

EMAB

ANNUAL REPORT

2012-2013





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Letter from THE CHAIR

The Environmental Monitoring Advisory Board continued to do its usual work of reviewing high priority annual reports, such as Diavik's Aquatic Effects Monitoring Program (AEMP) report and their Wildlife Monitoring Program (WMP) report.

With continued dialogue and work with EMAB, Diavik made progress on fulfilling the requirement in the Environmental Agreement (EA) that it produce an Air Quality Monitoring Program. Further work will be needed to refine the program.

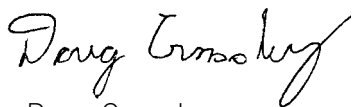
EMAB was also active in promoting and working with Diavik towards the development of the Traditional Knowledge/Inuit Qaujimajatuqangit (TK/IQ) inclusion into Diavik's AEMP activity. Further work has been undertaken towards incorporating TK/IQ in the Interim Closure and Reclamation Plan.

EMAB is also pleased to note that Board members and staff, working with a consultant for three days, developed and adopted a five-year strategic plan.

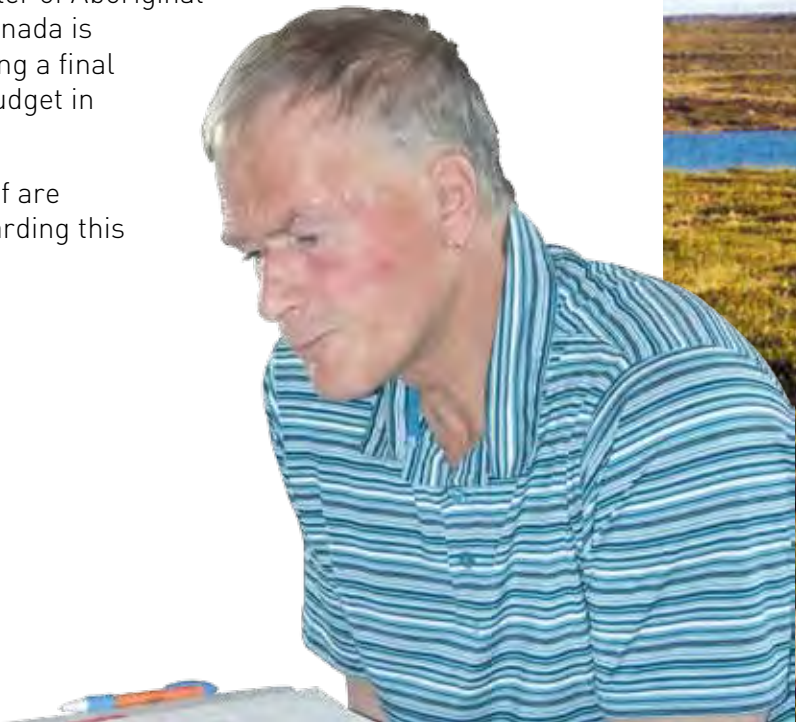
We also have worked with Diavik on the next two year budget submission, for 2013-2015. The Minister of Aboriginal Affairs and Northern Development Canada is responsible, as per the EA, for selecting a final budget. The Minister chose Diavik's budget in September 2013.

Members of the Board and EMAB staff are available to respond to questions regarding this annual report.

Regards,



Doug Crossley
EMAB Chair





Executive SUMMARY

In 2012-2013, the Environmental Monitoring Advisory Board (EMAB) continued to monitor Diavik and regulators' performance in the following areas:

Traditional Knowledge: EMAB began a review process related to Diavik's work in Traditional Knowledge for their Aquatic Effects Monitoring Program (AQMP). We held three Traditional Knowledge Panel sessions. These were focused on exchanging scientific knowledge and Traditional Knowledge about the Diavik mine site, in relation to closure.

Wildlife: EMAB reviewed Diavik's 2012 Wildlife Monitoring Program report, with the help of our consultant. Generally, EMAB is satisfied with the work Diavik is doing to protect wildlife around the mine site.

Water: EMAB reviewed Diavik's 2012 Aquatic Effects Monitoring Program report and the latest version of their Response Framework (formerly called the Adaptive Management Plan). EMAB is satisfied that Diavik is protecting the aquatic environment at the mine site.

Air: Diavik finally produced an Air Quality Monitoring Program, as per the Environmental Agreement. EMAB reviewed this document and found the first version to be unsatisfactory. A second version was produced, and also reviewed by EMAB. Though our position was that Diavik proceed with implementation, we stated that further work would have to be done to create an adequate program.

Closure: The Wek'èezhii Land and Water Board approved Diavik's Interim Closure and Reclamation Plan v 3.2, which EMAB commented on. We are satisfied that progress is being made in the on-going development of this plan. EMAB also moved forward with a standing Traditional Knowledge/ Inuit Qaujimajatuqangit Panel with the intent of kick-starting the inclusion of TK/IQ in the plan.

Ataanggit Tohatitaghait

2012-tillogo-2013-milo, Avatiliginikot Naoaiyaiyit Katiyaiit (EMAB-kot) holi takookatakhimmaaktaat Diavikmi Oyagakhiokviat malikayaghalioktiitalo havaagivagaitigot hapkoningga:

Kaoyimayatokaktigot: EMAB-kot atolikpaliayait naonaiyaitigiyamikot Diavik-kot atokhotik Kaoyimayatoktaoyonik naonaiyailigaagamik Tahikmiotamik elittoghaijotigiyamingnik (AQMP-konnik). Pinggahoiktoghota Kaoyimayatokaligiyit Katimayit Katimapkaiyimayogot. Hapkoa okaotaoloakhimayot nalikmikot naonaiyaotighanik piyomaplotik tatja nutaatigot naonaiyaotaovaliktonik Kaoyimayatokaktigollo naonaiyaotighanik atogomaplotik Diavik-kot Oyagakhiokviat, omiktaonialikat.

Anggotighaliginik: EMAB-kot takookhimayaat Diavik-kot 2012-gotillogo Angotighaliginikot Naotiktoijotigihimayaitigot onipkaagihimayait tohaktitaghatik ekayoktikakhota nakoatot okaojptiknik. Ilaa, EMAB-kot naamagiinnaktaat Diavik-kot havaagiyaat hapomminahoakhogit anggotighat oyagakhiokvikookataktot.

Imak: EMAB-kot takookhimayaat Diavik-kot 2012-gotillogo Tathikmiototaliginikot Naonaiyaotigiyaitigot onipkaagihimayait tohaktitaghatik ovalo nutaak atoliktaat Kanogiliyokakat Opijotigiyaghatik

(taiyaokatakhimayogaloak imaa Monakhitiagahoaknighakot opalonggaigiikhimayok). EMAB-kot namagiyaat Diavik-kot hapomminahoagotigiyait Tahikmiototaliginikot atoktaait oyagakhiokvikmi.

Anignikaotikpot: Diavik-kot enikhihimaliktot Anignikaotikot Naonaiyaotigiyaghamingnik, malikhogo Avatiliginikmot Angikatigiigotaohimayok. EMAB-kot hapkoa titikat takookaakhogit naamaginggittogiplogo okaktot. Aipaanik atokgomayamingnik eniktigikmiyot, ovalo takooktaofaagiploni EMAB-konnik. Imaa pitkoyagaloavot Diavik-kot nutaanik atoktaghanik eniktigikoplogit, okaalakhimayogot holi hanakiyaakaktot nutaaniknaonaiyaotighanik ehoaknighaoyonik atoktaghanik.

Taimaaktigotigilogo: Okoa Wek'ëezhii Nunalikiyit Emalikiyit Katimayiita angiktaat naamagiplogo Diavik-kot Tatja oyagakhiokviyop omiktigotigiyaghaitigot Opalonggaiyaotigiyait v 3.2, okakhimayot EMAB-kot atolikoyait. Naamagiyakot havagiyatik pivaliajotigiplogit hivomokpaliakmata nakoatot pitjotiginahoaktait. EMAB-kot hivomootigivaliakmajok atokhogit Inuinait kaoyimayatokanggit naonaiyainighakot pivaliajotigilikmatigik opalonggaiyainighamikot hivonighami.





Njhtt'è Nek'òq T'à Hòlɿ

2012-2013 xo k'e, dìi Ndè Xòdegihdìq gha gehkw'e sù, Diavik edàni ndè k'e eghàlagide eyits'q ndè k'e eghàlagide t'à dìi hanì nàowo gùtq ha sù wexòdegihdì:

Dqne Nàowo: EMAB Diavik edàni dqne nàowo ts'qhk'e tich'aadìi teè nàdè edàni wexòdegihdì gha weghògeda ha wexèhògihdè. Dqne nàowo weghq gots'ede ha tai ts'q weghq tets'aadì. Dìi tets'èadì sù sòqmbak'è wedàetq njdè edàni dqne nàowo eyits'q nàedik'èzhq nàowo etexè whela t'à wedàetɿ ha weghq gogɿnde.

Tich'aadìi: Dqne gots'adidq wexè EMAB Diavik gùts'q 2012 Tich'aadìi wexòedì weghq njhtt'è hòlɿ weghàgìda. Hazhò t'à, edàni Diavik nde k'e eghàlagide akq wemq edàni tich'aadìi wexòdegihdì sù EMAB gìgha nezɿ.

Ti: EMAB Diavik edàni tich'aadìi teè nàdè njhtt'è weghàgìda eyits'q dikh'òq Asù tadj adle ha wenjhtt'è weghà gìghàgìda. Edàni Diavik tich'aadìi teè nàdè wexòdegihdì wek'e eghàlagide sù EMAB gìgha nezɿ.

Njhts'ii: Diavik edàni ndè wexòdegihdì gha nàowo gùtq weghà edàni njhts'ii wek'ewehts'ì wexòdegihdì gha gehtsɿ. EMAB dìi njhtt'è weghàgìda eyits'q akwetò njhtt'è hòlɿ sù gìgha nezɿ-le. Achɿ njhtt'è nàke gehtsɿ eyits'q achɿ EMAB gìghàgìda. Akwetò Diavik dìi la wexè xòdegihde ha dìle ts'edì jlè, hanìkò achɿ la gìgha nezɿ ts'q weghàlagida ha gets'edì.

La wedàetɿ: Wek'èezhìi Ndè eyits'q Tì wexòdegihdì gha gehkw'e sù Diavik gila wedàetɿ eyits'q edàni senàgele ha wek'e eghàlagide weghq njhtt'è gehtsɿ v 3.2, eyìi njhtt'è k'e EMAB wek'e hayagɿhtì. Dìi la edàni segele ha weghq njhtt'è gehtsɿ sù ats'q tadj ade ha ne t'à gìgha nezɿ. EMAB sù dqne nàowo eyits'q hotenda nàowo edàni weghà dìi la wek'e eghàlagide ha sù wet'à jnda geède ha, hanit'a dìi la wexèxòdegihde ha.

K'aldher behonié

Ku 2012-2013 xaiyé ku ʔasié hadi hel gháladá tsjdhí ch'á Dené déttth'í ní sɪ (EMAB) hulyé sɪ Diavik chu t'á Dené yegháláná sɪ ʔaké bela nezq yegháláná t'a ʔats'edí sɪ.

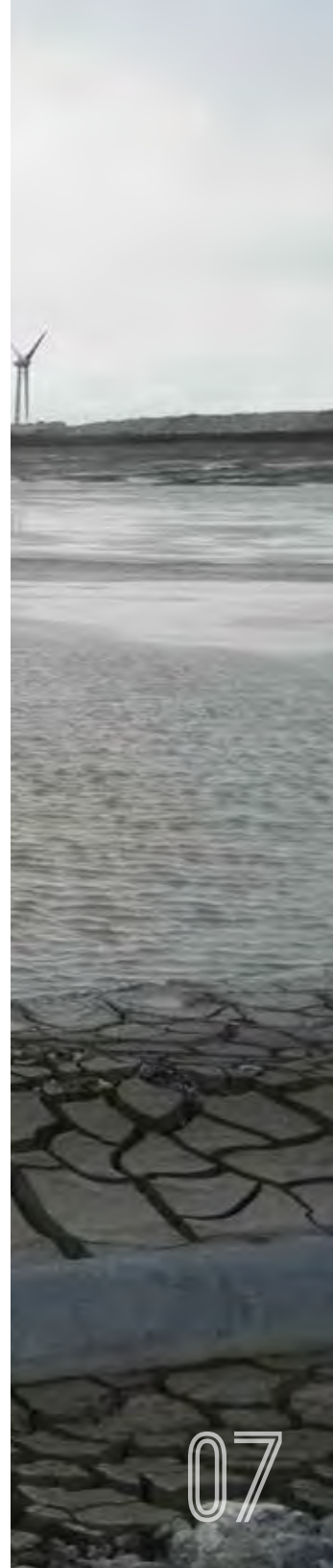
Dené ch'anié hél ʔasié hadi EMAB sɪ dené ch'anié hel ke ye ʔasié nadé sɪ t'át'é sɪ badí hél gháladá ʔajá nilé. Kaghé k'éneḥ nayajkí nilé t'át'ú gháladá hasi Dené ch'anié hel ʔasié tsjdhí ch'á badí. Tha'jn bech'anié dené ʔasié neréní dené chu dené ch'anié hel t'at'u tsambá ke nare Diavik sɪ ʔátní bedárekj nqñdher dé hadi.

Kéch'andíé. EMAB sɪ t'át'ú Diavik k'ech'andíé hátnié hél gáláná sɪ nanélj k'éni xaiyé ts'j 2012 honié k'adhí nuwé ts'j dené ʔasié hatní nuwé hél nilé begharé Diavik lá nezq thétts'j hél tth'í ʔaké kéch'andí ku nare nadé sɪ sane ch'á yátní xá lanaré hadi.

Ku EMAB sɪ t'at'u Diavik ku hel gháláná ní sɪ ghá halní tth'í hél t'at'u ʔąj nezq ʔalyé lasí xá sehulá EMAB bebá nezq Diavik ku hel régháláná hel tth'í tsjdhí ch'á yátní tsamba k'é nare.

Níts'í Diavivik t'at'u nłts'í hél ghálána xasí xá yatí ʔétk'orét'ą ku. EMAB t'at'u nłts'í hadi bets'j ʔerí'ís nłtj-ú bebá nezq hílé. Tth'í senél yá-ú EMAB nayénélj-ú Diavik t'at'u nezq hasi senele helidí-ú hel tth'í t'at'u nłts'í hadi nezq sɪ huʔá hoʔa begharé gháladá hadi.

Daręką Dırı Wek'eezhıı Land and Water Board t'át'ú Diavik tsambá k'é dąréką dé t'át'ú nı nanélyé sɪ hél sehulé nonıʔ sɪ bebá nezq hél tth'ı ʔąj nezq ʔálné huzédzá há sehulyé ʔat'é. EMAB sɪ hadi dırı Dené ch'anié chu kena bech'anié hel ʔasié hadi dı sehulyé sɪ xá déttth'í sɪ bélhél sehulyé hóʔą.





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

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 35,000 in 2012 (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 Now

In September 2012, Diavik completed its transition from an open-pit mine to an all underground mine.

Also in September 2012, Diavik's wind farm began delivering power to the mine's grid. This is projected to lower the mine's annual power-related diesel fuel requirement by ten per cent and reduce its carbon footprint by six per cent. As well, it will reduce Diavik's seasonal winter road fuel haul by approximately 100 loads.

Decisions on going ahead with a third open pit (A21) are pending.

Diavik predicts that they will deliver a mine life of 16 to 22 years - the mine life they projected back in the 1990s, before construction began.



REGULATORS

Wek'èezhii 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. Staff are not technical experts; they coordinate the review of documents.

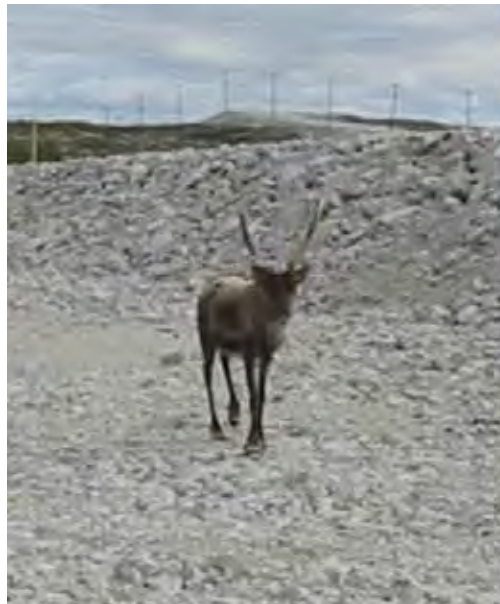
Department of Fisheries and Oceans (DFO) reviews some of the reports submitted under the water licence and all the reports submitted under the fisheries authorizations.

Aboriginal Affairs and Northern Development Canada (AANDC) 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. The Minister of AANDC is the final authority regarding the Environmental Agreement.

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.



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)*
- *Lutsel 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 (AANDC)*
- *Diavik Diamond Mines Inc. (Diavik)*

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

BACKGROUND

In March 2000, five Aboriginal governments, the Federal and Territorial Governments, and Diavik signed a legal contract called the Environmental Agreement. The purpose of the agreement is to help make sure that the environment around the mine site is protected. Article 4 describes the formation of a board, the Environmental Monitoring Advisory Board (EMAB) with one member and one alternate appointed by each of the Parties. EMAB is expected to be at arm's length and independent.

The EA includes the requirements:

- a) that the Aboriginal Peoples be meaningfully involved in the environmental monitoring of the Diavik mine,
- b) that Diavik include the use of Traditional Knowledge in its environmental monitoring activities,
- c) that Diavik must comply with all licences, leases,
- d) that EMAB must adhere to its mandate as detailed in article 4.2, and
- e) that Diavik provides EMAB's funding.



The BOARD

The Board is made up of lay people and depends on outside expertise to help protect the environment around the Diavik mine site.

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 can participate in all aspects of environmental monitoring associated with Diavik.

Doug Crossley, Chair
Kitikmeot Inuit Association

Arnold Enge (Vice Chair)
North Slave Métis Alliance

Floyd Adlem, Secretary Treasurer
Government of Canada

Mike Nitzisa
Tłı̨chǫ Government

Napoleon Mackenzie
Yellowknives Dene First Nation

Charlie Catholique
Lutsel K'e Dene First Nation

Stephen Ellis
Government of the Northwest Territories

Seth Bohnet
Diavik

Where Are We?

We have an office in Yellowknife. 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.

3 TK/IQ Panel Learning Session

...are with
...nd



DIAVIK'S
REQUESTER WROT

CONSIDERATIONS:
• What's good at the
site already?
• How do we make it
better for the
community?
• How can we make it
better for the
community?



Traditional Knowledge/ INUIT QAUJIMAJATUQANGIT

The meaningful involvement of Aboriginal people in the environmental monitoring program design, as well as the inclusion of Traditional Knowledge/Inuit Qaujimajatuqangit (TK/IQ) has been an EMAB priority since EMAB's creation.

In the past, EMAB has tried various ways to encourage Diavik to take action on their EA commitment.

The EA notes that EMAB can form such a panel (4.9 b). EMAB has previously gathered ad hoc TK/IQ Panels focused on specific topics.

This year, two developments took place. Diavik proceeded with the implementation of its plans to include a TK/IQ component in the revised version of the Aquatic Effects Monitoring Program. EMAB continued to gather the standing TK/IQ Panel that formed the previous year, with a focus on closure.

Action

EMAB held three Traditional Knowledge Panel sessions in 2012-2013, focused on mine closure.



Traditional Knowledge

There are many ways to define Traditional Knowledge (TK) and Inuit Qaujimajatuqangit (IQ), but generally it means knowledge that Elders hold from experience and is passed down to them through the generations. It is continuous and grows. Interpretation of knowledge is important. Traditional Knowledge is not just the past, but the future combined with the past.

The TK/IQ Panel developed an approach to fulfilling its mandate that combines indigenous ways of knowing and learning about results of scientific research. This cross-cultural learning approach provides the panel with tools that are needed to make Traditional Knowledge relevant and meaningful when dealing with major changes on the land, like the diamond mine.

The process involved a combination of presentations, semi-structured discussions, and formal talking circles. This allowed for a balance of learning, self-direction and consensus-building among panel members. Diavik was invited to present on various topics related to the environmental management of the mine.

Traditional Knowledge/ INUIT QAUJIMAJATUQANGIT

June

At the March 2012 session on caribou monitoring at the mine site, the Elders indicated that closure planning was of high importance to them. This was also identified as high priority by EMAB at their planning session in February 2012. At the March session, Elders also noted that youth should be included, as they would be the ones ultimately responsible for the land.

This session was organized in three sections:

1. Review of the report from March

The group decided as a whole that they needed more time to consider the report. A few changes were suggested. Approval was deferred to October.

2. A workshop on closure and, specifically the North Country Rock Pile

Diavik explained to the panel that it would begin to close this area of the mine and were seeking direction from the panel on various issues, such as slopes and vegetation. Various staff and consultants presented.

3. Panel discussions

The group noted that many Elders were unfamiliar with the rock pile



and that informed recommendations could not be made without seeing it for themselves.

Of several recommendations developed by the panel, one was approved by EMAB and forwarded to Diavik:

“That EMAB work with Diavik to plan a site visit by the TQ/IQ Panel to learn firsthand about the North Country Rock Pile, with follow-up activities to prepare recommendations on rock pile closure and reclamation planning; the site visit should include an overnight stay at the Community-Based Monitoring Camp.”

Diavik organized a site visit in August.

Traditional Knowledge/ INUIT QAUJIMAJATUQANGIT

October

The Session focused on reviewing reports from Sessions 1 and 2, and developing protocols and procedures for working well together. A TK/IQ Panel Manual will accompany this report. It is meant to be a “living,” stand-alone document that develops over time as a tool for learning from experience.

The three-day session included:

1. **Update** on actions and decisions – previous TK/IQ Panel recommendations
2. **Review and release** of Session 1 report, *A Way of Life: Bridging Science and Aboriginal Knowledge in Caribou Monitoring at Diavik Diamond Mine*, and recommendations for follow-up
3. **Review and limited release** of Session 2 report, *Renewing Our Landscape: Envisioning Mine Closure and Reclamation of the North Country Rock Pile, Diavik Diamond Mine*, and recommendations for follow-up
4. **Development** of preliminary draft TK/IQ Panel Manual

5. Development of other recommendations for Diavik for action

February

This four-day session on closure included:

1. Joint Meeting with Diavik

Gord Macdonald presented on questions that Diavik wanted information on regarding various considerations in closing the rock pile, and the landscape of the mine site in general.



TK/IQ Panel

KIA Participants:

John Ivarluk
Bobby Algona
Mark Taletok
Mona Tiktalek (translator)

LKDFN Participants:

George Marlow
August Enzoe
Alfred Lockhart

TG Participants:

Pierre Beaverho
Louis Zoe
James Rabesca
(translator)
Peter Huskey (translator)
Berna Martin (translator)

YKDFN Participants:

Phil Liske
Fred Sangris

NSMA Participants:

Ed Jones
Wayne Langenhan
Sue Enge

Youth/ Participants

June 2012

KIA

Randy Hinanik
Mona Himiak

LKDFN

Darien Marlowe
Helena Marlowe

TG

Skye Ekendia
Andy Gon

NSMA

Jacqueline Strong
Nicole Enge

Reviewing Panel Reports

After the October panel session, it became clear that two-to-three day gatherings were not adequate to do the work required and review reports.

Prior to the next session, EMAB staff travelled to each community and met directly with Elders and spent a day reviewing the work with them in small groups. This greatly facilitated the review and approval process at the next session, and meant that the panel could focus on the work of the present session.

Traditional Knowledge/ INUIT QAUJIMAJATUQANGIT

Seth Bohnet of Diavik presented a tracking sheet patterned on the comments form provided by the Wek'èezhii Land and Water Board, listing TK/IQ Panel recommendations and Diavik responses in relation to two categories: Wildlife Monitoring and Closure. He also shared a presentation about revegetation research at the Diavik mine site.

2. Cross-Cultural Learning Session on Mine Closure

This session included presentations, discussions and activities led by four

resource people, as follows:

- A Story of Closure: Nanisivik, Canada's First High Arctic Mine (Tee Lim)
- Planning for Biodiversity – the NWT's Biodiversity Strategy (Suzanne Carrière)
- Shaping a Mine Landscape with Aboriginal Values in Mind (Karen Hamre)
- Literature Review of TEK Related to the Resource Sector (Natasha Thorpe)



Traditional Knowledge/ INUIT QAUJIMAJATUQANGIT

3. Review, Approval and Release of Reports from Previous Sessions

The report from the October 2012 TK/IQ Panel Session, *Checking Nets: Reflecting on Progress in 2012*, was reviewed and approved for general release. Part II of the report, *Working Together: TK/IQ Panel Manual*, was approved for limited release, pending further review prior to the next Panel session.

The report previously approved for limited release, *Renewing Our Landscape: Envisioning Mine Closure and Reclamation of the North Country Rock Pile*, was approved for general release.

4. Overview of Landscape History in the Lac de Gras Area

EMAB provided an overview of TK/IQ Studies conducted during and since the Environmental Assessment, and each Panel delegation had an opportunity to discuss this research in small groups before presenting their assessments of the research to the Panel as a whole. This review included TK reports by the Aboriginal Parties to the Environment Agreement, a project funded by Diavik prior to the mine opening.



5. Recommendations for Closure Planning

Recommendations were developed, reviewed and approved by consensus based on discussions during the cross-cultural learning session.

6. Planning for Future TK/IQ Panel Sessions

This was an opportunity for the panel to identify their priority issues and topics to be addressed at future sessions, based on issues that had arisen at this and previous sessions.

Following the session, the recommendations that were developed were passed on to EMAB.



WILDLIFE

The Wildlife Monitoring Program (WMP) is a requirement of the Environmental Agreement. The program monitors the effects on wildlife at the mine site and looks at caribou, bears, wolves, wolverines, birds and plants. The WMP measures predictions to note changes in such areas as habitat, population and migration. Diavik submits a report every March or April on the results of the program for that year. The program was created so that if a change happens to wildlife behaviour, Diavik can do something about it. EMAB, and the affected communities, have high expectations of Diavik, particularly when it comes to the effects of the mine on wildlife. Unlike aquatic effects, there is no regulatory framework for wildlife, so the only authority is through the Environmental Agreement, which sets out Diavik's commitments.

The Wildlife Monitoring Program (WMP) studies the effects of Diavik on wildlife and vegetation in the area around the mine. Diavik prepares a report on wildlife monitoring every year.

Action

EMAB's expert, Management and Solutions in Environmental Science

(MSES), reviewed the 2012 Wildlife Monitoring Program Report (WMPR). EMAB then reviewed the comments with our expert and conveyed them to Diavik.

Vegetation: The overall disturbance of vegetation types remained at or below predicted levels in 2012.

Caribou: Weekly aerial surveys were jointly completed by Diavik and Ekati in 2012. Results of the detailed analyses completed in 2011 were discussed (Golder 2011), but no new analyses were presented.

Note: Through discussions between Diavik, Ekati and Environment and Natural Resources, and based on community concerns about disturbance to caribou, aerial surveys have ceased.



WILDLIFE

In 2012, caribou distribution followed the predicted pattern for the northern spring migration; caribou deflected west of East Island. However, caribou were present in roughly equal numbers on the east and west side of the mine for the southern migration.

WMP Report 2012

After a workshop in 2009 with ENR and other mines and monitoring boards, Diavik adapted its monitoring program for caribou in 2010 by coordinating with Ekati mine and implementing ground observations of caribou behaviour for 2010. Diavik continued ground-based behavioural observations in 2012; however, the Ekati mine did not. Diavik will undertake analyses of ground-based behavioural data when sufficient data are available.

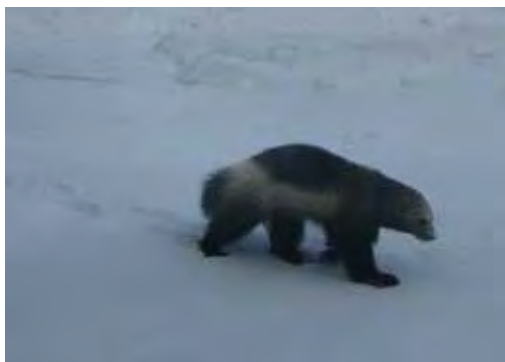
Grizzly: Habitat loss and mortality effects remain at or below predicted levels. The methods applied for this part of monitoring are adequate. However, data from 2012 indicate the highest number of bear observations yet on East Island.

Wolverine: Snow tracking data from past years may indicate potential

attraction by wolverine to the mine site. Diavik will continue to participate in the DNA program next scheduled for data collection in 2014.

Waste: The attractants on the Waste Transfer Area (WTA) were at lower levels in 2012 compared to 2011. However, there seem to be new trends showing that grizzly bear and wolverine occurrences near the mine are higher than farther away. Fox sightings have also been steadily increasing in the WTA since 2009. Fox observations were some of the highest ever in 2012. DDMI may need to explore the reasons for this in light of possible attractants.

Overall, the measurements taken adequately address the predictions made. The analysis of the data yields a great deal of credible information about the effectiveness of mitigation measures.



WATER

Aquatic Effects Monitoring Program (AEMP)

The AEMP is a program conducted by the mine as a requirement of its water licence. The results help determine if the licence is protecting the environment. Samples of the water in Lac de Gras, and of organisms living in the lake, are taken on a regular basis throughout the year. Diavik samples water, benthics and small fish near the mine and compares them to the samples collected from three places in the lake that are not affected by the mine, called reference areas. Diavik then submits an annual report on results.

Diavik's water licence required that it submit a modified AEMP for approval in 2011, and then every three years. By reviewing and revising the AEMP on a regular basis, Diavik has the opportunity to make changes based on the results of the previous three years of monitoring.

Action

As in previous years, EMAB contracted North/South Consultants Inc. to review the Aquatic Effects Monitoring Program report, as well as the Design Version 3.0

– Response Plan. EMAB also monitors regulators' comments regarding reports.

AEMP Report 2012

Science:

Overall, the approach and presentation of results is generally clear and consideration of the majority of important information in the main body of the report. A non-technical summary allows the reader to more easily evaluate the overall effects detected in the AEMP. The non-technical summary is generally consistent with the more detailed information provided in the technical appendices, however, there is a number of errors and/or inconsistencies that somewhat hinder the clarity of the document as a whole.

Recommendations provided in the technical appendices are sound; however, Diavik has not brought recommendations forward to the non-technical summary from all technical appendices (i.e., Effluent and Water Chemistry). As the non-technical summary is the primary source used by EMAB members for disseminating AEMP results to community members and Elders, consistency between

The Environmental Agreement (EA) 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.*

For generations, Aboriginal people have used the Lac de Gras area for hunting and fishing. During the Environmental Assessment, Aboriginal groups expressed concern that in-lake mining activities might change the texture and taste of fish in Lac de Gras.

Along with conducting the texture and taste study, participants take samples and send them for scientific analysis to monitor fish populations and fish health. DFO, through the fisheries authorization, required that the Aboriginal Peoples repeat this study every five years, using the 2002 numbers and results as baseline data.

The water licence, held by the Wek'èezhii Land and Water Board, also requires this study.

This year, to reduce duplication, the study was removed from the fisheries authorization and is now solely required by the water licence and will be conducted every three years.

WATER

the non-technical summary and appendices is important.

It appears that the majority of effects observed to date were predicted during the Environmental Assessment (EA) process and, as such, there are no major concerns at this time. The 2012 AEMP results reflect those observed in previous years – nutrients (nitrogen and phosphorus) released from the treated mine water discharge are linked to a low to moderate enrichment effect in Lac de Gras.

There are, however, recommendations from previous WLWB Decision Packages for both the 2011 AEMP Annual Report and the conditionally approved AEMP Design Version 3.0 that are not addressed in the 2012 AEMP Annual Report.

Additionally of concern is the lack of reliable 2012 open-water season total phosphorus data (Eutrophication Indicators report); issues described for these data should be resolved and other data options considered, such that an analysis of total phosphorus concentrations in Lac de Gras during the 2012 open-water period may be conducted.

Traditional Knowledge:

EMAB staff conducted a preliminary review of Appendix XIV of the AEMP report, which dealt exclusively with Traditional Knowledge (TK) studies.

From the numerous preparation efforts prior to the actual camp in late July of 2012, to the follow-up post-camp, Diavik and its facilitators devoted a lot of time to:

- a) Improve the Fish Palatability Study
- b) Work on identifying and documenting TK markers for water quality

The Elders involved feel strongly, and seem satisfied, that Lac de Gras is in a state of good health.

Much like EMAB's own efforts over the last 18 months, the approach was to have a cross-cultural exchange of knowledge. Elders learned about scientific monitoring as they shared their own knowledge about fish and water health.

Of note is the attempt to compile the experience in a documentary film. This aspect (film) of the process acknowledges that TK is oral and it honours the Elders' requirement that youth be involved.

WATER

Design Version 3.0 - Response Framework (formerly called an Adaptive Management Plan)

The Wek'èezhìi Land and Water Board held a meeting regarding Diavik's revised Response Framework that involved the company, regulators and EMAB.

Diavik presented the AEMP Response plan, outlining the three different response frameworks and their action levels. Currently, water chemistry has nine action levels, chlorophyll has nine action levels and biological has five levels, with plans to expand to nine when conditions for significant thresholds can be defined. The presentation addressed many of the

comments that were submitted by reviewers.

The presentation was followed with a round of questions from those in attendance. As many of the comments had been addressed in the presentation, there were no lingering concerns expressed. Those in attendance were satisfied with the changes to the response framework and believed it was a great improvement from the original version, which was a significant change from a similar workshop held for the version 3.0 redesign in January 2012. Most questions sought clarity rather than being critical comments or suggested changes.



Diavik and Traditional Knowledge

It is clear from the quality of the work done to include Traditional Knowledge in the Aquatic Effects Monitoring Program that Diavik is eminently capable of including TK in monitoring plans and programs. They seem to have managed to overcome the hurdles that stumped them for the last ten years. The success so far of this new Diavik initiative indicates that Diavik has the resources and wherewithal to successfully integrate TK in environmental monitoring, most importantly in the Wildlife Monitoring Program and the Interim Closure and Reclamation Plan.

AIR

An Air Quality Monitoring Program (AQMP) is a requirement of the Environmental Agreement. EMAB has formally encouraged Diavik to fulfill this requirement since 2006, including involving the Minister of AANDC. In September 2006, Diavik committed to develop an air quality monitoring program in cooperation with regulators, though insisting that dust monitoring was adequately fulfilling the requirement.

In 2012, Diavik submitted first and second versions of an AQMP.

Action

EMAB reviewed Diavik's first and second versions of an AQMP.

When Diavik released the initial draft of the AQMP in June, EMAB issued a response after staff had consulted with specialists in the field, and with consultation of Board executive. In the response we listed our concerns, which were:

- The draft did not tie in or reference other key air quality components, such as: dust

deposition monitoring, lichen sampling, snow core sampling.

- The draft is based on a single Partisol Particle Monitor. One sampling site cannot prove or disprove a model of the overall mine site with any amount of assurance and certainty.
- After brief discussions with regulators, EMAB wondered if reliable passive NO₂ sampling is possible within the timelines described.
- The draft did not take into account the possibility of developing the A21 kimberlite pipe.
- There was an overall lack of identified goals, objectives, and mitigation measures.

EMAB was impressed with the improvements in the revised AQMP as compared to the original version. Though we stress that this was a significant step forward, the Board feels that the process has been prolonged for much too long. A comprehensive AQMP should have been implemented prior to the open pit mining of pits A154 and A418 rather than after the mine shifted solely to underground mining methods.

EMAB took the position that Diavik should proceed with beginning the monitoring as planned, but that the company should also proceed in developing and implementing a comprehensive AQMP, as noted above.

EMAB's position remains that passive NO₂ testing is inadequate. Passive monitoring is insufficient as it cannot prove or disprove the model for the 1hr and 24hr predictions. The model has predicted overages for both of these NO₂ measurements. If after a year it is proven that these measurements are within the models predictions then the need for continuous NO₂ sampling can be revisited. Continuous sampling cannot be dismissed on the basis of a model that has yet to be proven or disproven in any way.

In the event that the mining of the A21 kimberlite pipe proceeds, the AQMP should include this. It is important that new samplers be acquired as opposed to moving ones already being used in order to make greatest use of the data that will be compiled. This is a very important aspect of the AQMP so that data can be used to extrapolate what the data from the

A154 and the A418 mining would have been had a comprehensive AQMP been in place as per the Environmental Agreement.

EMAB maintains that in the annual AQMP reports, Diavik tie all aspects of the AQMP together, including:

- snowfall dust collection system
- stack monitoring of the incinerators
- annual snow core sampling program
- lichen dust monitoring program
- the new undertakings in the latest draft AQMP

Note: EMAB had planned to hold a workshop addressing the AQMP. This has been postponed until Diavik has a year of data that can be included in the workshop.



CLOSURE

On September 21, 2012, the Wek'èezhìi Land and Water Board approved version 3.2 of the Interim Closure and Reclamation Plan, with some conditions.

In late fall 2012, Diavik submitted, as per the direction of the WLWB, their annual progress report. The report included a summary of community engagement activities, the burial on-site of inert materials, a reclamation research update, and information on scheduling and progressive reclamation.

Action

Due to the technical nature of the progress report, and because the report did not require approval, EMAB was satisfied that the Wek'èezhìi Land and Water Board were responsible to ensure that its own directives were followed.

EMAB was satisfied with the Wek'èezhìi Land and Water Board's decision package, released in March 2013.

Related to closure, EMAB devoted most of its resources in this area to facilitating the inclusion of Traditional Knowledge. This is discussed in the Traditional Knowledge section of this report.

(Note: The SENES review of the ICRP v.3.2 is available from the EMAB office.)





GOVERNANCE

Strategic planning

In May 2012, EMAB held a three-day strategic planning effort. This plan takes the Board forward to 2017. It was published in full in the 2011-2012 EMAB Annual Report.

The intent of the strategic plan is to ensure that EMAB's priorities, programs, and activities reflect the Purpose, Guiding Principles and Mandate of the Advisory Board as set out in the EA. The plan reflects efficient use of funding, based on an analysis of past years, input from the Parties to the EA, as well as renewed dedication to the spirit of cooperation – a basic foundation of the EA.

Business rules

After a two-year budget dispute (2011-2013), EMAB and Diavik drafted and signed off on a set of "Business Rules." This 2012 document is intended to clarify language in the Environmental Agreement in order to avoid future misunderstandings regarding financial management.

Budget

In September 2012, EMAB presented Diavik with our proposed budget for the two-year fiscal period 2013-2015, based on the new strategic plan. Diavik disagreed with EMAB's budget, and presented their version of a budget.

As per the Environment Agreement, both budgets were presented to the Minister of AANDC for a decision.

The Environmental Agreement states that Diavik's funding to EMAB is \$600,000, plus annual Consumer Price Index (CPI) increases. Diavik's proposed budget/funding is \$600,000, effectively removing the annual CPI increases, which would see EMAB three staff reduced by one, number of face-to-face Board meetings reduced, among other items.

AANDC informed EMAB that they would render their decision regarding which budget EMAB would be required to follow by the start of our fiscal period, April 1, 2013.

In September 2013, EMAB was informed by AANDC that the Minister had chosen Diavik's budget.

Annual General Meeting (AGM)

EMAB holds an AGM in the fall. This meeting is held the third week of September. EMAB approves its annual audit at this time.

In 2012, Doug Crossley was re-elected Chair and Floyd Adlem was re-elected as Secretary Treasurer.

Arnold Enge was elected as Vice Chair at a subsequent meeting.



Auditor's REPORT

Independent Auditors' Report

To the Board of Directors of Environmental Monitoring Advisory Board

We have audited the accompanying financial statements of Environmental Monitoring Advisory Board which comprises the statement of financial position as at March 31, 2013 and the statements of operations - operating fund, changes in tangible capital asset fund, changes in financial position and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Standards for Not-for-profit Organizations, and such for internal control as management determines is necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2013 and the results of its operations and cash flows for the year then ended in accordance with Accounting Standards for Not-for-profit Organizations.

**Yellowknife, Northwest Territories
July 31, 2013**

MacKay LLP

Chartered Accountants

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 MacKay LLP 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.

F. M. Adlem

**Floyd Adlem
Secretary Treasurer**

Auditor's REPORT

Environmental Monitoring Advisory Board

Statement of Operations - Operating Fund

For the year ended March 31,	Budget (Unaudited)	2013	2012
Revenue			
Diavik Diamond Mines Inc	\$ 733,000	\$ 765,513	\$ 726,000
Government of Canada AANDC	-	-	-
Interest income	5,000	8,282	6,376
Carry forward from 2012	190,000	147,363	-
Other- refunds	-	914	-
	928,000	922,072	732,376
Program expenditures			
Administration (Schedule 1)	101,950	130,883	82,207
Management services (Schedule 2)	307,885	255,488	286,810
Board expenditures (Schedule 3)	164,000	98,660	97,907
Community updates (Schedule 4)	25,000	12,745	3,224
Strategic planning (Schedule 5)	-	59,032	-
Traditional Knowledge (Schedule 6)	329,000	291,459	106,144
Tangible capital asset purchases	-	8,432	8,721
	927,835	856,699	585,013
Excess revenue (expenditures)	165	65,373	147,363
Contribution repayable	-	(10,373)	(147,363)
Transfer to deferred revenues	-	(55,000)	-
Excess revenue (expenditures)	165	-	-
Balance Operating Fund, beginning of year	-	-	-
Balance Operating Fund, end of year	\$ 165	\$ -	\$ -

Statement of Changes in Tangible Capital Asset Fund

For the year ended March 31,	2013	2012
Tangible Capital Asset Fund, beginning of year	\$ 11,834	\$ 11,136
Tangible capital asset additions	8,432	8,721
Amortization	(5,915)	(8,023)
Tangible Capital Asset Fund, end of year	\$ 14,351	\$ 11,834

Auditor's REPORT

Environmental Monitoring Advisory Board

Statement of Financial Position

As at March 31,	2013	2012	April 1, 2011
Assets			
Current			
Cash	\$ 706,758	\$ 927,685	\$ 837,444
Accounts receivable	-	-	7,070
Prepaid expenses	15,147	4,043	2,627
	721,905	931,728	847,141
Tangible capital assets (Note 4)	14,351	11,834	11,136
	\$ 736,256	\$ 943,562	\$ 858,277
Liabilities			
Current			
Accounts payable and accrued liabilities (Note 5)	\$ 55,373	\$ 51,365	\$ 62,555
Contributions repayable	10,084	147,363	58,586
Deferred revenues (Note 6)	656,448	733,000	726,000
	721,905	931,728	847,141
Net Assets			
Tangible capital asset fund	14,351	11,834	11,136
Operating fund	-	-	-
	14,351	11,834	11,136
	\$ 736,256	\$ 943,562	\$ 858,277

Auditor's REPORT

Environmental Monitoring Advisory Board

Statement of Cash Flows

For the year ended March 31,	2013	2012
Cash provided by (used in)		
Operating activities		
Excess revenue (expenditures) - operating fund	\$ -	\$ -
Change in non-cash operating working capital		
Accounts receivable	-	7,070
Prepaid expenses	(11,104)	(1,416)
Accounts payable and accrued liabilities	4,008	(11,190)
Contributions repayable	(137,279)	88,777
Deferred revenue	(76,552)	7,000
	(220,927)	90,241
Change in cash position	(220,927)	90,241
Cash position, beginning of year	927,685	837,444
Cash position, end of year	\$ 706,758	\$ 927,685

Notes to Financial Statements

March 31, 2013

1. Organization and Jurisdiction

The Environmental Monitoring and Advisory Board (the "Board") is a not-for-profit organization established as a requirement of the *Diavik Environmental Agreement*. It aims to provide a meaningful role for Aboriginal People 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.

The Board is exempt from income tax under section 149(1)(l) of the *Income Tax Act*.

Auditor's REPORT

Environmental Monitoring Advisory Board

Notes to Financial Statements

March 31, 2013

2. Significant Accounting Policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Financial Instruments – Recognition and Measurement

(i) Measurement of financial instruments

The Board initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Board subsequently measures its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and contributions repayable.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.





Auditor's REPORT

Environmental Monitoring Advisory Board

Notes to Financial Statements

March 31, 2013

2. Significant Accounting Policies (continued)

(b) Fund Accounting

The Board uses fund accounting to segregate transactions between its Operating Fund and Tangible Capital Asset Fund. The Operating Fund accounts for the Board's operating and administrative activities. The Equipment Fund reports the assets, liabilities, revenues and expenses related to equipment.

(c) Tangible Capital Assets

Purchased tangible capital assets are recorded in the Tangible Capital Asset Fund at cost. Amortization is recorded in the Tangible Capital Asset Fund using the declining balance method at rates set out in note 4.

(d) Revenue Recognition

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and its collection is reasonably assured. Contributions which are not expensed in the current year are set up as deferred funding to be used in the future year when services are provided and goods acquired or refundable contributions that must be repaid to the contributor. Interest income is recognized when funds earned on excess cash is received from the bank.

(e) Unexpended Funds

On January 16, 2011 an Arbitration Award findings resulted in a change in accounting policy for the recognition and treatment of unexpended funds. Previously the Board classified the unexpended funds as unrestricted net assets. Beginning in 2011, unexpended funds are classified as net unexpended contributions repayable. The Board may not accumulate unrestricted net assets from unexpended Diavik Diamond Mines Inc. funds over a two year period.

Auditor's REPORT

Environmental Monitoring Advisory Board

Notes to Financial Statements

March 31, 2013

(f) Allocation of Expenses

The Board allocates expenditures according to its chart of accounts. Expenditures are allocated to Administrative expenses, Board expenses, Management expenses and Traditional Monitoring expenses based on the nature of the expenses.

(g) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenues and expenses during the period. Actual results could differ from those estimates.

3. Impact of the Change in the Basis of Accounting

These are the Board's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations. The 2012 comparative financial statements include an opening balance sheet as at April 1, 2011 that provides for the impact of the transition. There were no changes required to the comparative balances presented as a result of adoption of this new accounting framework.

Elective exemptions

The rules for transition to Canadian accounting standards for not-for-profit organizations normally require that an enterprise prepare its opening statement of financial position using the standards that will be followed thereafter. However, certain elective exemptions are available. In preparing the opening statement of financial position referred to above, the Board used none of the elective exemptions.



Auditor's REPORT

Environmental Monitoring Advisory Board

Notes to Financial Statements

March 31, 2013

4. Tangible Capital Assets

				2013	2012
	Rate	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	30%	\$ 15,154	\$ 13,819	\$ 1,335	\$ 1,907
Office equipment	30%	31,484	23,381	8,103	5,157
Computer equipment	30-100%	49,905	44,992	4,913	4,770
		\$ 81,389	\$ 68,373	\$ 14,351	\$ 11,834

5. Accounts Payable and Accrued Liabilities

	2013	2012
Government remittances payable	\$ 8,027	\$ 13,767
Other accounts payable	47,346	37,598
	\$ 55,373	\$ 51,365

6. Deferred Revenues

	2013	2012
Contribution for 2013-15	\$ 601,448	\$ 733,000
Air Quality Workshop	55,000	-
	\$ 656,448	\$ 733,000

Auditor's REPORT

Environmental Monitoring Advisory Board

Notes to Financial Statements

March 31, 2013

7. Interfund Transfer

The amount of \$8,432 (2012 - \$8,721) consists of the transfers from the Operating Fund to the Tangible Capital Asset Fund to fund the acquisition of assets.

8. Financial Instruments

The following sections describe the Board's financial risk management objectives and policies and the Board's financial risk exposures.

Interest rate risk

Interest rate risk is the risk that fair value of financial assets will change with interest rate changes.

9. Commitments

The Board has entered into contracts for lease of office premises with the following future minimum payments:

	Total
2014	\$ 22,500

10. Economic Dependence

The Board is dependant upon funding in the form of contributions from Diavik Diamond Mines Inc. Management is of the opinion that if the funding was reduced or altered, operations would be significantly affected.



Auditor's REPORT

Environmental Monitoring Advisory Board

Schedule 1 - Administration

For the year ended March 31,	Budget	2013	2012
Expenditures			
Advertising	\$ 3,000	\$ 5,153	\$ 4,247
Annual report	12,000	7,191	570
Audit fees	9,000	22,050	20,833
ADP payroll services	-	-	1,076
Bad debts	-	23,533	-
Bank charges and interest	1,200	2,231	1,422
Facilitator	-	6,699	-
Insurance	6,500	8,650	5,084
Legal fees	5,000	-	-
Office supplies	9,050	6,064	3,340
Postage and freight	1,200	451	409
Printing and photocopy	1,000	2,257	2,914
Public relations	10,000	-	-
Rent	31,500	31,500	31,500
Repairs and maintenance	1,500	2,180	1,823
Telephone and internet	7,000	8,476	6,762
Text translation	1,500	550	480
Transporation	-	38	-
Travel	-	1,388	-
Webpage	2,500	2,472	1,747
	\$ 101,950	\$ 130,883	\$ 82,207

Schedule 2 - Management Services

For the year ended March 31,	Budget	2013	2012
Expenditures			
ADP payroll services	\$ -	\$ 698	\$ -
Employee benefits	62,000	23,807	59,918
Professional development	12,000	3,699	714
Salaries	225,285	220,755	221,122
Travel	7,500	4,916	4,177
Workers' compensation	1,100	1,613	879
	\$ 307,885	\$ 255,488	\$ 286,810

Auditor's REPORT

Environmental Monitoring Advisory Board

Schedule 3 - Board Expenditures

For the year ended March 31,	Budget	2013	2012
Expenditures			
Accommodations	\$ 20,000	\$ 11,499	\$ 13,397
Conference calls	2,500	3,230	2,570
Food and beverages	3,500	6,389	4,019
General community consultation	50,000	10,942	22,050
Honoraria	40,000	42,892	32,624
Hospitality	1,500	531	444
Per diem	7,000	5,150	5,356
Meetings	5,500	1,736	-
Preparation	3,000	-	350
Transportation	31,000	16,291	17,097
	\$ 164,000	\$ 98,660	\$ 97,907

Schedule 4 - Community Updates

For the year ended March 31,	Budget	2013	2012
Expenditures			
Accommodation	\$ -	\$ 2,060	\$ 1,187
General meetings expense	-	-	375
Hall rental	-	-	1,000
Honorariums	25,000	6,036	-
Per diem	-	498	465
Translation	-	500	-
	\$ 25,000	\$ 12,745	\$ 3,224

Schedule 5 - Strategic Planning

For the year ended March 31,	Budget	2013	2012
Expenditures			
Honoraria	\$ -	\$ 5,250	\$ -
Meeting expenses	-	3,408	-
Professional development	-	43,658	-
Transportation	-	2,317	-
Travel	-	4,399	-
	\$ -	\$ 59,032	\$ -

Auditor's REPORT

Environmental Monitoring Advisory Board

Schedule 6 - Traditional Knowledge

For the year ended March 31,	Budget	2013	2012
Expenditures			
Traditional Knowledge Workshop			
Accommodations	\$ -	\$ 26,116	\$ 8,910
Consultants	-	77,184	4,767
Food and beverages	-	11,171	4,142
General meetings expense	-	2,217	210
Hall rental	-	4,395	-
Honorariums	-	58,648	15,000
Per diem	-	17,880	6,075
Translation	-	35,609	7,789
Transportation	-	27,641	12,497
	-	260,861	59,390
Technical Expertise			
Consultants	64,000	30,598	46,754
Traditional Knowledge Monitoring program			
Workshop- ICRP and WQ	110,000	-	-
Workshop- WMP	55,000	-	-
Air Quality Monitoring	55,000	-	-
Board development	45,000	-	-
	265,000	-	-
	\$ 329,000	\$ 291,459	\$ 106,144

