of the North Slave

IN THE BOARDROOM

Diavik Funding

The disagreement with Diavik over its required contribution to EMAB has become a source of frustration and friction with the company and threatens to limit EMAB's ability to carry out high priority projects. It has also taken a lot of staff, Executive Committee and Board time that could have been spent fulfilling our mandate.

Diavik is EMAB's primary funder, as explained in the Environmental Agreement. Though the relationship between the company and its environmental watchdog is intended to be at arm's length, Diavik has increasingly sought control over our mandated activities, especially by unilaterally decreasing its financial contribution. We believe Diavik is undermining the intent of the EA through this action.

In February 2010, as in February 2009, Diavik decided to withhold \$150,000, acting on its own. The company's reasoning for this reduction has varied over the last two years: sometimes citing unrestricted assets comprised of interest earned and funds from various sources, sometimes citing objections to specific programming, such as our Capacity Building Program for Affected Communities, among others. (The correspondence is available to the public at the EMAB office.)

The usual budgeting process is that every two years, we prepare a workplan and budget, then discuss it with Diavik. On September 29th, 2008, we provided our budget and work plan for 2009-2011, based on our approved strategic plan, showing how we planned to use Diavik's contribution and the unrestricted assets to carry out priority areas of our mandate. Diavik wrote us to say it agreed with the budget, but would decrease their contribution anyway.

In the last two years, EMAB has taken action in several ways to attempt to resolve this budget disagreement:



Florence Catholique, the former member for Lutsel K'e Dene First Nation at a Board Effectiveness Workshop organized in Whati in 2003. Each year, the Board tries to include a governance workshop in their workplan to ensure that members understand their roles and work effectively with each other.

- We sent a letter to all the Parties to the EA requesting that one or more initiate budget dispute resolution under EA section 16. The wording of the EA does not allow EMAB to do this.
- We cooperated with Indian and Northern Affairs Canada (INAC): INAC originally hired MacKay LLP to analyze the situation and required a substantial package of information from us. In our estimation, the MacKay analysis largely supported our position that the EA did not allow for Diavik's decision to decrease their contribution. No action has yet been taken as a result of the MacKay analysis.
- We developed principles and objectives to guide negotiations with Diavik to try to reach a solution that met both EMAB and Diavik's needs and respected the EA.

IN THE BOARDROOM

- We met numerous times with INAC and Diavik, hoping that the situation could be resolved in a cooperative and timely fashion – both principles outlined in the Environmental Agreement. Resolution was not achieved.

In August, Diavik contacted the Parties directly and proposed that they meet, with one possible agenda topic being the disagreement over contributions. EMAB was not invited to the meeting. We told the Parties that the EA is clear about how disputes should be resolved, and that Diavik's approach was not authorized by the EA. We also said that any process to resolve the dispute should provide EMAB with the chance to present our case.

Immediately after Diavik made its proposal four of the Aboriginal Parties wrote letters to INAC insisting that the Minister, as the ultimate authority in upholding the Environmental Agreement, needed to take action by invoking the dispute resolution clause. Diavik ended up cancelling the proposed meeting.

However, in November 2009, a letter went out from Trish Merrithew-Mercredi, regional director general of Indian and Northern Affairs, Gary Bohnet, deputy minister of Environment and Natural Resources, and Kim Truter, president of Diavik, to the Aboriginal Parties. The letter outlined several recommendations, including using the money left over from previous budgets to reduce Diavik's contribution to EMAB in 2009-2011 and 2011-2013 budget periods. EMAB responded by proposing negotiations with Diavik and underlining the importance of following the intent of the EA.

We then hired a lawyer (McLennan Ross LLP) to determine our legal position. The legal opinion, dated February 17, 2010 reads *"...it is our view that Diavik is not entitled to withhold those amounts."*



IN THE BOARDROOM

In our most recent letter to the Regional Director of INAC, EMAB stated:

“This matter becomes more pressing every day and it is critical that it be resolved as soon as possible. EMAB, along with four Aboriginal Parties to the EA, has stated that we believe INAC, representing Canada, is the most appropriate Party to initiate dispute resolution under EA section 16. We are looking to INAC to show leadership. The EA gives INAC and the Minister special responsibility to ensure the Agreement is implemented; it identifies the Minister as the Lead Responsible Authority and gives him/her authority to determine compliance with the EA, issue Notices of Default and use the EA Security Deposit to rectify any defaults by Diavik. We also note that Canada has a fiduciary responsibility to the Aboriginal Parties to protect their interests, including the implementation of the Environmental Agreement.”

By March 31, the situation had not been resolved. The repercussions to EMAB are serious. Without adequate funding, EMAB will not be able to fulfill its mandate as laid out in the Environmental Agreement. Further, if Diavik can reduce funding based on its own interpretation of the EA without being held to account, then EMAB's independence is compromised and the EA is undermined.

As stated in last year's annual report, it is EMAB's position that we are accountable to all Parties to the Environmental Agreement equally, and that in order for us to be independent and to operate at arm's length as the Environmental Agreement envisions, we need to control our budget.

In July 2010, INAC, along with the GNWT, informed Diavik that they were invoking the dispute resolution process as described in the Environmental Agreement.

Shutdown Request

On August 29, 2009, the Minister of INAC turned down Diavik's May 29 written request that INAC consider making EMAB close its office during the company's two planned six-week production shutdowns.

The summer shutdown had already taken place by the time the Minister responded.

The response from INAC stated:

“During these two commercial-production shut down periods, some level of activity will continue at the project site, and Diavik must continue to meet permitting and licensing requirements. During these two periods, EMAB must, therefore, continue to fulfill its mandate, part of which entails active participation in the on-going regulatory processes associated with all the regulatory instruments for the project.”

This followed a request directly to EMAB, which the Board fully considered and rejected as not feasible. Our position is that it is our responsibility to the Parties to continue our work, uninterrupted, throughout the life of the mine, to closure and reclamation.

Diavik's second production shutdown, scheduled for six weeks over the winter was later cancelled.

IN THE BOARDROOM



Every year, Board members visit the mine site. They learn about changes and new developments. In 2005, rather than fly in, members drove the winter road, stopping at various checkpoints. Here they learn about the road from a checkpoint manned by a member of the Yellowknives Dene First Nation.

Board Member Capacity

EMAB budgets \$5000 each year for Board member proposals. These funds are intended to support Board members who wish to attend relevant workshops.

Florence Catholique attended three workshops this year:

- June 8-9: Water Course Alteration (DFO)
- September 9-10: Northern Latitudes Mine Reclamation workshop
- October 20-22: Dene Nation Leadership meeting on wildlife and caribou

Strategic Plan

We reviewed our Strategic Plan, as approved in 2008.

The strategic plan guides the board in determining the high priority items that we need to address in any given year. It also guides us when we produce the workplan and budget that we submit to Diavik every two years.

During the review we acknowledged that some of our priorities would have to be revisited, pending the outcome of the budget disagreement with Diavik. EMAB considers its strategic plan to be a “living document” that can be changed to adapt to circumstances.

The EA refers specifically to the Comprehensive Study Report (CSR), a document available at www.emab.ca or at our office.

Of note: *"AND WHEREAS the CSR includes a requirement for the Minister, as the lead Responsible Authority, to develop an environmental agreement to provide a formal mechanism to ensure that the mitigation measures outlined in Diavik's Commitments, in addition to the mitigation measures and follow-up requirements which will be specified as terms and conditions by Regulatory Instruments, are appropriately implemented and monitored;"*

One of EMAB's jobs is to make sure that commitments made in the CSR are honoured.

What is a commitment?

In the Environmental Agreement, a commitment is defined as an obligation. Obligations are to be fulfilled by Diavik and other Parties and their purpose is to ensure the least effect possible on the environment around the mine site. This includes any duty given to Diavik because of a recommendation, decision, or an authorization, licence, lease, or permit. The full definition of commitment is on page six of the Environmental Agreement.

IN THE BOARDROOM

Besides the budget disagreement, changes might include the need to hold a workshop on an unforeseen issue or to fund the technical review of a report or plan that becomes necessary as a result of a regulator's decision.

We made some minor fixes but, essentially, the strategic plan remains as it was passed in 2008. It is available on our website at www.emab.ca or through the EMAB office.

Communication Plan

The Environmental Agreement requires that EMAB have a communications plan in place. (Article 14.2)

In 2002, EMAB contracted Outcrop to develop a communication strategy. In 2008, following a formal community engagement process, the Board developed a strategic plan. The communication plan was then developed based on the original communication strategy and our strategic plan.

Included is an assessment of the implementation of the original 2002 communication strategy. As the strategy was developed through extensive interviews with Board members, and based on the Environmental Agreement, it was appropriate to consider it in ongoing communication efforts.

The plan also includes a Communication Plan for Community Updates and a Media Strategy.

The plan addresses all areas in the strategic plan where communication is required. It is available at www.emab.ca or through the EMAB office.



In 2004, EMAB staff, with individual Board members, did a round of visits to communities in view of incorporating their priorities in a strategic plan. Those efforts led to a Communication Plan approved in 2008.

INVOLVING AND SUPPORTING OUR COMMUNITIES

In the Communities

This year, we visited several communities.

In July we held a board meeting in the community of Whati, and held an open house at the community centre during the evening. We also updated the communities of Łutselk'e and Kugluktuk and the membership of the North Slave Métis Alliance.

In the case of Łutselk'e and the North Slave Métis Alliance, Diavik was also present to update the community and answer questions. In Łutselk'e some concerns were expressed, especially as related to the Interim Closure and Reclamation Plan and the proposed changes to the mining method of the A21 kimberlite pipe. Both were also of great interest in the community of Kugluktuk. Concern was expressed that communities did not have enough information and that there was a basic lack of consultation with them.

Doug Crossley also updated the Kitikmeot Inuit Association's board of directors, while Florence Catholique updated the Łutsel K'e Dene First Nation chief and council.

EA Implementation Review

Following an initial review of the Environmental Agreement by the Board, we hired SENES to do an independent external review of Party satisfaction with the implementation of the Environmental Agreement. Special attention was to be paid to satisfaction with EMAB's performance as well as satisfaction with Diavik's performance.

The review included a workshop, involving participants from all the Parties to the Environmental Agreement, which took place in March 2010 in the community of Dettah.

"Based on interviews conducted as part of the Review, there is general satisfaction with EMAB's work on EA implementation and in fulfilling their mandate. While no one felt there are immediate



When EMAB requires information and input from all five Aboriginal Parties to the Environmental Agreement, we sometimes hold workshops. We bring together participants from all the communities, either in Yellowknife or in one of the Affected Communities. This workshop, titled Aboriginal Involvement in Monitoring, took place in Behchokp in 2005.

environmental concerns currently with the Diavik Diamond Project, many respondents raised some concerns with Diavik's fulfillment of its responsibilities under the EA; primarily, in the area of Aboriginal involvement in design and training as related to environmental monitoring and the consideration of TK/IQ."

Concern was expressed that most of the Parties are not adequately involved in EA implementation, and many of the review participants felt that the spirit and intent of the EA is not being lived up to, particularly as relates to ensuring there is a meaningful role for Aboriginal Peoples.

The following list summarizes the most commonly heard issues as they relate to EA implementation and the roles of EMAB and DDMI:

- TK/IQ needs to be integrated into monitoring and closure plans and programs
 - DDMI needs to use TK

From the Environmental Agreement

"Consult" or "Consultation" shall mean, at a minimum:

- (a) the provision, to the party to be consulted, of notice of a matter to be decided in sufficient form and detail to allow that party to prepare its views on the matter;
- (b) the provision of a reasonable period of time in which the party to be consulted may prepare its views on the matter, and provision of an opportunity to present such views to the party obliged to consult; and
- (c) full and fair consideration by the party obliged to consult of any views presented.

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- EMAB should facilitate this through recommendations
- There needs to be more emphasis on community engagement and involvement from DDMI
 - reporting back, more meaningful dialogue
 - input into monitoring and closure plans and programs
- There has been a lack of, or inconsistent, participation of Parties over the last several years
 - inconsistent or inadequate attendance of some Board Members
- There are differing views about the role of Board Members and whether or not they should directly represent the Party who appointed them
 - many feel they should be independent
 - others feel they should represent their Party
- Room for improvement with EMAB
 - could do more to identify areas where they feel there are EA non-compliance issues and report these to the Minister
 - recommendations should be more focussed with specific actions identified
- Spirit and Intent of EA not being lived up to
 - EA should be reviewed by Parties on a regular basis (annual or biannual)

EMAB is following up on the results of the final report, which can be accessed through the EMAB office.



In 2009, EMAB held a Traditional Knowledge in Monitoring Workshop. Frustrated that after ten years since the signing of the Environmental Agreement there is still no adequate Traditional Knowledge / Inuit Quayumajatuqanqit (TK/IQ) in Diavik's environmental programs, EMAB sought input from community participants. The result was a proposal to monitor fish and caribou.

Traditional Knowledge / Inuit Quayumajatuqanqit (TK/IQ)

The inclusion of TK/IQ monitoring in aquatic and wildlife monitoring continues to be an outstanding issue, as is the adequate consideration of TK/IQ in closure planning. For several years EMAB has expressed disappointment about the lack of monitoring using TK in both the AEMP and WMP, something Diavik committed to do in the Environmental Agreement. EMAB has been stressing the need for Diavik to include TK in its monitoring programs at every opportunity.

Our efforts include:

- In August EMAB recommended to Diavik that the process to revise the WMP should include fulfilling its commitment to include TK/IQ in its monitoring programs. We have not received a response.

INVOLVING AND SUPPORTING OUR COMMUNITIES

- At a workshop on WMP revisions in September EMAB and several other participants raised this.
- In a joint letter with IEMA and SLEMA on the WMP revisions all three organizations stressed the need to include TK in the monitoring.
- In our comments on Diavik's draft closure plan we noted that the plan did not reference any documented TK/IQ on the Lac de Gras area and that Diavik's TK Research Plan was inadequate. We recommended Diavik contract TK expertise to help it develop and plan and carry out TK research for closure.
- In our reviews of the WMP and AEMP reports we continue to remind Diavik of its commitments to include TK in monitoring.

Last year EMAB told readers it had developed a proposal for monitoring caribou and fish using TK, and held a workshop with community participants to receive Party input. EMAB did this because it did not see Diavik making any progress on the issue and thought it might be helpful to communities as something they could participate in or modify to suit their own needs.

From June through December EMAB discussed a number of objections Diavik raised to the proposal:

- Concerns about safety and liability with small camps on the land, including having guns in the camps; traditional camps will never be able to follow all of Diavik's safety requirements, but people have been living on the land for thousands of year and have rules they follow to keep everyone safe.
- Concerns about logistics and the environmental impact of the camps; camp leaders will be very experienced on the land and know how to run a safe, clean camp.
- Concerns about the approach; the proposed methods are proven and accepted at the community level and at universities.

- Concerns about costs; it is not cheap to pull together TK/IQ using sound methodologies, but costs are in line with other TK/IQ research and with costs for scientific monitoring at Diavik.

EMAB continued to review the proposal this year and finally approved sending it to Aboriginal Parties for comment and discussion in December. Shortly after EMAB circulated the proposal to the Aboriginal Parties, Diavik circulated a letter to all Parties stating it was *"both interested and committed to effectively incorporating Traditional Knowledge of Aboriginal Peoples in our environmental plans and programs and is actively reviewing community based proposals for TK monitoring of caribou."*

EMAB is not aware of any such proposals Diavik has received or is reviewing.

In the letter Diavik also stated that it was unlikely it would provide funding for EMAB's proposal in its current form but did not provide any suggestions for changes. Later, Diavik wrote to LKDFN setting out a number of expectations it had for TK monitoring at Diavik and indicating some funds might be made available for development of a proposal.

The independent review of Party satisfaction with implementation of the EA showed that most Parties felt Diavik's commitments to include TK in its monitoring were not being met and that this was a very high priority issue. EMAB is considering the recommendations.

EMAB recently recommended that Diavik contract TK expertise to assist it with developing and implementing a TK research plan, developing and implementing a transparent funding program to assist communities to develop TK monitoring proposals and carry them out, and that the company do a literature review to compile existing TK on the Lac de Gras area.

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Capacity Funding

EMAB distributed \$150,000 to the Aboriginal Parties through its Capacity Funding Program. The goal is to help the Parties enhance skills and learning in environmental monitoring.

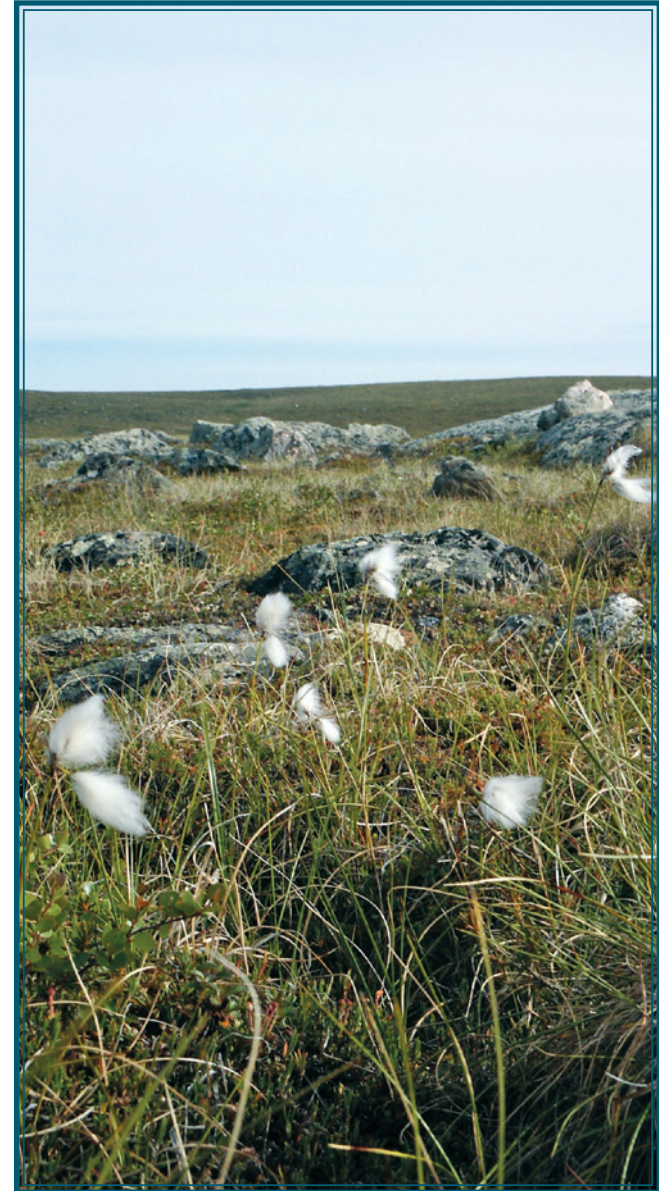
The Yellowknives Dene First Nation, with the help of EMAB funds, participated in a survey of inconnu in Yellowknife River and Yellowknife Bay involving both collection of Traditional Knowledge and sampling of fish stocks.

The Łutsel K'e Dene First Nation used capacity funding for administration, Wildlife, Land and Environment Committee meeting related to Diavik, and included a workshop on the land to familiarize 17 community members with the Environmental Agreement while engaging in traditional activities. And, finally school camps were held:

- The January camp included catching and handling fish using nets; cleaning the fish and what to look for in a healthy fish as well as cooking.
- The February camp was on the land at Artillery Lake, and involved traditional hunting and fishing activities with community people and teachers communicating about traditional values and knowledge on various animals.
- The June activity was a canoe trip on the Snowdrift River, fishing, trapping and hunting, and preparation of the animals.

All of these activities include a component to increase traditional language skills and associated cultural values.

The North Slave Métis Alliance Capacity funds were used to support NSMA staff in reviewing and summarizing documents, providing information to NSMA members, holding Environmental Committee meetings and facilitating community involvement in community-based monitoring. Funds also support NSMA members in increasing their knowledge of Diavik environmental issues.



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EMAB monitors Diavik and the regulators to make sure they are doing a good job protecting the environment in the Lac de Gras area around the Diavik mine, and that it, and all the other Parties, are keeping the promises they made in the Environmental Agreement.

Most of EMAB's focus is on Diavik's environmental monitoring programs and reports, and on the way the regulators handle them. When EMAB notes concerns coming from regulators we take that as a signal that we need to know more about the issues. These issues are outlined in the following pages.

Each year we do our own reviews of the Wildlife Monitoring Program report and the Aquatic Effects Monitoring Program report. Sometimes we do a separate review of an issue that is a high priority to EMAB and the Parties, like air quality monitoring or the mine closure plan.

Who are the regulators and managers?

- Wek'ezhii Land and Water Board (WLWB) are responsible for the Diavik water licence and the technical review of all documents required under the licence. The WLWB is a regional panel under the Mackenzie Valley Land and Water Board. Board members and staff are not considered technical experts; they coordinate the review of documents.
- Department of Fisheries and Oceans (DFO) reviews some of the reports submitted under the water licence and all the reports submitted under the fisheries authorizations.
- Indian and Northern Affairs Canada (INAC) reviews reports required by the water licence and the land leases. INAC has an inspector assigned to Diavik. This inspector attends our meetings to keep us aware of what is happening at the site. The inspector is also responsible for ensuring Diavik meets the terms of its water licence and land leases.



When EMAB holds workshops on specific topics, such as closure planning, we invite regulators and the company to attend and participate to encourage cooperative dialogue.

- Environment Canada (EC) reviews the reports required by the water licence focusing on water and air quality. They can call on experts from across Canada when needed.
- Environment and Natural Resources (ENR), a department of the Government of the Northwest Territories, is not a regulator; they are a Party to the EA and have responsibility for wildlife and environmental protection, including air and water quality. They review and comment on the Wildlife Effects Monitoring Program reports. They also propose better ways to monitor effects of Diavik on wildlife. They use available information to try to look at regional effects of the mines.
- Wek'ezhii Renewable Resources Board (WRRB) is a wildlife co-management authority established by the Tłıcho Agreement. The WRRB is responsible for managing wildlife and wildlife habitat (forests, plants and protected areas) in the area known as Wek'ezhii.

The AEMP – a primer

The 2007 AEMP design does not rely on baseline data. One of the main problems with the original AEMP is that it relied on baseline data that was inadequate. The new AEMP compares water, benthics and small fish near the mine to three places in the lake that are not affected by the mine, called reference areas. Four samples are also taken in a line from the place where the mine discharges to each of the reference areas. The number of sampling locations was doubled, and sampling takes place more often during the open water season. All the data are compared statistically so that any conclusions are scientifically defensible.

All this means is that we now have confidence that the AEMP will be able to give us an early warning of any change in Lac de Gras. If the data show a change then Diavik will do further studies to find out whether the mine is the cause, and how far the effect reaches from the mine, and propose actions to make sure Lac de Gras is not harmed.

The Environmental Agreement and the water licence

The water licence and the EA both contain requirements for the AEMP. Most of the water licence requirements are more detailed than those in the EA. The WLWB cannot make Diavik meet any of the EA commitments unless they are also in the water licence. In the EA Diavik said it would do its best to involve Aboriginal People in designing monitoring programs, and that all its monitoring programs would include activities to:

- consider TK,
- establish or confirm thresholds or early warning signs,
- trigger adaptive mitigation measures,
- provide ways to involve each of the Aboriginal Peoples in the monitoring programs, and
- provide training opportunities for each of the Aboriginal Peoples.

EMAB is working with Diavik to help it meet its commitments as described throughout this annual report. (Use of TK/IQ is discussed on page 22.) We are working with Diavik and a number of other organizations to improve training and certification in environmental monitoring and we are continuing to encourage Diavik to develop more ways to involve Aboriginal Peoples in monitoring programs.

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1. WATER – WLWB

EMAB monitors regulators' responses to reports under the water licence and reviews some plans and reports directly. EMAB meets with WLWB staff from time to time to keep updated and share information.

The renewed water licence required Diavik to prepare a number of plans that are important to EMAB:

- An adaptive management plan for responding to effects detected in Lac de Gras
- A closure and reclamation plan
- Plans for testing effects of Diavik's discharge on hyalella azteca in Lac de Gras
- Development of a proposed nitrate limit, which is still not done

We will provide further information below.



Lac de Gras and the Diavik mine site from a distance, in 2004.

1.1 Water Licence Amendments

A21 Mining Method

On February 17, 2010, Diavik applied to the WLWB to amend its water licence to allow a different mining method for the A21 kimberlite pipe just off the southern tip of East Island in Lac de Gras. Diavik originally proposed building a dike around the pipe and draining it to allow open-pit mining. Now the company is proposing to mine through the water. It plans to build a ring around the pipe using waste rock, with a liner to keep effluent inside. Diavik would do a fish salvage to get all the fish out of the pool. The pit would be mined in the open water season using a floating barge that has cutters hanging from it to dig up the kimberlite, and a suction hose to take the kimberlite-and-water mixture to a plant on shore. On shore the water would be put back inside the ring and the dry kimberlite would go for processing to take out the diamonds.

The WLWB gave just over three weeks for reviewers to provide comments on the proposal so that they could decide whether to send the proposal for an environmental assessment. The WLWB assured reviewers that even if the proposal did not go to environmental assessment they would call a public hearing that would allow a thorough review. **EMAB responded by saying that reviewers should have access to a technical review of the proposal before making comments, since this kind of mining is new and untested. We offered to do a technical review and make it available, with the understanding that we would need an extended review period.** A number of other reviewers noted that the proposal did not provide enough information, that the review period was too short and that the proposal should be sent for environmental assessment.

The WLWB had not made a decision by March 31, 2010; however, on May 28 Diavik withdrew its proposal.

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From 2006 to 2009 EMAB organized annual water monitoring workshops at the community-based monitoring camp on the mainland. The workshop taught participants essential skills in aquatic monitoring.

Increased Fresh Water Use

Diavik was granted a water licence amendment last year to increase water use from Lac de Gras up to the end of 2009. Starting in September it built a pipeline from the North Inlet to the processing plant to supply process water. The pipeline was completed in early 2010. **EMAB is keeping track of Diavik's water use and how well the pipeline is working.** For March 2010 fresh water use was about 82,000 cubic metres compared to 123,000 in February. For comparison to previous years, in 2009 water use in March was 131,000 cubic metres and in 2008 it was 172,000.

1.2 Seepage

EMAB monitors seepage reports from Diavik and expressed concern to the WLWB when seepage entered Lac de Gras in 2008 with levels of zinc, aluminum, ammonia and nickel above water licence limits. In 2009 Diavik installed winterized sumps and pumps and a road parallel to the south haul road to access the seepage area.

Diavik's seepage report for 2009 showed some seepage entered Lac de Gras in June at the same place as in 2008, and that zinc and nickel levels were above water licence limits. Following the most recent event the company installed a third sump at the seepage location. Diavik also did some investigation of zinc and levels at the mine site:

- Baseline studies show zinc levels near the seep area were above the EQC in the water licence.
- Zinc levels in PKC water are lower than the amounts in the seepage.

Diavik concluded that the PKC is likely not the source of the elevated zinc in the seepage.

EMAB will continue to monitor this issue.

1.3 AEMP and Reports

Implementation of the revised AEMP was in its third year in 2009. EMAB is very pleased with the data collection and analysis under the new program and remains confident in its ability to give an early warning of changes in Lac de Gras.

Sample collection for the new program has improved a great deal since the first year and Diavik was able to collect all of the samples required in 2009.

1.3.1 Annual AEMP Reports

Diavik's 2009 AEMP report was similar to the 2008 report with improvements in some areas of analysis. The 782-page report, along with data, included detailed analysis by Golder Associates on dust, water, sediment, benthics, and plankton, and a review of eutrophication indicators. The results of all these reports were brought together in a "weight-of-evidence" report. Diavik provided a summary report covering each appendix, some additional conclusions, and describing any follow-up actions it planned.

The results revealed 28 early warning effects, four moderate-level effects and two high-level effects. Overall the various

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effects show that nutrients from the mine discharge are changing Lac de Gras – 28% of the lake had changed from ultraoligotrophic to oligotrophic.

Testing of the discharge showed no acute or chronic toxicity on any of the test organisms.

Nutrients

Last year EMAB and others expressed concern about the rate of increase of nutrient levels in Lac de Gras, and the need to determine whether Diavik's maximum predictions might be surpassed. The WLWB hired a consultant to review the results and make recommendations to them. The consultant's review found that Lac de Gras nutrient levels are changing, and that Diavik's previous statement that the effects are "mild" doesn't go far enough. The consultant supported EMAB's recommendation that Diavik forecast nutrient loads over the life of the mine. A further recommendation was that Diavik develop a model showing what is happening to the phosphorus (the main nutrient) that is being discharged. North-South and EMAB support this recommendation. The report is available on the WLWB website, including a number of other recommendations.

Mercury

There was no sampling of fish for mercury in 2009. A research project is looking at the possible effect of increasing nutrient levels in Lac de Gras on mercury levels in fish. A report will be submitted to Diavik in the summer of 2010.

As in previous years EMAB contracted North-South Consultants to review the report and assess the data, and any conclusions and follow-up actions that might be required. In general, North-South thought the sampling, analysis and assessment were well done, improving on last year's effort, which was also good.

EMAB and North-South commented on a number of key issues:

- Nutrient enrichment continues to be the main effect occurring, as was predicted in the Environmental Assessment. This process may be happening faster than was predicted. North-South noted that the extent of chlorophyll *a* increased last year from 24% of Lac de Gras in 2008 to 28% in 2009. This is already quite a bit more than the maximum 20% predicted in the environmental assessment.
- While chlorophyll *a* is above the maximum predicted, phosphorus, which is the other indicator of nutrient enrichment, is lower than in 2008 and is currently affecting 11% of the lake. At the same time, phosphorus loadings in Diavik's discharge were the highest since 2002 and roughly double the load in 2008.
- North-South wants Diavik to study the relationship between phosphorus and chlorophyll *a* using all available information.
- The WLWB directed Diavik to compare the nutrient enrichment data from 2009 with 2007 and 2008, and discuss any trends into the future to assess whether it may exceed its predictions and to discuss possible ways to remove more of the nutrients from its discharge.
- Diavik did not do any studies on mercury in fish in 2009 under the AEMP, although samples were collected and analyzed during the fish palatability activity. Results showed none are above the Health Canada consumption limit of 0.5 ug/g, but six of the 10 fish were above the subsistence guideline of 0.2Ug/g that was used in the CSR. EMAB recommended that Diavik include a full analysis of all the fish tissue data from all years of palatability testing in the three-year data analysis report. The subsistence guideline for mercury levels in fish is unofficial in Canada but is used by provincial health authorities as well as by the World Health Organization and a number of American states. It is EMAB's understanding that when this level is exceeded it is common practice to carry out a human health risk assessment and make any further decisions based on the results.

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- Following up EMAB's comments from last year the AEMP conclusion about mercury was changed to say that there had been no increase in mercury in trout liver, and did not comment on the meat. North-South proposed an alternate analysis procedure that would have allowed a determination of whether levels increased from 2005 to 2008 but Diavik chose not to use it.
 - Diavik did not find mercury in the discharge or water samples. It did find mercury in some sediment, but not near the discharge.
 - Diavik predicted in the Environmental Assessment that mercury concentrations would not increase above the background amount of 0.185ug/g – it appears that these levels may have been exceeded.
 - DFO did a study to look at this possibility by looking at sediment cores to find out if mercury in sediment is increasing over time.
- In the CSR, the GNWT agreed to follow the subsistence guideline for mercury levels in fish of 0.2 ug/g but decided not to issue a warning when the trout study was released and levels in Lac de Gras were above this amount. When EMAB followed up, GNWT officials told us that their agreement during the CSR to use the subsistence guideline was a mistake. It should be noted that Health Canada accepted Diavik's position that the increases in average mercury concentration was due to older, larger fish being caught in 2008.
- Diavik removed the test dust gauges that used standard methods after finding their regular dust gauges did not give the same results. EMAB was puzzled by this decision – our interpretation of the results was that since Diavik's dust monitoring does not give the same result as the standard method it should change its monitoring method to the standard. EMAB expects that the upcoming three-year AEMP review will include an assessment of the results and a change of method.
- The start-up of the new diffuser in October 2009 is going to increase loadings of many of the contaminants in the discharge. This possible effect should be watched closely.
- EMAB continued to suggest that Diavik should include all recommendations made by its consultants in the main report and provide reasons for implementing them or not.
- EMAB continued to suggest Diavik should systematically address each of the effects found as to whether or not follow-up was required, with reasons.
- EMAB is disappointed that there is still no TK component in place, and that Diavik has rejected EMAB's proposal for community driven TK monitoring, as noted on page 23. We continue to encourage Diavik to take steps needed for real progress in implementing its commitment to include TK in its monitoring programs.

Three-year Design Review

EMAB has observed that Diavik has delayed responding to some possible changes to the AEMP by stating its desire to wait until the three-year design review, coming up next year. EMAB believes that in the interests of transparency, Diavik should address all effects and recommendations and provide a strong rationale for not taking further actions, especially where it appears methods may result in flawed data. EMAB appreciates the WLWB's tabulation of the AEMP components that must be addressed in the review.

While EMAB did not agree with all the statements made in the report we continue to be very pleased with the quality of the reporting, including the detailed appendices.

In addition to EMAB, INAC, DFO, Environment Canada and the Tłıchǫ Government made comments to the Wek'èezhii Land and Water Board for consideration in approving the report.

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1.3.2 Adaptive Management Plan

One of the requirements of the AEMP was that Diavik submit an Adaptive Management Plan (AdMP) for approval by the WLWB. This plan sets out how management responses to effects detected by the AEMP will be determined. Diavik submitted a draft plan in August 2007 and the WLWB gave direction for reviewing Diavik's AdMP in February 2008. Following reviews of the draft plan and a **community workshop organized by EMAB**, the WLWB decided that it would develop a guidance document for all AdMPs and work with Diavik to revise the draft AdMP to meet the intent of the guidelines.

The WLWB had not provided a guidance document by March 31, 2010. They informed EMAB that they are reviewing INAC Guidelines for Development of AEMPs and expect to provide guidance on a management response framework in early 2010-11. **EMAB plans to review the draft guidance document and provide comments and hopes to review a draft of Diavik's Management Response Framework sometime during 2010-11.**

1.3.3 INAC AEMP Guidelines Development

INAC released technical guidelines for the development of AEMPs in June after three years of development. **EMAB participated actively in this process.**

EMAB raised the issue of the need for background research on use of TK in monitoring, as a basis for providing guidance to proponents that would assist them in including TK in the development of monitoring programs as well as in the monitoring itself. INAC set up a small working group, including EMAB, to oversee development of guidance on the use of TK in AEMPs as well as a toolbox of approaches and methods for inclusion of TK in aquatic monitoring. **EMAB made comments as the draft was developed and the draft guidance/toolbox on TK was released in February for public comment.**

1.4 Ammonia

EMAB continues to track developments in management of ammonia at Diavik. Ammonia levels have dropped significantly since 2005 and this year they ranged from 0.01 to 1.42 mg/l, well below the maximum allowable of 12 mg/l in any sample and an average of 6 mg/l over time.

Whitefish eggs were collected in December as part of a partnership study on whitefish sensitivity to diamond mine effluent compared to the rainbow trout that are currently used to assess toxicity. This study applies directly to Diavik. Funding has been committed by DFO, INAC, Ekati, De Beers and Diavik. Many of the eggs may not have been fertilized so it's not clear yet whether there will be enough whitefish for testing. **EMAB continues to follow this issue. We believe it is important to assess the effect of Diavik's discharge on species that live in Lac de Gras.**

The new water licence also required Diavik to develop a method for doing chronic toxicity testing on *hyalella azteca*, a very small bug in the water that is sensitive to ammonia. After Diavik submitted the results it was agreed that this kind of testing is not feasible and the WLWB told Diavik to develop some other means to test for toxicity of ionized ammonia. Diavik proposed monitoring changes in the benthic community and ammonia levels in the discharge instead of testing *hyalella* – these are already part of the AEMP.

Diavik is conducting research on removal of ammonia from the North Inlet and has found that bacteria break the ammonia down faster at warmer temperatures, and that adding zeolite speeded up the process. **This research is ongoing and EMAB will continue to track it.**

1.5 Closure Plan

EMAB made closure planning a priority in our strategic plan and we put a lot of effort into providing input to Diavik's draft closure plan this year, and to providing information on closure and the plan to Aboriginal Parties.

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Diavik submitted its draft closure plan in December 2009. EMAB contracted SENES Consultants to do a technical review of Diavik's plan, including the TK Research Plan; we circulated these reviews to the communities. We also did our own review focusing on key issues we had identified:

- Commitments Diavik made in the Comprehensive Study Report
 - **EMAB comment:** Diavik has not shown how the draft plan will meet these, and some parts of the plan are inconsistent with some commitments.
- Community engagement
 - **EMAB comment:** Diavik has not given communities a chance to have a full understanding of the proposed plan, or to provide meaningful input. This should be corrected over the next six months.
- Use of Traditional Knowledge
 - **EMAB comment:** Diavik's TK Research Plan needs to be improved and it needs expert advice on TK/IQ research methods.
- Closure objectives and criteria, and how the plan implemented them
 - **EMAB comment:** Some objectives should be made clearer and in line with Diavik's CSR commitments. Many closure options and criteria do not link to objectives and/or are inadequate. Diavik must provide strong reasons for its proposed approach.
- The Reclamation Research Plan
 - **EMAB comment:** The current plan is missing several important items and needs more detail on methods for research, workplans and schedules.

Other technical issues EMAB raised include:

- Effect of climate change on frozen structures after mine closure

- Ways to avoid a deep layer of salty water, which is toxic to fish, when the pits are flooded
- Some proposed changes need to be better defended, such as the wasterock piles
- Need more research on sludges in the North Inlet
- Diavik has not provided a revegetation plan

EMAB told the Wek'ëezhii Land and Water Board that the plan has a number of gaps that need to be filled, and will require some significant changes in the near term. In addition to our consultants' review, we provided 18 pages of comments. In total reviewers made 550 comments on the plan, which the WLWB reviewed before making its decision to send the plan back for revision.

Leading up to submission of the plan, EMAB members and staff participated in a Diavik workshop to develop closure options and criteria, in May. The workshop focused on options developed by Diavik with input requested as to how these could be best implemented. EMAB made a number of comments after the workshop on ways to improve future workshops, including providing material in advance and using an independent facilitator.

EMAB continued to encourage Diavik to provide for strong community participation in development of the draft closure plan.

The WLWB sent the plan back to Diavik for revision and the company should have that completed by December 2010.

Closure Research

Diavik built test waste rock piles several years ago that it is studying to find out how they will freeze, whether water will flow through the piles and any effects climate change may be having on waste rock freezing and runoff.

Diavik's revegetation study, which is part of its reclamation research plan, finished up this year. It experimented with

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Mixing Zones

The allocated mixing zone, also called the initial dilution zone, is defined as “the area contiguous with a point source (effluent discharge site) or a delimited non-point source where the discharge mixes with ambient water and where concentrations of some substances may not comply with water quality guidelines or objectives (CCME, 1996).” Mixing zones are therefore areas in which the initial dilution of the effluent occurs and concentrations of some substances may not comply with EQOs (which are generally based on preventing chronic effects).

The mixing zone is an area of acceptable, but not acutely toxic, impact that does not affect the overall quality of the receiving water.

Diavik committed to treat all effluent from the proposed mine to achieve ambient thresholds for aquatic life and drinking water within the 0.01 sq. km. mixing zone with the exception of phosphorus.

many different plants grown in many different conditions to see which worked best. The report was not ready by March 31, 2010, although some results were included in the 2009 WMP report showing that some applications were more successful than others.

EMAB is tracking all these activities related to closure.

1.6 Water Treatment Plant Expansion

Diavik completed construction of the expansion to its water treatment plant and received conditional approval to operate from the WLWB in September. The WLWB directed that Diavik do additional monitoring.

Diavik is also planning a study under the ice in April 2010 to find out how the effluent mixes with Lac de Gras water to make sure it take samples at the right places. It has planned to do another study in the summer of 2010 during open water conditions.

EMAB has observed the approval and follow-up process for this expansion and is satisfied that adequate safeguards are in place to protect Lac de Gras.



1.7 Intervener Funding

EMAB continues to promote the need for intervener funding to be made available to allow meaningful and effective participation of Aboriginal Parties and others in hearings and review processes under the MVRMA.

When the report of the Northern Regulatory Improvement Initiative (NRII) came out last year, EMAB reviewed it and found that the issue of participant funding under the MVRMA was not addressed. We brought this to the attention of the Minister along with two options that could be used. We have not heard back from the Minister.

1.8 Licence Management Recommendations

EMAB has raised a number of issues we felt could enhance the management of Diavik's water licence over the last several years, and each year we report on progress on those that remain outstanding. We are hopeful that the MVLWB initiative from 2008 to establish working groups to develop consistent procedures will address some of these.

We addressed some of these issues in our comments to the Minister on the NRRI report. We encouraged the Minister to consider addressing some other areas we felt were missing from the report and have not been addressed through other mechanisms:

- The need for permanent funding for the WLWB to have access to technical expertise as required. As noted in previous annual reports, we feel that the WLWB was able to make progress on some difficult issues concerning the Diavik water licence by turning to independent technical experts for advice and assistance. To our knowledge this remains outstanding, although INAC has stated that ensuring adequate resources to all boards is a priority. EMAB was also pleased that the WLWB plans to establish a pool of technical experts it can draw on for reviews, and

OVERSIGHT AND MONITORING

its intention to use internal technical experts to assist the Board with decision-making.

- **The need for a mechanism to make changes to water licences between hearings** that can be initiated by the public, including publicly available criteria for determining whether a change is in the public interest. We are hopeful that the MVRMA working groups will address this.

1.9 Inspector

EMAB relies on the INAC inspector's reports as a key source of information about compliance with authorizations, implementation of mitigation measures and the details of on-the-ground operations at the mines, including any environmental issues.

The inspector updates the Board at each meeting on the key results of monthly inspection reports, particularly focusing on possible effects on water quality such as:

- where spills may occur
- chemical and fuel storage areas
- contaminated water storage areas
- water discharge locations

In 2009-10 the inspector found much less seepage than the previous year. Diavik made a number of repairs on the PKC dams and collection ponds over the summer.

EMAB keeps track of Diavik's compliance with the water licence. There were some non-compliance events in 2009-10:

- About 500,000 litres of untreated discharge went into Lac de Gras on May 10, the first time mine water was pumped from the A418 pit, due to a closed waste water gate. Due to unsafe ice conditions the inspector was unable to sample.
- As discussed earlier, apparent seepage flowed into Lac de Gras for six hours in late June of 2009.

EMAB wrote the WLWB and INAC in November when we became aware that some inspector reports had not been written up because the inspector had been assigned additional duties. This matter has been corrected.



OVERSIGHT AND MONITORING

2. FISH–DFO

EMAB monitors DFO's reviews of reports from Diavik on its fisheries authorizations.

2.1 No Net Loss

EMAB tracks progress on fish habitat compensation projects and encourages DFO and Diavik to continue moving forward.

Two community habitat enhancement projects have been identified to help compensate for loss of fish habitat during construction of the Diavik mine. The projects are in Kugluktuk and Lutselk'e:

- Bridges will be installed in the Kugluktuk area to keep ATV traffic out of local creeks, and former stream crossings will be repaired.
- Culvert replacement in Lutselk'e is in the discussion stage. Diavik plans to do the work with the community and involve the community in monitoring results.

Baseline monitoring of the M-lakes habitat enhancement on the mainland, south-east of Diavik and on the West Island streams began during summer 2009. The University of Alberta and DFO will study the lakes for another year before the work is done, and two to three years after the work is finished to find out the effects. Construction work is planned for winter 2010 and will require a land use permit in order to conduct the work.

2.2 Fisheries Authorization Monitoring

EMAB reviews reports under the Fisheries authorizations:

- Diavik's study of the effects of blasting on fish and hatching of fish eggs was completed. The study found no effects on fish or hatching and DFO has agreed that additional studies of blasting from the A418 pit are not needed.

- DFO signed off on the Fish Salvage Study for the A418 pit, noting that 21% of fish salvaged died, a large improvement over the 50% of fish that died during the A154 fish salvage.

- Dike monitoring – DFO contracted a statistician to review the monitoring design. They will try to coordinate sampling for the A154 and A418 dykes and the work at the A21 pipe. They are also trying to make sure the data is compatible with AEMP monitoring.

2.3 Whitefish

In 2008, a partnership was formed with contributions from DFO, INAC, EC, Ekati, De Beers and Diavik to set up a study to determine how sensitive round whitefish are to Diavik's discharge compared to the standard test species, rainbow trout. **EMAB is pleased at this positive step and congratulates DFO for taking this initiative.**

2.4 Mercury

In September, EMAB met with GNWT to discuss the government's decision not to issue a health advisory for Lac de Gras based on the amount of mercury found in trout. EMAB raised Diavik's prediction during the environmental assessment that mercury would not increase above the existing background concentration of 181.5 ug/kg in fish tissue, and GNWT's statement that it agreed that the mercury consumption guideline of 200 ug/kg for fish used for sport and subsistence fishing would be applied.

A GNWT representative told EMAB that this statement was a mistake, that the Health Canada guideline is 500 ug/kg and that if levels of 500 ug/kg are exceeded it will issue an advisory. **EMAB is following this up with Health Canada and GNWT.**

OVERSIGHT AND MONITORING

3. WILDLIFE

The Wildlife Monitoring Program (WMP) studies the effects of the Diavik mine on wildlife and vegetation in the area around the mine. The process to revise the WMP continued for the second year.

Diavik prepares a report on wildlife monitoring every year. Every three years it does a comprehensive statistical analysis on the data gathered to identify trends. The last comprehensive report was produced two years ago. Last year, as part of the WMP revision, Diavik reviewed the information collected from wildlife monitoring and compared it to the predictions it made during the environmental assessment of the project.

3.1 WMP Revisions

This is the second year of updating Diavik's WMP. EMAB has participated actively in the review. We were critical of the approach Diavik took to WMP revisions last year as reported in the 2008-2009 annual report. EMAB made extensive comments in a letter to Diavik in April stating our concerns with the approach to changes made to the 2009 WMP:

- Lack of a transparent, scientifically defensible rationale for review by communities and EMAB;
- Lack of opportunity to respond to the changes: Diavik did not consult with communities or EMAB with the exception of providing one week to respond to a letter outlining changes to the caribou monitoring;
- Lack of response to comments EMAB was able to make in the very short time period provided.

EMAB found that Diavik's approach was improved in 2009. We were pleased that Diavik did a review of all the information collected through the WMP and compared the results to the predictions it made during the environmental assessment. The purpose was to find out whether any of the effects were significantly different than predicted, and to assess whether the current program is effective. This provided a useful rationale

for a discussion of possible changes. We feel this is a better approach than Diavik's proposal from September 2008, when it told EMAB it felt there was enough information to justify reducing sampling frequency but did not provide any data or analysis to back this up.

Diavik's analysis concluded that most of the effects are within the levels predicted, with the exception of the size of the mine's zone of influence (ZOI) on caribou. The other important conclusion was that some of the monitoring was not providing useful data to verify some predictions. Section 3.3 provides more detail on the analysis.

Diavik's review was also an important resource document in the ongoing evaluation of wildlife monitoring for the three diamond mines, which was started in December 2008. The intent was to improve the WMPs while also moving towards standardizing the monitoring in relation to cumulative effects. A small group, including an EMAB Board member, staff and our wildlife consultant, met in June and August, leading to a larger workshop involving participants from the Aboriginal Parties, all three mines, the monitoring agencies for the Ekati and Snap Lake mines, the WRRB and ENR.

In August EMAB made four recommendations to Diavik about consultation with communities on any revisions to the WMP. The recommendations focused on Diavik's commitments in the EA.

EMAB recommends that Diavik's revision of its Wildlife Monitoring program:

- *Be designed to fulfill Diavik's commitment in the Environmental Agreement to use its best efforts to involve members of each of the Aboriginal Peoples in Environmental Monitoring Program design (EA 7.6(a));*
- *Be designed to fulfill Diavik's commitment in the Environmental Agreement that the Environmental Monitoring Programs consider Traditional Knowledge (EA 7.1(d));*

OVERSIGHT AND MONITORING

- *Address relevant recommendations from EMAB's June 2007 Aboriginal Involvement workshop conveyed to Diavik in February 2008;*
- *Include a pre-consultation session with EMAB and participants from the Aboriginal Parties to provide input on the best way to present the information to the Affected Communities and receive and address their input.*

Diavik has not responded to these recommendations.

EMAB attended the workshop in September. The discussions were very wide-ranging on ideas proposed by the mines and the other participants. All parts of the WMPs were discussed. Caribou received the most attention because of the larger than expected zone of influence (ZOI) around the mines and the ongoing dramatic decline of the Bathurst caribou herd. There were detailed discussions about grizzly bear and wolverine monitoring as well. **EMAB and others put a lot of emphasis on the need for monitoring using Traditional Knowledge along with scientific monitoring.**

We understood that the three mines would take all the workshop input, discuss it among themselves and develop proposed changes to their wildlife monitoring that could be reviewed by communities, regulators and monitoring boards. We expected that small groups would meet later to discuss changes to monitoring wolverine, grizzly and especially caribou, but this has not happened yet. There was also a suggestion that the mines could re-analyze the existing data to look at the shape of the ZOI and to find out if changes in the level of activity at the mines affects the size/shape of the ZOI. EMAB is not aware that any analysis has taken place.

In early December, following the circulation of the draft workshop report, **EMAB and the other monitoring boards sent a letter to the mines and ENR encouraging timely follow up to the workshop.** The letter highlighted the need for a systematic approach to developing new objectives for scientific monitoring of effects on wildlife, together with inclusion of monitoring based on Traditional Knowledge.

Later in the year Diavik and Ekati announced that they were cancelling the caribou aerial surveys for 2010 as a way of reducing stress on the declining Bathurst herd. The mines again committed to work cooperatively on new monitoring studies to find the reasons why caribou seem to be staying so far away from the mines, looking at noise, dust, and visual impacts.

Diavik also told us it plans to use the same grizzly monitoring plots as it has in the past but instead of people going over the whole area of each plot (500 by 500 metres), for signs of bears it will put a pyramid of wood in each area that has barbed wire on it to snag hair samples. This will be safer for environmental staff to collect. Diavik can analyze the hair to see whether grizzlies used the area.

In February EMAB participated in another joint letter with the other monitoring boards regarding wildlife monitoring in relation to the Joint Caribou Management Proposal for the Bathurst Caribou Herd. The letter was submitted as evidence to the WRRB in its hearings and noted the importance of effective monitoring of the effects of the mines, and the lack of progress since the September workshop.

EMAB has continually raised the need for Diavik to meet its commitment to consider TK/IQ in the WMP and its other monitoring programs but there has been minimal progress. We have made a number of recommendations to Diavik about this, going back several years, and finally, as discussed on page 22-23, we tried to move this forward by working with communities to develop a proposal for monitoring using TK/IQ, which Diavik refused to support.

EMAB has found Diavik's approach on the WMP revisions to be inconsistent and confusing. It has lacked transparency and Diavik has been largely unresponsive to EMAB's comments and recommendations.

OVERSIGHT AND MONITORING

3.2 WMP Report - 2009

Wildlife consultant MSES reviewed the 2009 WMP report for EMAB and provided its assessment of the methods and results. They have reviewed the annual WMP report for EMAB since 2004. MSES attended Diavik's presentation of the report to EMAB, along with invitees from the Wek'ëzhii Renewable Resources Board and federal and territorial government wildlife experts.

MSES concluded that the report is useful in providing information about the predictions made during Diavik's environmental assessment about the effects of the mine on wildlife and improves understanding of those effects. They said most effects were at or below predicted levels and recommended that EMAB accept the 2009 report.

Much of the MSES analysis focused on the recommendations made by MSES and EMAB in the past for improving the data collected through the WMP, and on the need for making changes to the monitoring based on the results:

- Caribou - The zone of influence (ZOI) is larger than predicted - different studies give different results ranging from 11 km to 30 km and there seems to be agreement that there needs to be testing of a 14-28 km zone. We interpret this larger ZOI to mean that either caribou are more sensitive than expected or mitigation measures are not as effective as hoped. There needs to be some further discussion between Diavik, EMAB and the other Parties on a management response. As discussed in 3.1 above, the monitoring methods now need to focus on the larger ZOI and the reasons for it.
- TK/IQ studies focusing on knowledge of caribou behaviour and assessment of caribou health should be followed up.
- Diavik and Ekati began using a new cooperative methodology for monitoring caribou behaviour inside the ZOI. Unfortunately, the 2009 report did not present the data collected; EMAB would have preferred Diavik report the behavioural data.

- Grizzly habitat use studies were cancelled for 2009 due to safety concerns. EMAB felt Diavik should have been better prepared with a new method ready for the 2009 season.
- Waste management improved a great deal in 2009 over 2008, attracting fewer scavengers such as gulls, ravens and foxes.

The Wildlife Monitoring Program still doesn't include any monitoring using Traditional Knowledge. EMAB is disappointed with Diavik's progress in addressing this commitment and lack of activity by the company to develop effective initiatives to fill this gap. Diavik has indicated several times that it is committed to including TK in its wildlife monitoring, and that communities must take the lead on this with Diavik support, but has not developed any form of program to implement these statements. In December it informed EMAB that it was actively reviewing community based proposals for TK monitoring of caribou but has not identified any proposals and EMAB is not aware of any.

EMAB continues to be pleased with the scientific monitoring and looks forward to working cooperatively with Diavik to revise and improve the WMP for 2011.

3.3 Wildlife Environmental Assessment Prediction Review

Diavik used the wildlife data collected to date to assess the accuracy of the predictions it made during the project approval process and the adequacy of the monitoring to allow assessment of the predictions. The predictions were Diavik's "best guess" based on existing information from the area and other similar situations. It concluded that most of the predictions were correct. It also concluded that some of the monitoring methods needed to be improved. The main areas identified for change were:

OVERSIGHT AND MONITORING

Caribou

- The area around the mine that caribou tend to avoid – called the zone of influence or ZOI - is larger than predicted so that there is a greater loss of habitat available to caribou.
- The data collected on caribou behaviour inside the ZOI needs to be improved before this prediction can be assessed.
- Effects on caribou migration patterns are as predicted.
- Mine-caused caribou deaths are negligible, as predicted.

Grizzly

- The method for assessing grizzly bear presence in the study area is not adequate to assess the prediction, and is unsafe for personnel.
- Mine-caused grizzly deaths are very low and at the low end of the predicted range.

Wolverine

- Snow track surveys show relative activity of wolverines, which is as predicted.



- DNA sampling, which shows abundance, is not part of the WMP but Diavik plans to continue to participate in the program. Monitoring shows wolverine are attracted to the mine.
- Wolverine mortality is as predicted.

Raptors

- The effect of the mine on occupied and productive raptor nest presence and distribution has been greater than predicted, although it is difficult to sort out the contribution of mine effects and natural factors on raptors.

3.4 Cumulative Effects

NWT and Nunavut barren-ground caribou herds have shown a continuing drop in numbers over the last few years, ranging from 40 – 86%. The Bathurst herd has gone from an estimated 472,000 in 1986 to 128,000 in 2006 to 32,000 in 2009 (GNWT). Many possible causes have been suggested:

- Over-hunting
- Wolf kills
- Effects of climate change
- Overgrazing and range deterioration
- Industrial and other projects
- The winter road

EMAB has heard very strong concerns about this decrease and the possible role of Diavik and other developments in this decline, and possible effects on Bathurst caribou migration, during community meetings. These are part of the larger question of cumulative effects on caribou and other wildlife.

In 2007-08 we reported on an ENR initiative to develop a simulation model for cumulative effects on the Bathurst herd that would predict the effects of development, including Diavik, and natural change on caribou, and that it must

OVERSIGHT AND MONITORING

incorporate Traditional Knowledge. A demonstration project was started but after two years no results have been reported.

EMAB has taken the position that cumulative effects monitoring of wildlife is the responsibility of ENR and INAC, and that they should take the lead in setting standards for monitoring as well as bringing together and analyzing existing data and developing study designs to fill gaps such as monitoring of the winter road.

The initiative to revise and coordinate the WMPs for the diamond mines (discussed in 3.1 above) will aim to provide information on cumulative effects on caribou but will be confined to the Lac de Gras area.

EMAB continued to state the need for ENR and INAC to address cumulative effects monitoring on effects of development on caribou and other wildlife. We raised this issue during meetings between ENR and the diamond mines regarding improving the WMPs (reported above), and are hopeful that this collaboration may be a step in the development of guidelines for wildlife monitoring. EMAB is planning a workshop on cumulative effects on the Bathurst caribou to address this issue but our current budget disagreement with Diavik will have to be settled before we have the resources to proceed.

4. AIR

Dust and Air Quality

EMAB continues to hear that communities are concerned about environmental effects of dust and air emissions, particularly on wildlife and the vegetation eaten by wildlife.

4.1 Dust Monitoring

Diavik's dust monitoring continues to show that the mine is producing more dust than predicted (often ten times as much in the past), although there appears to be a decrease this year, partly because of the six-week summer reduction of activity. Diavik is trying to reduce dust by watering roads more, as well

as with other dust control methods, but based on the dust monitoring results more may need to be done.

EMAB first expressed concerns about Diavik's dust monitoring methods in 2005 because it is not using standard methods. In 2007, Diavik set up two dust gauges next to two existing gauges and monitored them using standard frequency methods to compare the results with the system it has been using all along. The results seem to show that Diavik's method gives different results from standard frequency methods but it has removed the test gauges and not made any changes to the program.

4.2 Air Quality Monitoring

In September 2006, following strong encouragement from EMAB, Diavik stated it planned to work on its air quality monitoring, with the first step being an update of its air dispersion model. In November 2006 EMAB recommended that Diavik proceed with development of the program. The dispersion model is still not complete.

EMAB continues to raise this issue and plans to recommend a date for completion of a draft program. The Environmental Agreement includes a commitment by Diavik to have an air quality monitoring program to verify the air quality predictions it made during the environmental assessment, and ten years after the agreement took effect the program is not in place.

4.3 Lichen Monitoring

In June 2008 EMAB asked Diavik to respond to a technical review that was critical of the methods used in the 2005 lichen monitoring study. Diavik recently informed EMAB that it is developing a new methodology for a lichen study, which will include the effects of emission on the food chain, especially caribou.

EMAB has agreed to help address the best ways to study the effects of dust that falls on lichen and other food that caribou eat. This includes making sure the right plants are sampled, and that the study include a link to the effect on the animals that eat the plants.

REPORTS

REPORTS IN REVIEW AS OF MARCH 31, 2010

REPORT DESCRIPTION	DATE SUBMITTED	TO
Design Specs & Monitoring Plans - Fish Habitat Compensation		
Streams (draft)	April 14/03	DFO
West Island Stream	April 22/04	DFO
Lakebed Sediment, Water Quality & Benthic Invertebrate	May 15/07	DFO
Study - A418 (year 1) & A154 (year 3)	2007	DFO
Options to Monitor Ionized Ammonia Toxicity	November 20/08	WLWB
Proposed Changes to SNP	November 24/09	WLWB
Interim Closure and Reclamation Plan (ver. 3)	December 3/09	WLWB
Water Management Plan (ver. 8)	December 31/09	WLWB
A21 Amendment Application	February 17/10	WLWB
Aquatic Effects Monitoring Program Tech. Report-09	March 31/10	WLWB
Water Licence Report 2009	March 31/10	WLWB
Operations Phase Contingency Plan (ver.14)	March 31/10	WLWB
Sewage Treatment Plan Operations Plan (rev)	March 31/10	WLWB

REPORTS

REPORTS APPROVED IN 2009/2010 OR NOT REQUIRING REVIEW

REPORT DESCRIPTION	DATE SUBMITTED	TO
Blasting Effects Studies - Final Reports	March 8/07	DFO
Water Management Plan (ver. 7)	December 31/08	WLWB
Water Licence Report 2008	April 3/09	WLWB
Hazardous Materials Management Plan (ver. 12)	April 3/09	WLWB
Operations Phase Contingency Plan (ver. 12)	April 3/09	WLWB
Hazardous Materials Management Plan (ver. 13)	April 3/09	WLWB
Operations Phase Contingency Plan (ver. 13)	April 3/09	WLWB
Waste Rock Management Plan (ver. 4.2)	April 3/09	WLWB
Aquatic Effects Monitoring Program Tech. Report-08	May 5/09	WLWB
Proposed Changes to SNP	February 19/09	WLWB
Dam Safety Inspection Report	October 23/09	WLWB
2008 Environmental Agreement Report	June 17/09 - draft	DIAND
Dike Inspection Reports (A154, A418, NI)	January 22/10	WLWB
Wildlife Monitoring Report	March 31/10	ENR/EMAB
2009 Seepage Report	April 5/09	WLWB

WHAT ARE OUR PLANS?

Work plan for 2010-11

EMAB's priorities for 2010-11 are:

EA Implementation

- Resolve dispute over Diavik's contribution to EMAB's budget.
- Finalize independent review of Party satisfaction with implementation of the Environmental Agreement (EA), and address recommendations.
- Continue to implement the strategic plan, including an annual review.
- Implement the new communications plan and continue to improve communications.
- Develop a workplan for EA implementation that includes cooperative activities with Diavik and other Parties as appropriate.

Oversight and monitoring

- Review and assess environmental effects monitoring reports on the Diavik mine, while focusing on issues surrounding wildlife (particularly caribou), fish, water and air quality.
- Participate in the review of Diavik's revised Interim Closure and Reclamation Plan.
- Develop further capacity in reclamation and closure related to Diavik.
- Actively participate in review and revision of Diavik wildlife monitoring program including the mine's contribution to cumulative effects on wildlife.
- Organize a workshop with community participants on monitoring cumulative effects on wildlife.
- Participate in review and design of the Adaptive Management Plan guidelines and Diavik's revised plan.

- Monitor regulators to ensure plans and programs are thoroughly reviewed and necessary follow-up is done.
- Develop and enhance report cards on the state of the environment at the mine and the success of Diavik and the regulators in managing and monitoring the environment.
- Carry out more technical reviews in areas of higher priority (water quality, wildlife, fish, air quality).

Aboriginal involvement in monitoring

- Continue emphasizing the need for greater Aboriginal involvement in monitoring at Diavik including follow up on recommendations from 2007 Aboriginal Involvement workshop and 2010 Environmental Agreement review/workshop.
- Facilitate community-level discussion of EMAB's proposal for use of TK to do environmental monitoring, and support development of proposals at the community/Aboriginal Party level. Push for a demonstration project.
- Define role, develop and form an EMAB TK Panel.
- Build capacity (skills and knowledge), increase awareness and support meaningful participation of Aboriginal Peoples in environmental monitoring activities related to Diavik.
- Continue to implement revised capacity building program; assess the results of removal of the requirement for proposals.

In addition to our day-to-day mandate of monitoring the Diavik mine and the regulators, and communicating with communities regarding the mine, EMAB has a number of major projects planned for 2010-11. We will not be able to carry out these projects unless we can successfully resolve our dispute with Diavik over its withholding of \$150,000 of its contribution for each of the last two years. We look to INAC to provide the leadership needed to find an answer to this urgent problem.

WHAT ARE OUR PLANS?

Closure and reclamation – EMAB made this area a priority in our strategic plan. We participated in all appropriate aspects of the review process for Diavik's draft Interim Closure and Reclamation plan submitted to the Wek'èezhii Land and Water Board in December 2009. Now that the WLWB has sent the draft plan back for revision EMAB will dedicate the necessary resources to thoroughly reviewing the revised draft, including contracting technical expertise to assist us in the review and making this information available to Parties to the EA.

Aboriginal Involvement – EMAB will continue to follow up on recommendations to Diavik on improvement of involvement of Aboriginal people in all aspects of monitoring and on coordination of various organizations responsible for training in environmental monitoring. The review of Party satisfaction with implementation of the EA highlights the concern among most Parties that Diavik's commitments regarding community involvement are not being fully met. We will keep raising the issue of participant funding as a necessary means for meaningful participation of Aboriginal Parties in public review processes.

Traditional Knowledge – EMAB will encourage and assist Diavik in timely development of ways to use TK/IQ in environmental monitoring. EMAB made this a priority issue in our strategic plan and we are disappointed that progress continues to be minimal. The review of Party satisfaction with implementation of the EA highlights the concern among most Parties that Diavik's commitments regarding use of TK are not being met. We will help support the Aboriginal Parties to discuss the proposal developed by EMAB and the WRRB last year and to develop their own proposals. We hope to assist in getting a demonstration project up and running with one or more Aboriginal Parties.

Monitoring – EMAB will continue to work with regulators to ensure timely, rigorous review for environmental management plans, environmental monitoring programs and reports, while making sure that documents submitted by Diavik are of the

highest possible quality. We continue doing technical reviews of monitoring programs and reports and management plans as needed. We continue to be concerned at the lack of progress on cumulative effects monitoring on wildlife, particularly the Bathurst caribou, and will work to find ways to make progress. We have set aside funds for a workshop on wildlife cumulative effects and will monitor the work of governments and mines to ensure we do not duplicate. We also plan to work on improving our report cards on the state of the environment at the mine, and to develop an approach to reporting on the success of Diavik and the regulators.

Communications – EMAB will continue to provide updates on environmental monitoring of the Diavik mine to communities through Board members, and target at least one public meeting in each community to review environmental monitoring results, answer questions and hear community concerns. Where possible we will do group community updates along with Diavik and regulators. We will implement the Communications Plan approved last year. The communications coordinator will also assist in communicating complex issues to communities and in making sure that EMAB hears, understands, and addresses community concerns. EMAB will also produce a newsletter and, when required, plain language summaries of key documents and update our website regularly.

Capacity Building – EMAB will continue to implement our revised capacity funding program to support Affected Communities in participating in monitoring the Diavik project, while reviewing its effectiveness. EMAB's communications coordinator will provide additional support to Aboriginal Parties in developing and carrying out projects to build monitoring skills and knowledge in Affected Communities.

Relationship Building – We will continue to hold meetings that bring together regulators that deal with the Diavik file. These meetings help everyone understand each other's roles and help resolve issues.

WHAT ARE OUR PLANS?

Strategic plan – We will continue to implement and update our strategic plan through our workplanning and activities and ongoing evaluation.

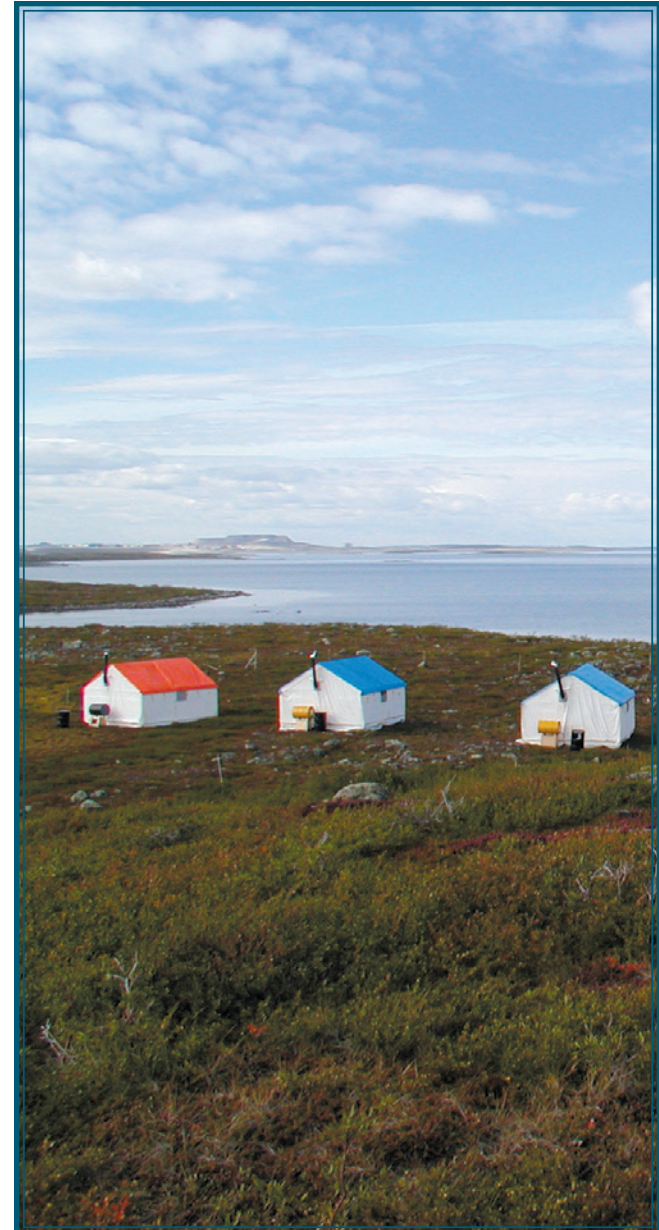
No Net Loss – we will monitor the development of detailed designs for projects to replace fish habitat, and the construction and effects of the projects over the long term.

Organizational Development – The Board will continue to work on its procedures and review bylaws and policies to improve efficiency and effectiveness. EMAB holds annual governance workshops to review our performance and transfer knowledge to more recent board members.

EMAB expects to hold six Board meetings over the coming year and plans to continue rotating meetings in the Affected Communities. EMAB will continue to use Board teleconferences; these offer greater efficiency for routine items as well as improving cost efficiency and reducing time demands on Board members.

Budget

Administration	93,000
Capital Cost	3,000
Management Services	272,000
Board	155,000
Sub-Committees	2,000
Community Consultation	175,000
Projects	170,000
Contingency	12,000
Total	882,000



AUDITOR'S REPORT

To the Board of Directors of the Environmental Monitoring Advisory Board

I have audited the Statement of Financial Position (Balance Sheet) of the Environmental Monitoring Advisory Board as at March 31, 2010 and the statement of operations, the statement of changes in fund balances and statement of cash flows for the year then ended. These financial statements are the responsibility of the Environmental Monitoring Advisory Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Environmental Monitoring Advisory Board as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Yellowknife, Northwest Territories
August 19, 2010



Charles Jeffery
Chartered Accountant

Management's Report

The management of the Environmental Monitoring Advisory Board is responsible for the financial statements presented here. The statements have been prepared as set out in the notes attached and were audited by Charles Jeffery – Chartered Accountants following generally accepted accounting principles.

EMAB management includes budget and financial controls to provide reasonable assurance that spending is authorized, transactions are correctly recorded, and financial records are accurate.



Floyd Adlem
Secretary Treasurer

AUDITOR'S REPORT

Environmental Monitoring Advisory Board

Statement of Financial Position

	March 2010	Restated March 2009	Restated March 2008
	\$	\$	\$
For the year ended March 31, 2010			
Assets			
Current assets			
Cash	892,141	1,066,963	1,153,113
Accounts receivable	370	370	31,169
Contributions receivable	-	6,981	-
Holdbacks receivable - 2009	4,000	4,000	-
	896,511	1,078,314	1,184,282
Capital assets (Note 3)	12,017	14,573	15,282
	908,528	1,092,887	1,199,564
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	146,449	146,932	63,318
Contributions refundable - Traditional Knowledge Camps	13,515	13,515	13,715
Contributions refundable - DIAND	-	-	9,878
Deferred net revenue - Diavik Diamond Mines Inc. (Note 7)	569,000	547,000	676,000
	728,964	707,447	762,911
Net Assets			
Unexpended contributions for fiscal period 2006-2007 & prior (Note 3)	179,752	179,752	179,752
Net unexpended/(applied) contributions fiscal period 2007-2008 forward	(140,036)	63,751	133,150
	39,716	243,503	312,902
Net unexpended/(applied) contributions			
Accumulated interest on investment or working capital	127,831	127,364	108,469
Investment in capital assets	12,017	14,573	15,282
	179,564	385,440	436,653
	908,528	1,092,887	1,199,564

AUDITOR'S REPORT

Environmental Monitoring Advisory Board

Statement of Operations

For the year ended March 31, 2010

		March 2010	Restated March 2009	Restated March 2008
		\$	\$	\$
Revenue				
Diavik Diamond Mines Inc (DDMI) Contributions (Note 3)		697,000	676,000	660,000
DDMI - Application of accumulated interest earned & unused funding (Note 3)		(150,000)	-	-
DDMI - Traditional Knowledge		-	6,981	11,060
Government assistance				
Department of Indian Affairs and Northern Development		-	40,000	33,922
Interest income		467	18,895	25,617
Cost recovery - Diavik travel		-	775	-
Cost recovery - IEMA		-	5,400	-
Other		-	90	4,059
		547,467	748,141	734,658
Operating Expenditures				
Administration	Schedule 1	88,316	76,289	63,343
Management services	Schedule 2	246,561	241,271	219,250
Board Expenditures	Schedule 3	136,635	141,019	128,587
Community Updates	Schedule 4	18,197	12,365	4,775
Capacity Funding (Note 4)	Schedule 5	150,000	120,000	101,426
Traditional Knowledge Workshop	Schedule 6	120	64,027	-
Closure Workshop	Schedule 6	-	50,718	-
Professional Development	Schedule 6	356	-	-
Technical Expertise	Schedule 6	45,933	22,913	11,308
Governance Workshop	Schedule 6	-	1,890	-
Adaptive Management Workshop	Schedule 6	-	54,908	848
EA Review	Schedule 7	62,532	-	-
Water Quality Camp	Schedule 8	-	6,981	-
Strategic Planning	Schedule 9	-	2,789	18,082
Aboriginal Involvement Update		-	-	47,529
Capital Asset Purchases Charged To Operations		2,137	3,387	6,360
		750,787	798,557	601,508
Excess revenue over expenditure (expenditure over revenue)		(203,320)	(50,416)	133,150

AUDITOR'S REPORT

Environmental Monitoring Advisory Board**Notes to Financial Statements****For the year ended March 31, 2010**

The Environmental Monitoring and Advisory Board ("the Board") is a not-for-profit organization established as a requirement of the Diavik Environmental Agreement. The Board is exempt from income tax in accordance with section 149(1)(l) of the Income Tax Act.

The aim of the Board is to provide a meaningful role for Aboriginal Peoples in the review and implementation of environmental monitoring plans with respect to the Diavik Diamond Mine site in the Northwest Territories. The Board will be in place until full and final reclamation of the mine is complete.

1 Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of some assets and liabilities depends on future events, the presentation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in the opinion of management, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

(a) Going Concern

Financial Statements, under Canadian GAAP, are prepared on the assumption that the entity is a going concern, meaning that it will continue in operations for the foreseeable future and that it will be able to realize assets and discharge liabilities in the normal course of its operations.

(b) Revenue recognition

The Board follows the deferral method of accounting for contributions. Under this method, restricted contributions are recognized as revenue when the related expenditures are incurred. Restricted contributions received but for which the related expenditures have not been incurred are reported as deferred revenue.

Unrestricted contributions are recognized as revenue when received, or when receivable if the amount can be reasonably estimated and collection is reasonably assured.

(c) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortization. Amortization is calculated using the declining balance method at the following rate:

Office Equipment	30%
Computer Equipment	30%
Furniture and Fixtures	30%

(d) Economic dependence

The Board is dependent on its funding from Diavik Diamond Mines Inc. The Board may not be viable without these contributions. See also Note 3.

(e) Allocation of expenditures

Program administration expenditures are not allocated across programs. Expenditures are allocated as they are incurred to specific programs.

AUDITOR'S REPORT

Environmental Monitoring Advisory Board

Notes to Financial Statements

For the year ended March 31, 2010

(f) Financial instruments

The company's financial instruments consist of accounts receivable and accounts payable. These financial instruments might expose the company to interest rate and credit risks. In the opinion of management, the financial statements and accompanying notes contain the information necessary to reasonably assess these risks.

Risk Management

The board reviews financial risks and sets appropriate limits and controls when necessary. The board's strategy for identifying risks and managing such risks has not changed significantly from the prior fiscal year.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will affect the board's revenue, expenses and financial instruments. The board does not have a significant number of interest earning assets and the board does not have a significant number of interest bearing liabilities. The board does not currently use derivative financial instruments to manage its interest rate risks.

Credit Risks

Credit risk is the probability of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The board is exposed to credit risk through its investment in accounts receivable. The board manages the risk by having management maintain continuous communication with Diavik Diamond Mines Inc. and related parties, and continually review past due accounts receivables in order to identify matters which could delay recoveries at an early stage. The board carries adequate provisions for expected and probable losses from credit risk.

Liquidity Risks

Liquidity risk is the risk that the board will not be able to meet its financial obligations as they become due. The board manages liquidity risk by reviewing forecasted cash flows from operating activities, forecasted financing activities and forecasted investing activities including budgeted capital expenditures and related financing.

Fair Values

The methods and assumptions followed to disclose fair value are inherently matters of judgment. Accordingly, fair values do not necessarily reflect the amounts that would be recovered or paid under the circumstances that immediate settlement of the financial instruments were required. The use of different methods of estimating and different assumptions could have a material effect on the estimated fair value amounts. The methodologies used are as follows:

Due to the short-term nature of accounts receivable, accounts payable and accrued liabilities the carrying amounts approximate fair value.

The fair value of long term advances, capital leases and long term debt are determined by estimating the future cash flows and discounting these future cash flows using a rate which takes into account the board's spread for credit risks at the year -end for similar terms and types of debt arrangements. Based on these calculations the carrying amounts approximate fair value.

AUDITOR'S REPORT

Environmental Monitoring Advisory Board

Notes to Financial Statements

For the year ended March 31, 2010

	March 2010	March 2009
	\$	\$

2 Capital Plan**Capital (Section 1535 CICA Handbook)**

The objective of the board is to safeguard the ability of the corporation to continue as a going concern by applying its capital resources at the least degree of risk required to the purpose of providing a return for shareholders and benefits for other stakeholders.

Capital Covenants

The board's financial instruments do not carry covenants in which compliance could affect the capital structure of the board.

3 Contributions from Diavik

Diavik Diamond Mines Ltd. (Diavik) has indicated to management that the funding for fiscal 2009-2010 & 2010-2011 will be reduced by \$150,000 each fiscal year, representing an approximate 21% reduction in expected funding. This reduction is based on Diavik's interpretation of clause 4.8G of the Environmental Agreement. This interpretation is currently disputed by the Environmental Monitoring Advisory Board (EMAB). EMAB has recommended that this matter be resolved through the Environmental Agreement Dispute Resolution under clause 16.

Documentation support required for resolution has resulted in disclosure of accumulated interest and net expended/unexpended contributions by fiscal year starting fiscal year 2008. Unrestricted net assets balance from fiscal year 2006-2007 & prior is a total of \$262,604, consisting of \$179,752 in unexpended contributions and \$82,852 in interest.

4 Capacity funding expenditure

Kitikmeot Inuit Association	-	-
Lutsel K'e Dene	50,000	30,000
North Slave Metis Alliance	50,000	30,000
Tli Cho Government	-	30,000
Yellowknife Dene	50,000	30,000
	150,000	120,000

5 Capital assets

	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer Equipment	40,602	34,758	5,844	5,755
Furniture & Fixtures	15,154	11,263	3,891	5,558
Office Equipment	20,429	18,147	2,282	3,260
	76,185	64,168	12,017	14,573

AUDITOR'S REPORT

Environmental Monitoring Advisory Board

Notes to Financial Statements

For the year ended March 31, 2010

	March 2010 \$	March 2009 \$
6 Net change in non-cash working capital balances		
Operating resources provided by:		
Decrease accounts receivable		3,199
Recovery of Contributions Receivable	6,981	27,600
Increase trade accounts payable	-	94,088
	6,981	124,887
Operating resources applied to:		
Increase accounts receivable	-	(6,981)
Increase contribution holdbacks	-	(4,000)
Decrease trade accounts payable	(483)	-
Decrease in contributions refundable	-	(9,878)
Increase in employee receivable	-	-
	(483)	(20,859)
Net Change in Non-Cash Working Capital	6,498	104,028
7 Deferred contributions		
Deferred revenue consists of the funds contributed by Diavik Diamond Mines Inc. for the 2010-2011 operating year. This amount was received in the 2009-2010 operating year, and will be recognized as revenue over the 2010-2011 operating year as goods and services are acquired.		
Diavik Diamond Mines Inc Contributions for Upcoming Fiscal Year	719,000	697,000
Diavik Diamond Mines Inc application of Accumulated Interest & Unexpended Contributions (Note 3)	(150,000)	(150,000)
Deferred revenue - Diavik Diamond Mines Inc.	569,000	547,000
8 Accounts receivables		
Accounts receivable	370	370
Contributions receivable	-	6,981
Holdbacks receivable - 2009	4,000	4,000
	4,370	11,351
Allowance for doubtful accounts	-	-
	4,370	11,351

AUDITOR'S REPORT

Environmental Monitoring Advisory Board

Notes to Financial Statements

For the year ended March 31, 2010

9 Contingencies

Funding

The Board's relies on funding from Diavik Diamond Mines Inc. for continued operations. Should the dispute based on Diavik's interpretation of clause 4.8G of the Environmental Agreement and subsequent funding reduction continue unresolved or moved in Diavik's favour, in contrast the Board may reduce program spending and community capacity funding. The existence of fixed costs will adversely affect the corporation

10 Indemnities and guarantees

Management has determined that with respect to Section 3290 of the CICA Handbook, there are no items to disclose regarding indemnities or guarantees.

11 Subsequent Events

Management has determined that with respect to Section 3820.07 of the CICA Handbook, there are no items to disclose regarding events subsequent to the year-end date.

WHAT DOES IT MEAN? - DEFINITIONS

Aboriginal Parties/Aboriginal Peoples: means the Tłıchʼo Government, the Łutsel K'e Dene First Nation, the Yellowknives Dene First Nation, the North Slave Métis Alliance and the Kitikmeot Inuit Association.

Adaptive Environmental Management: is a way to manage the environment by 'learning by doing.' We expect plans will need changes. These are important steps:

- Admit doubt about what plan or action is "best" for the issue.
- Thoughtfully select the plan or action to be taken.
- Carefully carry out the plan and action.
- Keep an eye on key results.
- Study the results with the original objectives in mind.
- Include the results in future decisions.

Affected Communities: means Behchokò, Whati, Wekweèti, Gameti, Łutselk'e, Dettah, Ndilo, and Kugluktuk.

Baseline: means all the facts, numbers and information that were collected about the Lac de Gras area before Diavik started construction. Facts, numbers and information are being collected all the time and will be compared with the baseline to see if there are any changes to the environment of the Lac de Gras area.

Compliance: means following all the rules and regulations, laws and legislation, as well as following through on commitments.

Cumulative Effects: means the effects on the environment that increase, when the effect of one action is added to other actions. Cumulative effects can be the result of small, individual actions, that when looked at all together become more important over a period of time or in a whole region.

Environmental Quality: means the state of the environment of an area at any time compared with its natural state. This includes biological diversity and ecosystem structures and process.

Mitigation: means the choices possible to lessen or get rid of harmful environmental effects. There are three basic choices:

- get rid of the problem by using other sites, locations or operating conditions;
- lessen the problem by using other sites, locations or operating conditions; or
- make up for the problem by remediation, replacement or payments in cash or kind.

Possible mitigation can include the requirement of additional measures or actions, which can be funded or implemented independently of the main project.

Monitoring: means keeping an eye on the actual operation and comparing it to what was planned or what was expected to happen. Monitoring generally involves collecting and analyzing information and if a problem is discovered, fixing it.

Reclamation: means the way that lands disturbed because of mining are cleaned up. Reclamation can include: taking out buildings, equipment, machinery and other physical leftovers of mining, closing processed kimberlite containment areas, leach pads and other mine features, and contouring, covering and revegetation of waste rock piles and other disturbed areas.

Security: means the money that Diavik gives to DIAND as assurance that it will clean up the mine site in an acceptable way after the mine closes.

Sustainable Development: Makes sure that the land our children will use is as healthy and rich as the land we have now. It means not doing harm to the environment that we can't fix, or use up resources our children will need. Sustainable actions are not wasteful, do not have unreasonable costs and are right for society, as well as respect cultures.

Precautionary Principle: means stopping harm from happening to the environment or human health if there is a good reason to think it might happen. Not knowing all the scientific causes and effects of the situation is not a reason to allow possible damage.

ABBREVIATIONS

AEMP	Aquatic Effects Monitoring Program
AdMP	Adaptive Management Plan
AGM	Annual General Meeting
CEAMF	Cumulative Effects Assessment and Management Framework
CIMP	Cumulative Impacts Monitoring Program
CSR	Comprehensive Study Report
DDMI	Diavik Diamond Mines Inc.
DFO	Department of Fisheries and Oceans
DTC	Diavik Technical Committee
EA	Environmental Agreement
EC	Environment Canada
EMAB	Environmental Monitoring Advisory Board
ENR	Environment and Natural Resources
GN	Government of Nunavut
GNWT	Government of the Northwest Territories
ICRP	Interim Closure and Reclamation Plan
IEMA	Independent Environmental Monitoring Agency
INAC	Indian and Northern Affairs Canada
KIA	Kitikmeot Inuit Association
LKDFN	Łutsel K'e Dene First Nation
MVEIRB	Mackenzie Valley Environmental Impact Review Board
MVLWB	Mackenzie Valley Land and Water Board
NSMA	North Slave Métis Alliance
SLEMA	Snap Lake Environmental Monitoring Agency
TG	Tłı̄chǫ Government
TK/IQ	Traditional Knowledge/ Inuit Qaujimajatuqangit
WMP	Wildlife Monitoring Program
WLWB	Wek'èezhii Land and Water Board
WRRB	Wek'èezhii Renewable Resources Board
YKDFN	Yellowknives Dene First Nation

WHAT HAPPENED? - FOLLOW-UP ON PREVIOUS RECOMMENDATIONS

EMAB recommends that Diavik proceed with development of its proposed air quality monitoring program. Diavik should also state which pollutants it proposes to include in its air quality monitoring program and should make best efforts to coordinate with air quality monitoring at the Ekati mine so that data is compatible and comparable. (from November 2006)

Diavik's Air Quality Monitoring Program is still not in place, and the first step of developing a new air dispersion model has not been completed.

.....

Recommendations related to management of Diavik's water licence – these recommendations are documented in the water section of this annual report and include the need for: participant funding, and a process for amendment of licence between hearings. (from February 2007)

Participant funding continues to be an unfulfilled objective for EMAB and we will continue to pursue this as appropriate.

EMAB continues to be hopeful that a process for amendment of water licences between hearings will be developed by MVRMA working groups.

.....

EMAB made a number of recommendations about Aboriginal involvement in monitoring in early 2008, in follow up to our workshop with community participants on this topic. Diavik responded about 13 weeks after the 60 day deadline (from February 2008):

In order to improve levels of Aboriginal involvement in the design of its monitoring programs Diavik should present these programs at public meetings in communities. Diavik should prepare for the presentations by translating the WEMP and AEMP Program Design documents into plain language with lots of graphics, making sure they clearly explain the intent of the programs – along the lines of the AEMP summary presented at the March 2007 AEMP preparatory workshop. These presentations should also address the Environmental Agreement commitments for monitoring, and the ways the programs meet these commitments. There should be a number of presentations/workshops over time focusing on specific topics, such as caribou, rather than

trying to review all the monitoring programs at one time. The design review should include ways to incorporate TK/IQ into the monitoring programs. EMAB encourages Diavik to make best efforts to ensure youth are involved in these presentations/workshops.

Diavik informed us that it did not expect the scientific components to change and that the CBM camp would focus on TK. The CBM camp program no longer exists. They stated that since the communities hold TK they should implement TK monitoring programs, with EMAB support; however, Diavik has provided minimal support to assist communities to develop or carry out monitoring programs using TK. Diavik has not yet presented details of monitoring programs to communities.

As part of its efforts to put greater emphasis on inclusion of TK in its monitoring programs Diavik should:

- *review the Inuit curriculum developed by the Government of Nunavut and the Dene curriculum developed by the GNWT for potential inclusion of TK/IQ into their monitoring programs.*
- *arrange for Diavik staff to go on the land with Elders to observe and exchange information about how each group monitors water quality. This could be done through the Diavik Community Based Monitoring camp or a similar forum. The intent is to give Diavik staff a better understanding of TK/IQ as it relates to water so they can more effectively work with Elders and EMAB to include TK/IQ in the aquatic effects monitoring program while giving Elders a better idea of the monitoring Diavik does.*
- *have a TK specialist on staff / contract to help in improving the inclusion of TK in monitoring.*

In addition an inventory of TK/IQ research papers and reports regarding water should be undertaken. A partnership approach, such as WKSS, might be the best way.

Since this recommendation was made in early 2008, the community of Lutselk'e approached Diavik in February 2010 with a request for funds to develop a proposal to use TK for monitoring. EMAB is not aware of Diavik approaching any

WHAT HAPPENED? - FOLLOW-UP ON PREVIOUS RECOMMENDATIONS

other communities, or of any Diavik program intended to support communities to develop or carry out proposals. In December 2009 Diavik stated it would not support a proposal developed by EMAB and communities to monitor wildlife and fish using TK.

The lack of inclusion of TK in Diavik's monitoring programs was identified by most Parties during the recent review of EA implementation as their highest priority concern. (See page 21 for more information.)

EMAB recommends that the first presentations Diavik should take to communities be on the recently approved AEMP.

Diavik presentations during group updates in 2009 have not provided details of the AEMP. EMAB is not aware of any other presentations Diavik has made on the AEMP to communities.

EMAB recognizes that Diavik does good scientific monitoring work, such as on caribou, and recommends Diavik find ways to involve more Aboriginal people, particularly youth, in this monitoring. Diavik committed in the EA to make best efforts to provide for the involvement of members of each of the Aboriginal Peoples in its monitoring programs, including giving priority to members of each of the Aboriginal Peoples in training and employment, and particularly providing technical training opportunities for youth. EMAB recommends that Diavik develop and implement a strategy to improve their success in meeting this commitment. EMAB also recommends that Diavik develop programs to provide for youth and Elders from each of the Aboriginal Peoples to observe and participate in Diavik's environmental monitoring.

Diavik gives priority to Aboriginal people for hiring for environmental monitoring positions, including training positions for youth, and has participated in meetings to improve training for environmental monitoring. It is working toward having all staff certified under the GNWT environmental monitor certification program. EMAB is not aware of any other actions Diavik has taken to improve the success in involving members of each of the Aboriginal Peoples in its monitoring programs.

EMAB recommends that one or more of the Parties to the Agreement immediately initiate Article 16 of the Environmental Agreement "Resolution of Disputes" by delivering notice in writing to Diavik that its contribution for 2009-10 is in dispute, and that its interpretation of EA (4.8)(g) is also in dispute; and

EMAB recommends that Diavik, the disputing Party(s) and EMAB enter into mediation as soon as possible with the intent of resolving the dispute before the 60-day deadline set out in section 16.2 of the EA (from February 2009)

The dispute over Diavik's contribution has not been resolved and none of the Parties has initiated the dispute resolution mechanism. Four of the Parties have written to encourage INAC to initiate dispute resolution. (For more information see page 16.)

EMAB recommends Diavik include consultations on the draft ICRP in each Affected Community prior to submission to the Wek'èezhìi Land and Water Board (from February 2009)

Diavik attempted to make presentations on the draft ICRP but these were short summaries and did not provide an opportunity for meaningful input from communities. Diavik has since submitted requests to communities on how best to organize a closure workshop for their communities.

EMAB recommends Diavik take the January 2009 Closure workshop participants to visit the mine site in late May or early June to provide a better understanding of the closure components (from February 2009).

Diavik brought a group of Elders together in August 2009 to tour the mine site and discuss closure.

EMAB recommends the WLWB clearly define vision/goal, objectives and criteria for closure plans, and the differences between them.

The WLWB provided detailed definitions in its document on closure objectives for the Diavik Interim Closure and Reclamation Plan.

Recommendations Report Card 2009-2010

A — good; B — fair; C — meets minimum standard; D — unacceptable

Recommendation	To	Timely Response	Satisfactory Response
<p>EMAB recommends that Diavik's revision of its Wildlife Monitoring program:</p> <ul style="list-style-type: none"> Be designed to fulfill Diavik's commitment in the Environmental Agreement to use its best efforts to involve members of each of the Aboriginal Peoples in Environmental Monitoring Program design (EA 7.6(a)) Be designed to fulfill Diavik's commitment in the Environmental Agreement that the Environmental Monitoring Programs consider Traditional Knowledge (EA 7.1(d)) Address relevant recommendations from EMAB's June 2007 Aboriginal Involvement workshop conveyed to Diavik in February 2008. Include a pre-consultation session with EMAB and participants from the Aboriginal Parties to provide input on the best way to present the information to the Affected Communities and receive and address their input. <p>(sent Aug 19/09)</p>	DDMI	D – no response received	n/a
<p>EMAB recommends that DDMI engage communities in discussion to determine if the plain language summary of the EAAR is satisfactory and to determine how best to present the information in the EAAR to the community.</p> <p>(sent Dec 14/09)</p>	DDMI	D – no response received	n/a

Recommendations

According to the Environmental Agreement (Article 4.3), the Minister of DIAND, Diavik, or any other Party to the EA must respond within 60 days after receiving a written recommendation from EMAB.

Any response must be given "full and serious consideration" and an attempt made to implement the recommendation the best way possible, or a written reason must be given explaining why it is not possible.

Article 4.4 states that the Minister of DIAND will encourage regulatory authorities to comply with the above if they receive a recommendation from EMAB.

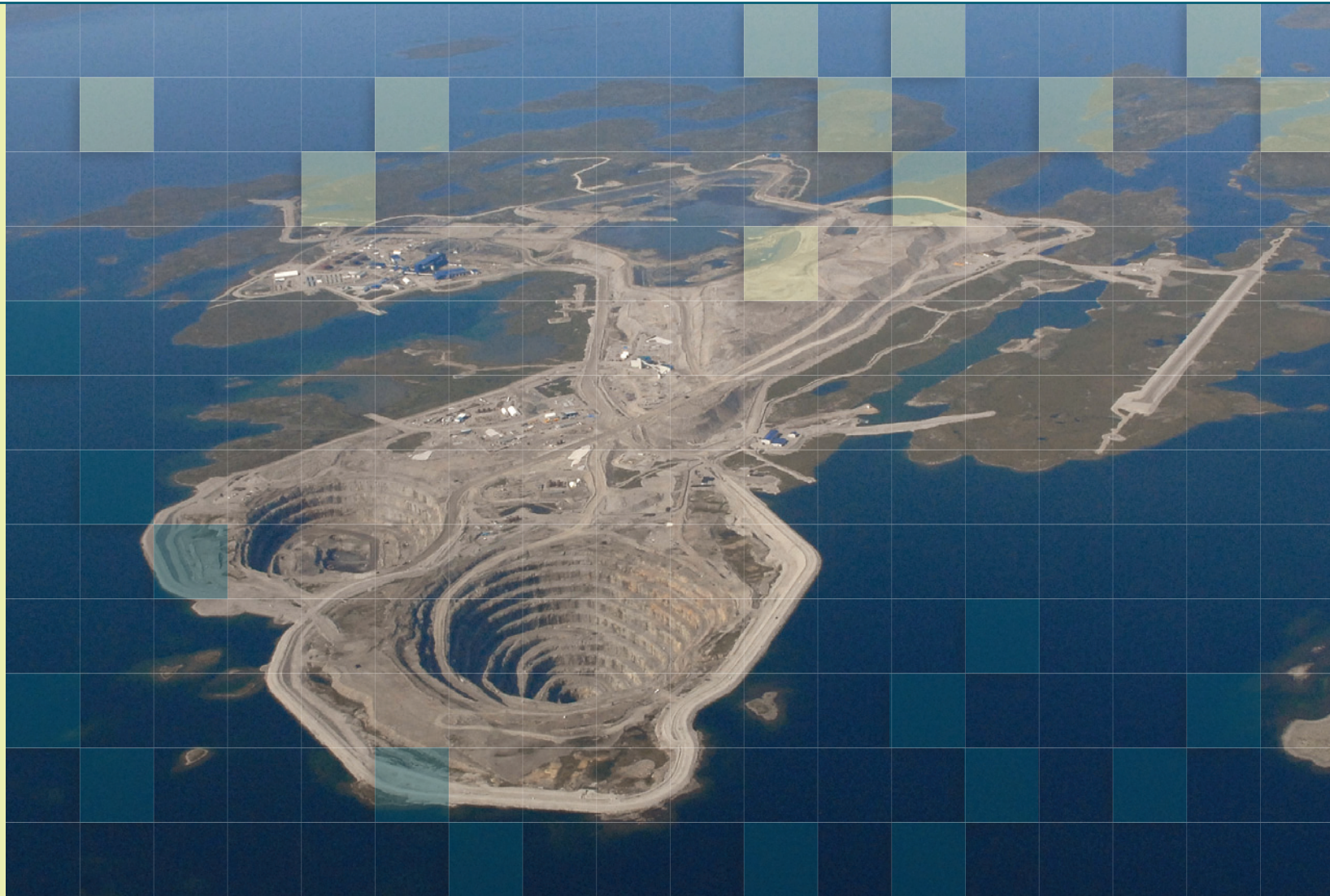
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