

MACKENZIE VALLEY ENVIRONMENTAL IMPACT REVIEW BOARD**PUBLIC MEETING ON EKATI MINE EXPANSION****N'Dilo, Northwest Territories**

CHAIRMAN (Mr. Gordon Lennie): ...and you are aware we are short a number of chairs, but we are looking for more. There will be more chairs coming into the building a little later on. I think we should begin at least the opening of the meeting. I would like to call on Rachel to get someone to say the opening prayer please.

-- Prayer

RACHEL: A quick explanation of the prayer. Isadore asked that everybody with a clear conscience and strong mind to come together and share information so that we can help each other with this new development. Thank you.

MR. CHAIRMAN: Thank you very much, Rachel, and thank you for the prayer. First off, I would like to make you aware that we do have a procedural issue here. It has to do with a quorum problem. We have a board member, Mr. Charlie Snowshoe, who was ill and missed his plane out of Fort MacPherson. We got word from him; he is on his way and will be here by 5 o'clock in Yellowknife. At that time, we will have a quorum.

The only option that we have right now – we will leave it open to the general public to agree or disagree. The option is that we proceed with the proceedings and a hearing. I think what has to happen is we have to get an agreement from the general public who is sitting here. We are asking the question should we proceed or not? Mr. Snowshoe will be here, as I said, at 5 o'clock. You will have the chance to review and hear all the proceedings that have taken place this afternoon.

If we can have agreement and concurrence from the general public, I suggest we proceed with a hearing and Charlie will be in full attendance tonight at 7 o'clock. I will wait to hear your comments as to whether or not we proceed. If we hear no objection for a proceeding, I suggest we start the proceedings. Any comments before we move on? Maybe if we could hear a comment from BHP in agreement with the proceeding.

MR. JIM EXCELL: Mr. Chairman, we are happy to proceed.

MR. CHAIRMAN: Thank you very much. Good afternoon, ladies and gentlemen. My name is Gordon Rennie. I'm Chair of the Mackenzie Valley Environmental Impact Review Board. The public meeting will consider the BHP Ekati mine expansion project. The MVEIRB is conducting an environmental assessment, they will use the expansion project as a result of a referral from the Department of Indian Affairs and Northern Development. The first thing I would like to do is introduce my colleagues on the board and our staff. I would like each member starting with Mr. Wray for an introduction.

MR. GORDON WRAY: Thank you. My name is Gordon Wray from Yellowknife.

MR. DENNIS BEVINGTON: Mr. Dennis Bevington from Fort Smith. Sorry for your eardrums, there.

MR. GORDON LENNIE: Mr. Gordon Lennie from Yellowknife.

MS. BERTHA RABESCA: Ms. Bertha Rabesca from Rae-Edzo.

MR. FRANK POPE: Good afternoon. My name is Frank Pope and I am from Norman Wells.

MR. CHAIRMAN: If we could get an introduction from our lead counsel and staff.

MR. JOHN DONAHEE: My name is John Donahee. I am board counsel.

MR. CHAIRMAN: We also have Heidi Kline here with us who is our executive director and also is in charge of our communications and Gordon Stewart, who is the second environment assessment officer working for the board.

On behalf of the board and staff, I would like to thank the Yellowknife Dene Band for allowing us to hold this meeting here in the community, and we thank the band for their hospitality. We have arranged for translation services and headsets are available.

I have a list of the interpreters who are sitting over on the booth to my left. **Inaudible**, who is translating in Dogrib. Philip Constantine for South Slavey, and Bertha Catholique in Chipewyan. Erica Mahar for the Inuit. I would like to make it clear that when you are sitting here at the microphone, be very clear about what you are saying. Please don't use words that are difficult to translate and keep it simple. That is the request from the translators.

When you are speaking, even if you have a lot to say, occasionally pause, just for means of translation. And as I have said before, we are also taping these proceedings and meeting notes will be prepared and placed on the public registry. As I said earlier, these public meetings intend to provide the board with an opportunity to hear from those organizations and persons who are registered to speak to us about the BHP expansion project. We are going to hear from those people first. If you have not signed up yet there is a sheet in the back of the room with our staff so please sign up as soon as possible. If there are others who wish to speak, we will accommodate them after the registered presentations are made.

I want to remind everybody that under the Mackenzie Valley Resource Management Act, environmental assessment is the second level in the environmental assessment process. This is not an environmental impact review, which is the third and more formal stage like the panel hearings under the **inaudible** will see a process.

The board wants to keep this process as open and informal as possible. We would appreciate your cooperation to this end. In order to be clear about the process today,

registered presenters will have 15 minutes to make their presentations. Questions with clarification will be allowed and the board will ask any questions it may have last. If you want to challenge one of the presentations with some aspects of the information on the public registry, the way to do that is through our presentation, not through questioning the presenter. I want to emphasize the fact that our focus today is the expansion project. Proposed will be Sable, Pigeon and Beartooth kimberlite pipes.

The MVEIRB has recently received information about the existing mine. We have received information about the existing environmental management and monitoring system at the Ekati mine. We have information about the socio-economic benefits of Ekati. This is baseline information that the board needed to understand the potential impacts of the expansion proposal. The board is not however, in a position to comment on the management of the existing operation or on its impacts, if any. There are other regulatory authorities with that responsibility to advise the minister on the potential for significant environmental impacts where public concern arises as a result of the proposed expansion project.

We do not have time today nor do we intend to conduct a review of the existing operation. For this reason and because time is limited today, we want presenters to restrict their comments to the expansion project proposal. In fairness to everyone, if presenters get off topic we will cut them off and ask them to focus on the business on the expansion project.

This public meeting is just one part of the environmental assessment of the BHP expansion project. We have been working on this assessment now for several months. Once the meeting is over and all the final documentation is filed with the board, we will deliberate and make our recommendations to the Minister of Indian Affairs and Northern Development under section 128 of the MVRMA. In making that decision, the board has the following basic options and there are four (4):

1. If we find that the proposed project is not likely to have significant adverse impact on the environment that would be a cause of significant public concern and recommend that it proceed without an environmental impact review.
2. They may find that the project will result in a significant adverse environment impact and recommend the approval of the proposal subject to terms and conditions to prevent the significant impact.
3. If we find that there is likely to be a significant adverse environmental impact or that the project is likely to cause significant public concern we may order that an environmental impact review be conducted.
4. If we find that the proposed project is likely to cause an adverse environmental impact, so significant that it cannot be justified, then we could recommend that the project be rejected without the environmental impact review.

Our recommendations go to the Minister of DIAND with an order of environmental impact review. A reviewing panel results. The minister has some option about how to do that. We expect that the report from our environmental assessment will go to the minister in November. To conclude my comments I want to talk about the procedures of today's meeting. I have a list of seven (7):

1. The board asked me to make a short presentation to start things off. We will give the company the opportunity to make a closing statement as well. BHP's closing statement will be the last presentation that the board hears tonight.
2. The board reserves the right to ask questions of any organization and anyone making a new presentation.
3. All presentations and questions are addressed to the board and if there is a problem, we will decide whether it is relevant or appropriate.
4. We will ask presenters to register in advance. After BHP opens we will take presentations from organizations or individuals in the order that the registry of the board up to and including September 15th. If you haven't registered yet and you want to speak please do so. We want to hear from everyone we can. People who registered today will be heard in that order, if you signed up after those who registered by September 15th.
5. We have asked presenters to be focused and we have allotted 15 minutes for each presentation. We want to stick to that limit. We have a lot of people to hear from. The time for the board's questions will be in addition to the 15 minutes.
6. We have representatives from government agencies here – some of whom have not registered to make a presentation. These persons and agencies are an important resource for all of us. They have a lot of expertise and the board may direct some questions at these people too. We don't want to catch anyone by surprise but we would appreciate information or assistance that can be provided.
7. If the board asks a question that cannot be answered on the spot we will be happy to take an undertaking to have the questions answered later – in writing and filed with the board. The answers will go on the public registry. We will confirm the undertaking when it is given and we will compile a list of them over the course of the meeting. The list will be circulated to those who made the undertakings tomorrow and the final list will go to the public registry.

We hope that this meeting will be informative and productive. The board considers the public input to be an essential part of the decision-making process. In order to conclude our opening, I have asked Mr. Arselanian, the environmental assessment officer assigned by the board for this process to give a short overview and give an indication of where the board will go from here with the information here today. So I now call on Mr Arselanian for his presentation.

MR. ARSELANIAN: Thank you. I'm an environmental assessment officer and I work with the Mackenzie Valley Environmental Impact Review Board. Very briefly, the steps of the process that we have, as a group, gone through to arrive at this point today, and the steps that will follow after the public registry closes. On April 16th, the proposed development for the three pipes was referred to environmental assessment. In May, the development description was submitted by BHP and basically that described what BHP wanted to do. By July, a work plan and an associated budget were approved by the Mackenzie Valley Environmental Impact Review Board. By December, the board completed terms of reference which indicated to BHP what their environmental assessment report was to contain. This happened in the year 1999. The terms of reference were adopted in December 1999. BHP then took the terms of reference and completed the environmental assessment report, then submitted it in April – April 21st, to be exact, 2000.

A conformity check was completed on the report and the board in September concluded that the environmental assessment report was the supplement to information was in conformity. A technical analysis was completed by government reviewers. They are on the public registry and that is now with the review board. That was submitted in the first week of September.

Now where we are at is a public meeting, the public registry is tentatively set to close on October 1st. After the public registry is closed, the board will convene as a group and use the information on the public registry to prepare a report of environmental assessment and that will include its recommendations and its decisions. That report will be provided to the Minister of DIAND. The Minister of DIAND is responsible for coordinating essentially the discussion of that report to other ministers and getting back to the review board with his/her position with respect to that report. Once that report is essentially signed off, then the project can proceed to the regular courses.

MR. CHAIRMAN: Thank you. Before we ask Mr. Excell to begin his presentations, perhaps you can give us an idea of the list of presenters as we proceed.

MR. ARSELANIAN: The list of presenters this afternoon, in the order that they submitted or told the board that they wish to speak, are as follows:

- Department of Fisheries and Oceans
- NORD
- Diavik
- Independent Monitoring Agency

Thank you.

MR. CHAIRMAN: Thank you very much. Perhaps now we can proceed with Mr. Excell's presentation.

MR. EXCELL: Thank you very much, Mr. Chairman. Firstly, I'd like to apologize – I'm fighting off the tail end of the flu so my voice will probably squeak and croak a little bit. My name is Jim Excell and I'm the President of Ekati Diamond Mine. I'm responsible for all the activities at the site and making sure we produce diamonds for sale to the marketplace.

I have been involved with the project for six (6) years now so I have been able to see it go from an exploration camp through to an operation and that has been a very rewarding experience. With us today to help answer questions we have a quite a crowd but please if you would bear with me, I will just briefly introduce them and perhaps if they could, mention your name, please stand up. First, at the table with me, today, on my immediate right is Scott Williams, manager of Resource Planning and Environment and next to him is John Witteman, our environmental manager. On my left is Tina Markovic, who is the resource planning coordinator and she has been doing most of the hard work on the permitting side of the sable proposal. Next to her is Tim Butler, our Human Resource Manager. In the audience we have Terry Janes, Serge Pelletier and Vaughan Williams from our marketing group. Ian Goodwin – looking after supply, Robert Beaulieu, looking after aboriginal employment, Martin Pelzer, planning engineer, John Bekale, aboriginal affairs officer, Chris Hanks, specialist in traditional knowledge and also permitting, Derek Chubb, environmental specialist and Jim Millard, an environmental specialist. In external affairs, we have Graham Nicholls and Denise Burlingame. We have Nancy Deshaw, a New York company but is legal counsel and David Searle, who claims to be the person who's been longest associated continuously with our project coming on for nine (9) years now. We have Don Hayley and Rick Moos from EBA Engineering. Ebram Woodley and Dave Price, Stephen Moore and Ebram Rolfe from WestCan Services. We have Steve Day from SRK Engineering, Craig Thomas from Dillon Engineering, Ray Ellis of Ellis Consulting, Bob Stevens from Associates.

The Environmental Assessment Report was submitted in April 2000 by necessity, the environmental assessment contains lots of very technical information. What we hope today is to be able to answer questions that you may have to clarify or explain the contents of that report. I'd like now to turn over to Tina Markovic who will give a quick overview of the addition of these three timberlog leading pipes to our operation. Thank you.

MS. TINA MARKOVIC: Thank you Mr. Chairman, members of the review board, review board staff and members of the public and Mr. Excell. Our presentation today is short. It was mentioned today this is really an opportunity for you, the public, to ask BHP questions. So it will be my intention to provide an overview of the Ekati, of the development proposal before the review board and after have an opportunity for you to ask us questions. BHP believes after our presentation today **inaudible** there is no new development challenges for us. In other words, there will be no new types of significant adverse environmental effects and the positive employment outcome can continue.

As mentioned by Louie, we began this process in November 1998 we submitted application to DIAND and since then we have been engaged with the review board and working actively on gaining permits. Before I get too far in to today's presentation, let me just highlight with this picture some of the facilities at the current Ekati diamond mine. Right here is the existing Panda pit.

We have been in operation in there since January 1997. This year is the Koala Basin. At present, it is the watered, we are currently pre-stripping another pipe called Koala and another called Koala North. This is the main camp facilities. The processing plant, the main airstrip is called the facility.

What I would like to point out in this photo is that this lake is called the Bearclaw Lake and just north of the Long Lake is where the pigeon pipe is located and I will show you another slide with those. I apologize that this is difficult to see but with the size of the site, sometimes it is hard to get everything on to an overhead. There is the Panda pit, the Beartooth pit, as I mentioned is about 500 m north of Panda.

The proposed Pigeon pit is just north of the Long Lake containment facility and 19 kilometres north is the proposed Sable pit. What we are talking about today is those two pits, the road and associated infrastructure with those, which is primarily the waste storage area. Let me just spend a few moments and explain this slide to you. This here is the year 2000 moving forward – you can't see it. 2014. This here is the tons ore mined per year which means the tons of ore that is put through our process plant. As I mentioned in the 1995 environmental impact statement we had at that time wanted to mine five pipes called Panda, which we are currently in, Koala, we are currently in, Misery, which we are currently pre-stripping and starting there, Fox and the Leslie pipe.

I bring this up because there's been quite a few questions about the environmental assessment related to the Leslie pipe and I thought I'd just like to take a few moments to explain about that. There's been questions regarding its exclusion from the mine plan, the impact it has on the shortened mine life and some other questions related to cumulative effects. Let me just take this opportunity to explain it. As I mentioned in the 1995 EIS, we had hoped to be able to mine that one. One of the things that when you're in the mining business, some things are never certain, or one of those things that are never certain.

We, at that time, we take you back in time, BHP and our joint venture partners as many other people involved in the diamond industry, we are just getting our feet, in the Northwest Territories, into understandings ore bodies in this environment. Exploration by nature is a risky business and geology is by nature, risky. We had it in our and there was always that potential that one or some of the other pipes would not be in the long-term mine plan. Let me just reiterate that with diamonds, there was really no textbook for us to go through but we continued working on assessing that pipe as we do with the other pipes, even those in our mine plan now, we always continue to assess those. In the EIS and review board – volume 1, section 3.10, .1 we talk about the potential of having a shortened mine life and we actually talked about **inaudible**. We will get back on track that – at that time, we had the potential of not having it in there, as I mentioned

from additional test work, we found that Leslie was not economic – it was always one of the low-grade pipes - low-grade meaning having fewer diamonds per ton of ore and through additional work we also found that these diamonds were of low value.

Another question that comes up about Leslie quite often is how could you take one pipe out and put three in – losing ten years and gaining three years? Well, one thing we have to remember is that it is not the number of pipes but it is the size of the individual kimberlite pipe. Leslie was a 60 million ton resource - it was the EIS and just to give you a scale, many of you I know have been up to the Panda pit, which is in operations and it is a 12 million ton pipe so it is five times the size of what Panda is. So that 's why we need the 60 million and...and we were planning on doing at 18,000 tons per day – our average production rate is over 6 million tons a year – we get down to the ten years.

The other couple of things I would like to point out in this is that as you can see from here that these three pipes are quite important to the overall long-term mine plan with Beartooth and Pigeon and Sable coming on early, in terms of the oil movement. Another question that comes up and I'd just like to review is that why does it go from 9000 tons to 18,000 tons. As I mentioned, Leslie was a low-grade pipe as is the Fox pipe and some of these other pipes as we move down the mine plan and those, because they have fewer diamonds, per kimberlite, we need to increase our production rate to ensure a steady flow of diamonds. So those are the key points there.

The other slide I'd like to share with you is something else that may not seem intuitive at times is that what are we really talking about, what has really changed when we did our EIS to now and I'd just like to – remember in that previous graph where I showed you the average annual production rate – the blue in this graph here is what we had predicted in the EIS for production rates. The red is what we have as our latest mine plan and there are two important issues of events to notice here is that right now it currently stands with the inclusion of Sable, Pigeon and Beartooth are scheduled to be exhausted in 2014.

Of course, EIS asked if we would go on for another seven years with this one The other difference in here is that we are hoping, in the EIS, to top it up to 18,000 tons per day in 2005, but as many of you are well aware of, it took us a little longer than the first process to get ? and hoping to get up and running in 1997, we started in 1998. The economic benefits in those economic analyses – many of those flow from graphs, how many tons of ore we are moving, the tons of waste – many of them are linked to these sorts of things and I wanted to show you there isn't any fundamental change of what we are doing.

In Item 5, as the review board had asked BHP to talk about this very fast year and Item 5 - a conformity response on that was done. Exploration measure also is a form of mitigation – we hoped that with our continued exploration programs we can bring this red line up and keep on going out. So as Mr. Lennie mentioned, BHP is currently seeking permits for three kimberlite pipes; the Sable, Pigeon and Baretooth pipes.

BHP and its joint venture partners produced a feasibility study to their respective board of directors to prove capital expenditures to build the Ekati diamond mine and to ensure the long term economic viability of the mine. As I mentioned, ongoing exploration and engineering work has resulted in determining that these three pipes are economic. As pointed out BHP submitted to its environmental assessment report to the Mackenzie Valley Board the government agencies, aboriginal communities, non-government organizations, and other stakeholders in late April 2000. The contents of the report represent our best efforts to respond to the terms of reference and thereby provide the review board and other stakeholders with sufficient information to understand the environmental and socioeconomic consequences to develop these three pipes and extend the mine life by three years.

As mentioned earlier this month the review board accepted the environmental assessment report as being in conformance with those terms of reference. And now I'd like to talk to you about BHP's understanding of the potential effects of those developments. This understanding is a result of seven years of scientific study and in-depth research from BHP's environmental engineering and socioeconomic consultant in our in-house staff.

The land environment encompasses the value system components: permafrost, groundwater, vegetation and heritage sites. Permafrost will be affected during all phases of the development due to activities such as roadbuilding, string diversion and open-pit mining. However, with the application of sound engineering principles and practices for our and based on all previous experience, all residual effects identified in the EIS are expected to be small. Likewise, the residual effects to the groundwater regime are expected to be small. Vegetation will be affected in those areas where we do build the open pits and we do place waste rock. Aside from those direct impacts, it is expected that the residual effects are small. There are no heritage sites located within the development footprint Pigeon and Baretooth. Six sites have been identified near the Sable road route.

With the application of protection measures and the residual effects on heritage sites is expected to be small. Consultations with aboriginal groups show that the mining activities are not having an effect on archaeological sites at Ekati. Now let us talk about water. The valued ecosystem components are water quality, froze, some called hydrology and fish in aquatic habitat. All effects on water quality will be made visible. During watering, only clean water will be pumped directly into natural streams. Water from pit dewatering during mining operations will be directed to either the Containment facility, which I pointed out earlier in the slide, or Two Rock Lake Sedimentation Pond, which is located at the Sable development site.

All effects on the hydrology water flows will be manageable. BHP is confident that once the open pits are no longer mineable, we can re-establish them as lakes in a way that will not have an effect on source lakes, source lake grubbles or water flows. All affects on fish and aquatic life will be very limited and will not affect the fish communities of the downstream water sheds. Fish in the lakes that will be dewatered will be harvested as per our current practices of letting contracts to aboriginal businesses.

As we have done in the past, BHP will work together with the Department of Fisheries and Oceans to ensure a suitable fish habitat compensation plan is in place for these developments during the licensing phase of these development proposals.

The wildlife valued ecosystem components assessed were caribou in their habitat, carnivores in their habitat and birds in their habitat. Carnivores that were assessed include grizzly bear and fur bears, which include Arctic and Red foxes, wolverines and wolves. From our observations during the last seven years studies show that mining has had a negligible affect on caribou. Since BHP started operating at Lac de Gras, we have had no bear or caribou accident.

The residual affects of the development of Sable, Pigeon and Baretooth pits and associated infrastructure on the valued ecosystem component is air quality which includes noise, are predicted to be negligible for all activities involved. Dust generated by vehicles on roads and mining activities such as blasting represent the largest source of air emissions at Ekati.

As with all our mining operations, BHP will continue road watering as a mitigation measure and will continue to research other effective ways to minimize dust generation. The Ekati diamond mine has been good and will continue to do good for the Northwest Territories, Canada and people of the north. Development of the Sable, Pigeon and Baretooth pipes extends the life of the mine by three years, thereby, maintaining the effects of good jobs, purchases of local goods and services, spin-off effects due to other sectors of our northern economy and economic benefits to the Northwest Territories and Canada.

Now let us go each of these benefits in turn. First, employment. Ekati diamond mine is the largest private employer in the Northwest Territories with over 500 full-time employees. Socioeconomics look at employment in terms of direct benefits as well as spin-off benefits. For example, we have contractors at site who provide essential services to the mine and they in turn spend their paychecks on goods and services that support our local northern economy.

Thus, the direct employees and contractors spend money on consumer goods such as real estate, pickup trucks, snowmobiles, groceries and haircuts. BHP is pleased that it is meeting and exceeding its targets as set out in our socioeconomic agreement of 62% northern residents and 50% of those northern residents are aboriginal. And one of our goals is to increase the numbers of aboriginal and northerners in skilled and professional categories. We are also proud that we have currently 18 employees on apprenticeships, all from the North. Ten of whom are aboriginal and eight are Northern.

Now let us talk a moment about goods and services. After almost two years in production, the economic benefits of the Ekati Diamond mine are apparent. In 1999, 78 percent of all BHP diamond Inc. purchases were made in the North. This exceeds our target established in a socioeconomic agreement of 70 percent.

From 1997 to the end of 1999, BHP spent over \$650 million in the North, out of our total spending of \$1.1 billion. This exceeded our targets. By developing the Sable, Pigeon and Beartooth pipes, the opportunities for local, regional and territorial businesses will be maintained for three more years.

Now let us move on to the economic benefits of the Ekati mine. This proposed development is predicted to have a significant benefit on the Northwest Territories gross domestic product, or GDP, by contributing 14 percent to it.

The Sable, Pigeon and Beartooth pipes are estimated to contribute \$324 million annually to the gross domestic product of the Northwest Territories. Almost \$250 million in Northwest Territories labour income will be paid during the three years of the extended mine life. It is estimated that the federal government will receive an estimated \$337 million in total revenues over the three years.

The GNWT would receive \$100 million over the three years in total tax income from direct economic activity. Value-added activities have also been established as a result of the Ekati mine, including the BHP sorting and valuation facility. Local diamond cutting and polishing firms.

BHP has entered into agreements to supply three Yellowknife based companies with rough diamonds. These companies, as some of you may know, are Sirius Diamonds, Arselanian, and Deton' Cho Diamonds.

For clarification, as we are doing now, we will continue to supply rough diamonds to these local firms at our current rate. BHP and the GNWT have a socio-economic agreement which provides for the monitoring of these types of benefits.

So what are the cumulative effects of the Ekati Diamond Mine on the environment? Mining causes different types of changes to the land, water and air. When these changes happen alone, scientists call them simple effects. When two or more of these human-made effects are combined, scientists call them cumulative effects.

The best way to prevent cumulative effects is to minimize the simple effects and this is a primary goal of Ekati Diamond Mine. BHP considered other mining activities, transportation, corridors and outfitting projects in our cumulative effects analysis. The study has found that there may be a modest effect on grizzly bear habitat around the mine. Continued monitoring and adaptive management will be used to ensure no significant adverse environmental effects occur to the grizzly bear population.

Effects of this development on caribou and caribou habitat are predicted to be minor. BHP supports the federal government's plan to develop a regional cumulative effects framework. Sharing of data will be essential to its success. This framework will make sure that development in the region is consistent with the values of the people of the Northwest Territories.

In the Environmental Assessment Process, the review board has asked BHP to provide information on how our environmental plans and results would feed into a regional

cumulative effects management framework. We provided this information to the review board about a week and a half ago.

As Louie has mentioned, government have done reviews of our work and I would just like to share some of them with you. The first one is the Department of Indian and Northern Affairs analysis and the cover page has shown that it is in their view that the project will not likely cause significant adverse environmental impacts provided that mitigation measures are implemented in monitoring, as described by BHP and DIAND has carried out.

The Environment Canada Department, it is in the department's view that environmental issues have been adequately addressed by BHP in their environmental assessment. That was on page two of their report.

The GNWT, on page one of their report, has concluded that no significant adverse social, economic or environmental impacts are likely to occur within the project with the implementation of effective mitigation measures.

Consultation is a very important aspect of the Ekati Diamond Mine. BHP Diamonds Inc. has taken an open approach to different stakeholders and to establish a good neighbour policy of the mine. During the Environmental Assessment Process, which began some 16 months ago, BHP has visited communities and held community meetings and has been in regular contact with people.

BHP has filed with the review board all our meeting notes for their public registry. In accordance with their terms of reference and in cooperation with the review board staff, BHP held over 20 public meetings in nine different communities during the period of April 1999 to March 2000. Since then, we have continued with additional meetings in several communities.

In addition, BHP publishes a great deal of environmental information to keep the public informed. In fact, in the last five months, BHP published three reports and their accompanying plain-English summaries. Six documents in total.

The documents in the lower-right hand corner are those forming the environmental assessment report submission. Additionally, we continue with our practice of providing opportunities for aboriginal elders in other groups to see first hand the type of work and management that is ongoing at Ekati.

Monitoring and adaptive management are all important to environmental programs. BHP's goal is to continually improve its environmental management programs. Ekati currently operates under a type-A water license, six land leases, mineral leases, land-use permits, fisheries authorizations and navigable waters authorization.

Additionally, BHP has an environmental agreement which provides for a formal umbrella of 15 different environmental management plans. This agreement also established an independent environmental monitoring agency, which ensures a compliance with the provisions of this agreement. The operating management plan is submitted annually to

government agencies and other stakeholders. The development of Sable, Pigeon and Beartooth will be incorporated in this plan.

As an industry leader in environmental management, Ekati Diamond mine employees' management strategy that stresses iterative learning, long term planning, an exchange of knowledge in cooperation between organizations. This strategy, known as adaptive management, is a formal process for formulating and continually improving our resource management policies.

For the Sable, Pigeon, and Beartooth developments, we will apply our knowledge gained from our existing operations.

The proposed development will not change the workforce or accommodations. The mining method, or the equipment we currently have, the processing method or the facilities, the Long Lake containment facility, the power plant facility, our winter road requirements, and as I spoke to earlier about the production rate for or and other infrastructure around the site.

Again, sometimes a lot of questions come up are, "How can you change things and these are not changing..." Like I mentioned earlier, the mine plan is a function of the ore volume and the waste volume and those are not fundamentally changing. It is our plan to keep the operations smooth to maintain our labour force and keep that as stable as possible.

The Panda pipe is an example. When we finish mining that open pit, we will take the equipment that is currently used in that open pit, and put them into the Pigeon's and the Sable's and the Beartooth's. So it is, more or less, a redistribution of the equipment and their operators for those and that is something that is key.

Additional pipes will provide for prolonged employment and income opportunities, training and development opportunities, scholarships, stakeholder relationships, the tax revenues, business opportunities and benefits to communities.

The life of any mine depends on the amount of resources it permits and subsequently mines. With this in mind, BHP continues to explore for new kimberlite pipes in order to keep pace, to keep the resource base or tons of or to keep pace at mining.

It is the company's goal to develop new kimberlite pipes as they are needed. The Sable, Pigeon and Beartooth kimberlite pipes have been assessed economically and now environmentally and socioeconomically. BHP is confident that these resources can be developed and managed proactively based on known technology, a proven monitoring programs and plans I discussed, standard mitigation measures, our commitment to adaptive management, and the continued participation of stakeholders.

This concludes today's presentation. Regardless of the mine life, BHP will remain committed to our environmental programs, to hiring Northerners and Aboriginal residents and committed to purchase locally. We have a world-class mineral deposit which offers a new export industry for Canada.

With the addition of Sable, Pigeon, and Beartooth pipes, plus others yet to be studied and evaluated, the Ekati Diamond Mine provides for a stable, long term industry to the North. Ekati has offered significant employment opportunities for Northern residents and benefits to local businesses. There have been no demonstrated significant adverse environmental effects from the existing operations and the environmental assessment report has demonstrated that there are no significant new environmental effects that are presented by the development of these three pipes.

In fact, the regulatory body that referred BHP to this process has, in their assessment, as I shared with you, came to that same conclusion.

We believe the continued operation of Ekati Diamond Mine is positive for people of the Northwest Territories. As discussed today, the integration of the three pipes into the mine plan lengthens the period of benefits we can all enjoy as individuals, governments and businesses. Thank you for your time, Mr. Chairman, members of the review board and members of the public.

Should you have any questions, we would be pleased to answer them.

MR. CHAIRMAN: What I am suggesting we do is that after the question period, if we can take ten minutes just to give a break to the interpreters.

So, any questions from the floor? If there are no questions from the floor, are there any questions from the board? Gordon Wray.

MR. GORDON WRAY: Thank you, Mr. Chairman. When we sent out information requests, one of the information requests went to the GNWT and the question that we had asked them was:

"Explain why the number of income support cases are increasing when employment data provided by BHP and EAR would suggest a net decline in unemployment and income support needs?"

This was information that was bleeding from the GNWT and your report on community health and well-being 1999; BHP-Northwest Territories point of our communities. The same document also seems to suggest that unemployment is in fact growing in Rae-Edzo over the course of this development, which was very surprising to the board.

The GNWT, in its response, provided the following comment:

"Figure 16 suggests that there has been a decrease in the number of social assistance beneficiaries in small, local communities such as Lutsel k'e, Dettah and Rae Lakes. This, however, is not the case for Yellowknife and the larger local communities."

They say the same thing again, further on in the report, where it appears that, in fact, the social assistance and unemployment rates are increasing in impact communities. In both cases, however, they say:

"Without community-based employment data from BHP, it is not possible to determine whether Ekati employment is having any effect on social assistance levels."

Then again on page three of their response, they again say:

"However, data on point of higher unemployment by community will be needed to more fully examine the effect on Northwest Territories employment of the Ekati project."

I guess my question for Mr. Excell would be, has the Government of the Northwest Territories ever requested community-based employment data from BHP? And if so, does BHP provide it or is there a reason why you are unable to provide it? Thank you.

MR. JIM EXCELL: Thank you for your question. The Government of the Northwest Territories have requested information and we have been working with them to come up with a mechanism to provide it through confidential means. We are putting confidential employment information out to the government and we do not believe it is information that should be freely available.

If there is a need to do it, which the GNWT have requested, we are working to find a mechanism to provide them with that information. Thank you.

MR. GORDON WRAY: Thank you, sir. A further question.

Again, we asked a question of the Territorial Government and the question was:

"provide a report on the net economic benefits that we accrue to the province of Alberta if the proposed BHP expansion, or a comparable development was to occur in that province, instead of the Northwest Territories. Provide annual and total federal, provincial and territorial income streams from their proposed development, taking into account Northern cost premiums."

In their response, the numbers that we were given suggested that over a three year period of the Sable, Beartooth and Pigeon pipes, the revenue which accrues the Northwest Territories is \$99.5 million. If it was in Alberta, it would be \$170.5 million and regardless of where it is, the revenue that accrues to the federal government is \$335 million, or approximately four times what was accrued to the Territorial Government.

Is that a number that you can agree with, in terms of the taxes? These are the taxes that you are paying. So, over three years, I guess I am asking you, do you agree that you would pay approximately \$335 million to the federal government in taxes?

MR. JIM EXCELL: Thank you again for the question. I believe that number would be correct but I would just like to ask Ray Ellis to make a comment.

MR. RAY ELLIS: Mr. Chairman. Thank you for the question. We would agree with the number that is published in the EAR, which indicates the amount of tax revenue that is estimated that would be received by the federal government and by the Territorial Government.

As far as the other report, we have not seen the details behind the numbers so we assume the numbers are correct.

MR. GORDON WRAY: Then you have no problem with the number that shows that the federal government will accrue three and a half times more total tax revenue than the Northwest Territories over the year life of the mine?

MR. RAY ELLIS: No.

MR. GORDON WRAY: Okay. Thank you, sir.

MR. CHAIRMAN: Further comments or questions from the board?

UNKNOWN SPEAKER: Yes. In your presentation, you indicated that the Leslie pipe was a 60 million ton kimberlite resource. This is different than your 1999 project description, when you indicated it was a 40 million ton resource.

Is this as a result of down scaling that pipe from the original EIS?

MR. JIM EXCELL: Thank you for your question. I will ask Scott Williams to respond.

MR. SCOTT WILLIAMS: Actually, the number that was in the original, correct, the 40 million tons stated was a misrepresentation. It was just a number that we got wrong. We did not pick it up in our review of it.

UNKNOWN SPEAKER: It was a wrong number then that was indicated there.

MR. CHAIRMAN: Further comments from the board? If not, I will give another chance for the members of the public. If you have any further comments or questions? If not, I suggest that we go on to, maybe, a ten or 15 minute break.

-- Break

MR. CHAIRMAN: ...DFO. One of the things that I want to make clear is that presentations are made to the board, followed by questions from the public, Questions from BHP, should there be any, and questions from the board.

So with that, I would like to invite Mr. Peter Liske. I believe he is one of the first speakers for the Yellowknife Dene, followed by two other individuals, Richard EdEjercon and Tim Buyers. Chief Peter Liske.

CHIEF PETER LISKE: Mahsi. I am representing the Yellowknife Dene First Nations. The person that is sitting next to me is Chief Richard Edejercon of Dettah. The other person is Ray Shocapo at the Land and Environment. The other person is Tim Buyers.

There are some elders among us here today and my relatives and family that are here with us. Everybody that is attending here, at this meeting, I thank them for being here.

I thank all these people that are here today to listen to what the presenters have to say today. I just wanted to make a short presentation today and hear the BHP, the way that they want to do the work here. They are giving us a review of what they want to do and when we listen to presentations being made by different companies and different governments and all that, this is what they always say, "we are going to be having this much revenue. These are how many people we are going to employ and all these words that they use." It sounds good.

However, when we, the people that live within the Akaitcho Territory, always remember what the people have said in the past, especially the BHP. On November 14th, 1996. That is when we signed an agreement with them, the BHP company. We signed an agreement with them, back then, and from that day on that was for only five pipes.

At that time, the government said that they are going to give us only 60 days to sign the agreement with BHP. That is what the government has been telling us and telling us back then. Today, these presenters here, Mackenzie Valley Review Board, the people that are here, it seems like they have changed their stance. Right now, they are here today to listen to what the public has to say and hear the BHP company say that they want to open three new pipes.

They are making their presentation on wanting to open three new pipes. What about the people that do not know about all these happenings that were in the past, like the way they worked on our land and what they had worked on.

When we work on a really important exploration, like this, we have to inform the people, the local people, first. We have to consult them and when BHP presents their report to us and to the public, we found out, eventually, that they make more than millions of dollars in one day. For one year, how much is it going to be? How much money are they going to make in one year? When you really think about it, this is our land that they are doing work on.

They said that they were going to work for 25 years on our land. So how much money are they going to make during those 25 years?

We, as Dene people here, and under the Treaty #8, they are paying us only \$1 million a year. That is all that we are getting.

When they make their presentations, they want to work on three new pipes. They say that the employment rate might go up and they said that they are going to spend that much money on our land. We are thankful that they are saying those things but then, when it comes right down to it, what we think is that we, under the Akaitcho Territory,

are still under the Treaty and we, as the Treaty #8 people, signed the agreement with them, the manager or boss of the BHP company when we sent a letter to him, he did not reply to us to this day.

Today we are talking about very important issues but we cannot agree with what is being said by BHP. We are representing our people here under the Treaty #8. So that is what I think. I, as a representative of our people. They are talking about three new pipes that they want to work on. We want to sit down with the BHP management team, the people that are working together and the review board, we want to sit with them.

Today, I just wanted to be here. I just wanted to listen to what you people had to say. To the people that are on the board, I just wanted to inform them that we are just here to listen to what the public has to say.

There are a lot of other important issues that are still coming up so Rick is going to make a short presentation. So I just wanted to say that for now.

CHIEF RICHARD EDEJERCON: Masi, Chief Liske. I just wanted to welcome the Mackenzie Valley Board to our community. As well, I would like to welcome the company, BHP, to our community. Every one that is here today, I would like to welcome everyone here to N'Dilo, which is one of the two communities of the Yellowknife Dene First Nation.

As well, I would like to welcome the people that are here, from outlined communities from Akaitcho Treaty 8 and the elders that are all here.

I just wanted to mention a few comments and concerns of the Akaitcho Treaty 8 and as well as a concern from the Yellowknife Dene First Nation, in regard to the three additional pipes.

As you all know, July 25th in Fort Resolution this year, marked 100 years since our treaty was signed. We are now in the process of developing a negotiation with our own Territory. So we are moving forward in that exercise and hopefully, in the next few years, we will have some kind of draft agreement that we able to bring back to our community.

So, in other words, what I am saying is welcome to the Akaitcho Territory.

In 1996, November 6th, as indicated by Chief Peter Lisk, we went through a process and exercise, in regard to BHP. After reviewing the negotiations with BHP, we also had concerns in regard to the three new pipes.

Back in November 6th, 1996, the government of Canada gave us a deadline of 60 days to negotiate an arrangement with BHP. To me, it was like they were putting a gun to my head. Whether you like it or not, there will be a deal by the end of the day.

As a result of intense meetings we had in the negotiations, we were able to come away with an agreement. Finally, the Eleventh hour, one of our First Nations were excluded

from the agreement and the agreement that we had with BHP was from the Akaitcho Territory.

My concern with the three new pipes, in a recent article in the Globe & Mail, not too long ago, had indicated that BHP is looking at \$1.3 million a day US. \$474.5 million a year US. \$32.5 billion US over 25 years. We have an agreement with BHP for just .3 percent. Over 25 years, that includes four of the communities of the Akaitcho Territory, as well as the one that was excluded.

Today, I am hear just to express some of these concerns to the board. To let you know that, over the years, since we have been in this process, we were working under duress to come to a conclusion with a BHP, with five pipes in 1996.

Now that we are talking about three additional pipes today, I am not going to be working under those circumstances again. I will not be having a gun to my head and I am prepared to sit down to look for a resolution in terms of coming up with a better agreement, in regard to the three new pipes.

On the interim basis, we will not support the application for the additional three pipes at this time. Not until we come up with some kind of agreement that is going to satisfy and address our members in our communities, in respect to the treaties.

So once again, I would like to thank everybody for coming to our community and I am just expressing these concerns to the Mackenzie Valley Resource Management Board. The reason I am talking like this is because we went through a lot in the last five years.

I also have seen the benefits from BHP. I have 40 of my members working there but I am looking for an arrangement so we can all sit down and look for a resolution. Thank you very much.

MR. TIM BUYERS: Thank you, honourable board members. My name is Tim Buyers and I represent the Yellowknife's Dene First Nation Land and Environment committee in which Rachel Crapeau, sitting to my left, is the Chairperson.

The board has our written submission, as far as our concerns, these are the potential environmental impacts. So I will not touch on every single point that we have here, in the interest of brevity. However, I will touch on the more important or significant concerns and questions we have.

The first, being under the blanket of climate change effects. It has been reported that in all of North America, global warming so far has had the greatest effect on the Northwest Territories and the Prairie provinces and, in particular, the Mackenzie District Climatic Zone, which contains both BHP and Diavik Mine areas, has experienced the greatest warming trend in all of Canada over the last 50 years.

I am wondering, has BHP done any computer modeling to project this warming trend over the next 50 years so that potential impacts on permafrost barriers, frozen core dams and waste rock ice caps can be evaluated?

As far as fish and water quality and reclamation, since understanding the food selection of fish in Sable Lake has a bearing on how it will be reclaimed after being mined out. For example, the relative proportion of deepwater versus shallow-water feeding habitat.

We would recommend that stomach analysis on a significant sample of the harvested fish at fish out be done for the baseline study, only sampled two fish in concluding what the feeding habitat of lake trout in that lake was. So this has, I think, a bearing on how BHP intends to reclaim Sable Lake after mining is completed.

For the Sable waste rock storage pile, berms will be constructed at points where drainage is expected to emerge. However, if the runoff drainage occurs at unexpected locations, the only thing protecting Ulu and Horseshoe lake is distance, 100 metres.

This may not be enough to keep contaminated water from reaching the lakes, given the steeper downward slopes at certain points. I have also noted from the map contained in the EAR that, while there are 100 metre buffer zones between the waste rock dumps and the lakes, there is not the same distance separating Ulu, Horseshoe stream from the rock dump. Although grayling probably do not use the downstream reaches of this stream, any contaminated water that reaches it will, more than likely, feed into Horseshoe Lake. Potentially creating problems there.

I am also wondering what the possibilities or probabilities of ice jams occurring on the Pigeon and Beartooth water diversions are? This has happened, apparently, in Panda diversion channel. If this does happen, if ice jams occur, what are the likely impacts associated with those ice jams?

One thing that struck me in reading the EAR, the fish populations in the five impacted lakes that will be lost, and not reclaimed, these are isolated from the rest of the watershed, contributing nothing, says BHP, to the genetic stock of the fish populations of the watershed. That is true.

However, if these genetically isolated lakes are eliminated, then eliminating these lake populations will reduce the region's genetic diversity of fish, it seems to me. I explain it further in our written submission why this is potentially important.

I understand that Beartooth will be the first pit of all the BHP mine pits to be reclaimed. So this one will be the test case for all pit reclamations to follow. However, it also strikes me that BHP intends to pump PK, processed kimberlite, into the pit after it is mined out for the purposes of taking less time to fill the pit to reclaim the lake.

So I am wondering how the presence of fine processed kimberlite in the bottom sediments or re-suspended in the water column will affect the pit's ability and suitability to create fish habitat. Will the processed kimberlite change the PH of the water in the filled pit to alkaline conditions? If that is so, that has a bearing and ramifications on the toxicity of the lake to fish and the bio-availability of any contaminants that might be present.

It also struck me that BHP proposes that there are some materials that cannot be removed from the site, Beartooth, to be buried in the pits or possibly in the waste rock piles. If they choose the pits, then we would like to know, what are these materials going to be and how will their presence affect the water quality in the reclaimed pits?

As far as air quality, the level of the following pollutants are higher in snow within the Koala watershed than in snow at control sites, according to BHP: ammonia, manganese, vanadium, aluminum and uranium. The latter two, aluminum and uranium, being the results being questionable due to sample contaminations. If that was the case then, since these results, we have questioned the levels of aluminum and uranium in the air around the mine. We would expect that BHP would do follow up studies on these two pollutants and continue to monitor all of the five above mentioned pollutants.

We also have concerns on eskers, archeology, caribou. As far as caribou concerns, most of it has to do with the types of baseline studies and whether they were thorough enough to make predictions, as to impacts on caribou. I will not detail these now.

Grizzly bears, in assessing the habitat degradation for bears, due to the Ekati mine expansion, the zone of influence around the pits should be increased 10 fold, as a worst case, to incorporate blasting noise, which it does not appear to me as being mentioned. We would consider stress-inducing, sleep-disturbing noise to be one factor degrading a habitat. This would then increase the percent of home range impacted by the development from 1.8 percent of females of the population to 8.6 percent. For males, the percentage would of the impacted would increase from .6 to .7 percent.

We also have concerns of potential impacts on water birds, raptors, but I will just touch on one last thing before I pass it over to Rachel to discuss socioeconomic concerns. I believe that statistics need to be kept on hunting on the winter roads that service the mines. Specifically the characteristics of wildlife killed along the road by hunters or vehicle collisions. It would also be a good idea to begin collecting these statistics for the purpose of finding out residual impacts of these mining roads on the local wildlife, due to both increased hunting from the roads, because of greater traffic numbers, and greater and easier off-road access by hunters to a previously more inaccessible area. So there may be more attraction to the area by people from Yellowknife or wherever. If they think they can drive to a place. So you may have a lot more people hunting in some sensitive areas.

I thank you very much and I will pass it on to Rachel.

MS. RACHEL CRAPEAU: (translation starts) ...to be here today. You are talking about three open pits that you want to start up. We are here to hear information. What we think is very important we are going to be questioning. When we are talking about the wildlife, the environment and all the important issues that we want to discuss, so that is why we are here today, to listen to their presentations.

There are a lot of our people working at the BHP mine. It has been about almost five years now that a lot of our band members have been working over there. Today, you do

not see any one of them in the management positions. It has been five years. We were told they were going to be training them for management positions and for higher positions.

We note that a lot of our young people have been asking for training jobs, training positions for training for higher positions. We know that but they have no response from the BHP team. We know the operation is a 24 hour operation. They work day shift and night shift. We keep in touch with our people who are working there.

We have been hearing that they were going to get rid of the jobs over there for our young people to be training on a job and that, but all they are doing is driving trucks. A lot of our young men are driving trucks over there. That is all they are doing, just driving trucks.

A lot of our young people today have asked me to sit here and listen and to question you people because I am one of the councilors for the Dettah Band. A lot of young people have approached me and asked me to speak up on their behalf.

When you are talking about the winter road to the mine, we have concerns about that too.

Every year, we want to go up there to go hunting, caribou hunting. We know and we see a lot of people, non-native people bringing hunting along the road. We know that they take what they want and just leave the carcasses there. They just leave the caribou meat, skins and everything. They just leave it there. They just take what they need and that is it. That is a waste. We do not have a lot of money to work with when we do the monitoring.

Last year, we picked up a lot of carcasses along the ice road up to the mine last year. We did a lot of cleaning up. We spent a lot of money on fuel and gas and things like that for our workers. We did not have that much money to work with.

We wanted to continue to do that kind of work, environmental protection work with our band members, but we do not have the funds to work on those kinds of jobs right now. That is why a lot of our young people have asked me to make this important presentation to the people today.

We have concerns about water, the quality of water around the mines and along the ice road. The young people asked me to talk about the water, they said why can't train us to work in the water plant? Train us how to work in the power plant and how to test the water and all of that so that maybe we can have that kind of a job in the future.

That is why we have written down a lot of our concerns in a report form. We have concerns that were presented to us from our members, not only the young people but some elders as well.

We also have questions about the IBA. When we signed the agreement with BHP, we had made an agreement thinking that they were going to give us the opportunity to work

with them to train our young people under them and to do the environmental protection plan work with them. Today, we do not seem to be having anything, any working relationship with them.

We were talking about the Ekati Mine right now. We are talking about the three open pits, the three kimberlite pipes that you want to work on. When you make reports, we make sure that we read every page.

For this past year, 1999-2000, we did not really want to go up hunting that way because of the mine, because of the different migration routes of the different wildlife there now because it is starting to change right now. We do not really have detailed information about that, but we know that the wildlife is changing even now.

A lot of our young people are telling us that, so that is why we have concerns about the environment. There is still a lot of work that we want to do as band members and the young people, especially the ones who are expressing their concerns. We know we have a lot of our young men working over there in the BHP mine, but they are way at the bottom of the working class over there. We know that because they are the ones who are telling us.

We do not have any one of our members trained to be in a management position. We know that. We were told by them that some of them are being told that if you want to keep your job, you do not talk about anything. You keep your mouth shut if you want to keep your job. That is what we were told they are saying but we are not going to name any names. That is what those young workers are being told, to keep their mouths closed if they want to keep their jobs. That is not the kind of agreement that we had signed with them.

We do not know what kind of job description that half of the workers work on. We do not even know their job descriptions or anything, what kind of work they are doing, except they are driving trucks. That is all that we know they are doing.

Today, we did not hear anything about the young men who are working at the mine. We did not hear of any promotions for our young people working there. We did not hear of any names from our band members being promoted to a management position or anything like that. We do not hear anything from them. Only our young people who are working there give us information but they are told not to say anything in public or anything like that because they might lose their jobs.

Now you are talking about these three mines, three pipes that you want to work on. We did not have all of the information on that. We still want more information on it. We still want a lot more detail. There are a lot of our relatives who are working there at the mine and they have concerns too. They asked me to say something about it today.

When we people from the Dettah and N'dilo area and the people who have concerns have been going over the reports that were presented to us. Alfred Delanger works with me all the time. These stations from Dettah and N'dilo here...Laurence Goulet works with us too. Those two people are co-chairs. They have taken a look at the report that

was presented to us. He has gone through the report. He has worked in the Barren Lands before too, so he knows what it is like to be working out there in the cold, in the open driving trucks up there.

Those are just a few of my concerns I wanted to talk about. (translation ends)...for our people, so that they can understand our views and our concerns. Thank you.

MR. CHAIRMAN: Thank you, Rachel and representatives from the Yellowknives Dene. The presentation has been made to the board. We welcome questions from the public, followed immediately by questions from BHP and the board. So questions from the floor on the presentation made? If there are no questions from the general public, any questions from BHP?

MR. JIM EXCELL: Mr. Chairman, we do not have any questions, but we would be prepared to work overnight and try to get some quick answers, clarifications to the particular items that were raised in the submission.

MR. CHAIRMAN: That is permissible. Any questions from the board? Gordon Wray.

MR. GORDON WRAY: Thank you, Mr. Chairman. I have a number of questions. My first question is for Chief Wisk on clarification. You mentioned in your presentation a million dollars, but I did not catch if that was a million dollars a year or is that a million dollars period?

CHIEF WISK: What I was saying in Dogrib was that the article that BHP produces was \$1.3 million worth of diamonds a day U.S.

MR. GORDON WRAY: No, but you mentioned in terms of compensation in the agreement that you had originally negotiated. I think it was when you were talking about the 60 day deadline. You had negotiated an agreement of a million dollars, but I did not understand if that was a million a year?

CHIEF WISK: Yes, correct. We are receiving one million dollars in Canadian per year from BHP.

MR. GORDON WRAY: Thank you. My next two questions are for Miss Crapeau. In your comments, Miss Crapeau, you had stated that one of your concerns with this project and the opening of the three new pipes is the winter road and the fact that you had to spend a lot of time and money cleaning up caribou carcasses that had been left there by non-natives. Do you have any evidence that it was in fact left there by non-natives? How do you know it was non-natives who left those carcasses there? Did you see them leave them there? Do you have pictures? If so, did you report them to the government?

MS. RACHEL CRAPEAU: Yes, we have pictures. We also have road monitors, people who were out. They recorded everything that was happening out on the winter road. We did report them. Eventually, we received some response from the government regarding the cleanup that we did.

MR. GORDON WRAY: My third question, Miss Crapeau, is that you said twice in your presentation that members of your group have been told to keep their mouths shut, but you were not explicit on what issues they were told to keep their mouths shut about. Have they been told to keep their mouths shut about this expansion? These three pipes? Could you perhaps clarify that?

MS. RACHEL CRAPEAU: Yes, particularly with the new expansion but also it just has to do with the work that they have been doing for the last few years. I understand that some of our members want to do some extra training. They want to be supervisors. They have asked to see if they could get some training on the job so they could get the training to be supervisors.

A couple of times our members were afraid to ask any more for the training because they were told that if you push the matter too far, you could be looking at a lay-off notice or no job in the end.

MR. GORDON WRAY: Thank you.

MR. CHAIRMAN: Any further questions from the board? Dennis Bevington.

MR. DENNIS BEVINGTON: Yes, my question is to Richard Edgercon. In reference to the IBA, or the agreement that was struck on, you have alluded to it. I know part of the job of this board is to look at the impact on socio-culture, economic affairs of the communities of the affected region. For the board, it is a bit of a difficult job with the degree of confidentiality around the IBAs that are in place.

You have mentioned that one of the benefits from the IBA is the million dollars a year. Is this predicated on the original agreement or does this carry forward with the additional pipes we are talking about in this assessment? That would be my first question.

MR. RICHARD EDGERCON: Thank you. The answer to that you probably know. The agreement that we have with BHP, signed November 6, 1996, is for the five pipes. In the agreement, it makes reference to claim law. They are proceeding with additional pipes that they had found. To our understanding, what we are saying is that we never discussed any other additional pipes but the five pipes. We had an agreement on paper for those five pipes for the life of the mine of 25 years based on information provided back in 1994.

We have concerns for the three pipes. We have to look at a new way in terms of trying to solidify an arrangement so we are able to address these three new pipes. Thank you.

MR. DENNIS BEVINGTON: Yes, so the agreement, is the compensation tied in any way to the profitability of the mine? Or to the actual outcome of the previous EIS in terms of there are only four pipes now being mined and reduced mine life to 15 years? Does that impact on the benefits you have received from this IBA?

MR. RICHARD EDGERCON: If the mine feels that they have five pipes, or two are not feasible, or three, whatever may be, yes it will have an impact in terms of the IBA. Thank you.

MR. DENNIS BEVINGTON: But is there any upside if the revenue from the mine is increased?

MR. RICHARD EDGERCON: You could say that...what is happening is they are mass-producing diamonds on site, but we are restricted. What I mean by that is that we had an arrangement and that arrangement is one million dollars a year. It is a million dollars a year.

If they reduce the mine life and mass produce diamonds, we have no control over that.

MR. DENNIS BEVINGTON: Okay. In terms of the employment now from the existing agreement, you mentioned that you have 40 of your people working at the mine site. Is that by a quota under the agreement?

MR. RICHARD EDGERCON: That is an item that we will probably have to discuss with BHP. Both BHP...they have come forward to say that they do not have a standard in terms of quota. At the present time, we do not have a quota in our agreement. It just makes reference that BHP will maintain a quota of X amount, a percentage of people who are going to be working there.

Our people who are working there are people who are either semi-skilled, skilled or profession. I have been watching the numbers that have been produced by BHP. The number is really high in the unskilled areas. We have to take a look at that as well in terms of training.

We are getting a lot of feedback from our members in Akaitcho Treaty 8, as well from the Yellowknives First Nation who have serious concerns about training within BHP, missing opportunities for advancements and favouritism for people from southern Canada. That was a concern as well. Thank you.

MR. DENNIS BEVINGTON: Further, are you in negotiation right now on the three new pipes in terms of an IBA? Are you able to...is this once again a confidential agreement?

MR. RICHARD EDGERCON: At this time, it is not confidential. We did say notice on August 14, 2000, and we did bring this up in the meeting we had with BHP I believe in the spring of this year. To date, we have not received a response in regards to our letter regarding the three additional pipes. We are prepared to sit down to take a look at that as to how we might deal with it.

As mentioned earlier today, I am not prepared to support the three additional pipes at this time.

MR. CHAIRMAN: Any further comments or questions from the board? Bertha.

MS. BERTHA RABESCA: Mahsi. (translation starts) I wanted to ask Rachel a question. When you were speaking, Rachel, when you mentioned the mine site, you said that the elders, traditional work, traditional study, all the research, the traditional knowledge, is that what you mean? Can you talk to us for a few minutes about the traditional studies and the elders who are working in that area? Can you tell us a few things about that? (translation ends)

MS. RACHEL CRAPEAU: (translation starts) So what Rachel is saying right now is that they have not really taken a look at the open pits that they are working at right now. Last year, a few of our members had a tour of the areas where the open pits where they worked. They had a tour sitting in a vehicle, so they did not take a close look at everything. We were only there for a few hours and we did not take a look at everything that was being worked on. It seems like we were just rushed in there and rushed out. Our members did not have a detailed look at everything that was being worked on over there.

If we really want to look at all the detailed work being done, we do not believe anything that is written on paper unless we see it for ourselves with our own eyes. We did not really believe that all the work that is being said is being done. We do not believe it because we have not seen it with our own eyes.

We do a lot of research on our own. Sometimes we do not have enough points to do all this work with, so that is why we have a lot of concerns about that too. All these people who do work with us, we work together well. We know that because we keep each other informed about what we see and what we hear. (translation ends)

MR. CHAIRMAN: Any further questions from the board? If not, I will give one more chance to the public, if they have any concerns or questions. If not, I recognize Charlie Snowshoe. I believe he just walked into the building. He should be here at 7:00 this evening. If there are no questions, I just have a point of clarification from Mr. Excell. I take it by the end of the day you will have some answers to some of the concerns expressed by the Yellowknives Dene, or at least come up with some sort of resolution to some of the more difficult questions we have to deal with.

MR. JIM EXCELL: Thank you, Mr. Lennie. We will definitely give you a response. There were a number of issues and we would not agree with the interpretation you have heard today. We will present a different side of it. We do have the 60 day thing, just for clarification. The longest negotiation we had with one aboriginal nation started in July of 1992, just eight months after the discovery of diamonds in the North. The number of agreements grew over time, and that is why we ended up having some of them come on us, but the actual hard negotiations with the Akaitcho group started in February, 1996. We will give you some more information later today. Thank you.

MR. CHAIRMAN: Okay. Thank you very much for that response. It is near five o'clock. We are suggesting that we come back and reconvene at 7:00 p.m. I believe that next on the list is the Department of Fisheries and Oceans. So we are adjourned until 7:00 p.m.

-- Break

MR. CHAIRMAN: We will reconvene the meeting. We have a slight change in the presenters. Lutselk'e had requested that they be next in line to speak. The Department of Fisheries and Oceans wish to come on around eight o'clock or so. So you have the floor.

MS. BRENDA PARLEE: My name is Brenda Parlee. I am wildlife, lands and environment coordinator for Lutselk'e. With me this evening to speak to you is John Baptiste Rabesca, the elder from the wildlife, lands and environment committee, and Antoine Michel, also from the wildlife, lands and environment committee. Laurence Catholique, an alternate for the wildlife, lands and environment committee. I will introduce J.B. Rabesca first, but before I do, I thought I would touch on a couple of issues that have come up in recent meetings related to the proposed project and the review process.

I guess firstly, there has been a certain level of frustration about the level of information that we have been receiving about the project. In my own experience compared to the last two assessments that I had been involved in, it has been somewhat confusing. The level of information has been difficult. Our participation has been fairly limited, I guess. That has, in my position in terms of the work of the committee, made things somewhat difficult. Also for the community members as well, there is concern about what is happening with the project.

As well, the second issue, there is anxiety about the current impacts of the project as well as the potential impacts of the expansion. That has again I think a lot to do with the level of information we have been getting related to the project. In particular, the committee has raised concerns about the lack of involvement of community members in monitoring and on-site activities directly related to wildlife monitoring, for example. Caribou is of particular concern.

The third issue is the benefits of the project. There is concern about employment, business opportunities and other benefits that were discussed initially that have not met expectations. So there has been a lot of discussion about that. I will not turn the microphone over to John Baptiste Rabesca, if I can get it off this thing.

MR. JOHN BAPTISTE RABESCA: (translation starts) I came from Lutselk'e just to sit here in this meeting. There is a concern that I have which I will be speaking on. I have been living in Lutselk'e for almost 80 years now. I feel like I am really getting older myself.

When the development of BHP was around the Lutselk'e area, we used to live really good, but now after that development of the BHP mine, there are a lot of changes that we had seen in regard to the wildlife, and now we are having problems with this IBA agreement.

We also have a lot of problems with social life. It did not only happen in the community of Lutselk'e, but it also happened here in Yellowknife and also in Fort Resolution, those people who are employed.

Also, we are having all kinds of problems. The people were encountering all kinds of problems. Even myself, I have lost two of my sons due to alcohol.

I am just wondering, what is going to be happening, if we have lots of mines developing on our lands, all our people are going to be dying off. This is on our doorstep that all of the mines are developing. So we are having all these kinds of problems and then we are having all this development on our land. I am pretty sure that we should get some funding to help with our problems in our communities. As I said, there are a lot of changes. Up to this day, I have seen a lot of changes and a lot of problems the Dene people are having.

I though I would just mention all of the problems that we are having in the communities. Thank you. That is all I will say for now. (translation ends)

MR. ANTOINE MICHEL: Thank you. My name is Antoine Michel from Lutselk'e. I sit on the lands, environment and wildlife committee. The things we are going to bring up, I guess, like sometimes mining, you can hear the elder spoke just now about what happens when the mine comes out close to the communities. The environment is the most important for us that we have to watch over those mines in the last 25 years that we are going to be working with them. Also, how are we going to be working together?

When I first heard about BHP and diamonds in Lutselk'e, I thought about it very hardly. I knew all these problems were going to come up. Now today it is here. We are dealing with it now.

I guess after the treaty rights, if you look at Treaty 8 on our land, that is what we like to talk about some times. It is very hard for the government and the mining company. We own the land. We survive on those lands, animals, fish and ducks, all those things us native people really watch the lands.

When we see native people out on the lands, there is no damage at all. You cannot even tell. The next year you come back and it is so clean. But when the mining companies go through those lands, you can see what they leave behind. They really hurt us. We have to live with it.

I am going to speak in my language because there are a lot of elders behind me. I will do it better in my language.

(translation starts) All of the chiefs at the Akaitcho Treaty 8 are still dealing with the land claims. We are still trying to settle our land claims, yet all of the development of the mine is happening on our land. The reason I am saying this is that we are still working on our treaty rights. There are supposed to be six communities that are involved in Treaty 8, and we are still all working together trying to settle our land claims.

When BHP first wanted to develop a mine here on our land, they made it sound really good. Now it seems like we are going in different directions. By listening to other people and those people who are employed at the mine, I listen to what they are saying. Even now, we can tell our wildlife has changed. Even the migration of the caribou, the grizzly bears, the wolves, they have changed around that area.

Where the migration route of the caribou had changed a lot, and when we have seen a lot of caribou recently after the mine had opened, their legs are broken or something. You can see that maybe there were hit by something, a truck or something. Now BHP is saying that the caribou are not migrating through the mine, but that is not right. I do not think so because their calving ground is right around that area.

Now they are going to have all kinds of roads that are going around that migration land of the caribou. The caribou are scared of the noise. If they hear the trucks or something, they are scared. Even if they are going to be going over the road or something, it is something new to them. Sometimes maybe the road could be really high so the caribou cannot go over it. Sometimes if they try to go over it, they might fall and break their legs. Maybe that is what happened.

The lands environment committee would like to monitor the caribou closely with the people who are monitoring the caribou. Now we can also hire our students to do this summer job, monitoring the caribou.

At first, BHP had only given us 60 days to make this agreement. In 60 days, we cannot agree to everything, but then we had to. We were forced to sign this agreement. Now if you look at BHP closely, for them it is alright because all they are worried about is economy. They are not worried about our lands. They are not worried about our people. All they are worried about is making the revenue.

Us Dene people do not think about money. We think about our lands, our wildlife. I would like to invite the BHP people to come Lutselk'e and have a meeting with the community, and maybe we can negotiate another IBA on those three additional pipes they want to develop.

Like they said, there are only 40 people who are working who are aboriginal. That is not a lot for all of these communities, Fort Resolution, Yellowknife, Lutselk'e, and Hay River.

I would like to see more aboriginal people working at the mine. I would quote about 200 people, right up to the young people. While the mine life is going to last about 25 years, I am pretty sure that if these young people will be working right up to the 25 years, but not an elder. An elder cannot work up to 25 years. Maybe about five or six years and then they will resign.

We are talking about a treaty issue. This is our land. These six communities that are all Treaty 8, we are going to have to monitor and watch our land closely. This is our environment. This is very important to us.

If we never had agreed with BHP to develop, we would not have had these problems. But then, we were forced into signing this agreement. Now we are having all these kinds of problems.

I think what we have to do is we still have to make this deal in regard to the three additional pipes that BHP would be developing. If we cannot...we have a lot of problems, so if we cannot resolve any of these issues, we have to take it to court. That is how far we can take it. Even with the government we are having problems. Also, the governments are also helping the mining company just to make revenues on our land. Look outside of where they are having all of these other developments like gas and oil. From here, it is not like that. It seems like the revenue is going to the federal government.

What they are trying to say is that we never settled our land claims, but we are still working on our land claims. The people who are...we wanted some royalties coming to us from our land because you guys are making millions of dollars on our land. I think you guys should be paying us for spoiling our land. Even the elders and the young people are talking to me. I was the Chief at one time too. I know what they are talking about.

These are the concerns I wanted to express. There are some people who will be talking about their concerns also. So in regards to these treaty rights, we are even talking about our water, our lands and our wildlife and our environment. We are going to have to negotiate what we can benefit from this mine. Sometimes it is difficult, but I am pretty sure that we can resolve all these difficulties. Every time it seems like the agreement that we agreed to, there are always changes.

We also have a caribou management board who are monitoring the caribou. It is not even wrong, but the BHP mine is in operation. I traveled up to that other mine that is not very close. Before they used to have a lot of caribou around that area where the mine is situated, but now you do not see any caribou around there or you do not see any wolves around there. There used to be a lot of caribou and wolves. For me, it is like after the mine development, you guys closed my bank on me because that is how I used to make my living, by trapping. Now I go to the Bank of Montreal to get my money. (translation ends)

MR. LAURENCE CATHOLIQUE: First of all, I want to say I am thankful I have been given the opportunity to address my concerns to this board and to BHP. First of all, I just want to say...I can probably draw you a little picture of what I do for a living. By trade, I am a hunter. I am also a trapper. When I go out, I hunt so I can provide for my family. I have done that for many years.

Until recently, where I come from, things begin to change. There is a lot of mining activities that is happening within the Nigetut territory. I have had a difficult time from being a trapper to become involved in the mining industry. So the people that I speak for also lived off the land to provide for their families. Today, they try to adapt to any way to get involved in the mining industry.

I had an opportunity to go to a mine in Saskatchewan, I think some of you heard from a place called Cop Lake. There is this one fisherman who had the same problem with a uranium mine. What happened there is that he cannot fish anymore because all the land and waters that he fished at and he cannot make a living at it anymore. But what he did was approach the mine company and he told them what was happening. You have to give me the training, you have to help me and be able to try to be able to get a decent job contract. And that is what happened. I guess they trained him and listened to him and they have given him the contracts. Today he has his own contracting company.

I think those are the kinds of things that I am talking about here today. Because you know, where I come from, there is still a big percentage of people still walking around with no jobs, getting frustrated and here BHP talks about the number of people they having working for them. It is not so. We do not have a great number of jobs out there. They talk about the northern jobs, people from up north should be employed in the mining industry but I do not see that today.

I know a lot of the workers I talk to say that people from the south come up here and after a couple of weeks they head back down south. I do not think the north is benefiting that much as the way the numbers they put forth over here. We know too well that a lot of times we talked about our treaties. Back in 1899 the First Nations, the people who signed treaties with the crown. Not only ourselves have treaties, also on the other table, they have treaties also and I do not think they know that either. When you sit down and make treaties, there are two parties. But there is still a lot of outstanding issues that I think needs to be discussed.

I think the day the environmental issues I think people talk about, I am in agreement that some of the work that is happening, all that research and how they try to, well they say that they do not want to damage the environment. I do not have any problem with that up to some degree, how they try to. It is not like in the old days I think when they when people go do any kind of monitoring. They say there is monitoring in place too also but I think that the one area they need to re-look at again should be people within the area where our impact should have the opportunity to be able to monitor because when BHP talks about the monitoring, how do they do their research? For me, it is one-sided.

They can probably say anything they want, but I think there needs to be another board set up that consists of the people that are closest to the mine that they can do that kind of work. They need to do that.

I also want to say that when BHP first came around and negotiated the IBA, I was fortunate that I attended a couple of sessions. At that time, I think our people were not prepared because we were only given a certain number of days that we were supposed to negotiate. When the people talked about the agreement that has been made for \$1 million, ourselves, we have to divide that in four communities. We come up with \$250 thousand every year. You know, that is peanuts.

That is nothing compared to what they make, but I think what should happen is that there are three new additional pipes that they are talking about. I think that has to be

taken into consideration, to go back and re-negotiate that. I think the board should consider that.

I think the people, they want to work the kind of industry that comes unto the land or any governments. I think by right we should be treated fairly. I hope that those three new additional pipes that they are talking about, we need to discuss that with BHP. So I am in the same boat as my friend Rick who spoke earlier. At this time, I cannot support the application that BHP has put forth unless we sit down with them and re-negotiate the three additional pipes. Thank you for taking the time to listen to me. Thank you.

UNKNOWN SPEAKER: I am from Lutselk'e also. I sit on the corporation development board. I am not really prepared for this. It was a last minute thing. I was told I was to talk under the caribou but I will give it my best shot anyway. I guess the one concern I have about the caribou just lately I was working for Monopros over at **inaudible** Lake and I am doing an archaeology survey with a guy from Calgary. Sometimes I have to on my own, walking all day looking for artifacts and so on along the shore of some lakes, so I cover a lot of ground – 15-20 miles a day.

One day I ran across six injured caribou. They were crippled and some hind and front legs were damaged somehow. The sad thing about it was that two caribou were females and they had young ones with them. Those females were so thin. The young caribou tried to feed on their mother but they could not. It was pretty sad to see that. Then people have a custom if they see an animal like that, you have to shoot them or get rid of it and I was told I was not supposed to kill any animals around there. It was pretty sad for me to see that. I just had to let her go and I told the guy I was working with that I had seen all these caribou today and it did not look good. These caribou were migrating from the BHP area and I guess they were migrating over the boulders. What came to my mind first is that is where they were coming from and that is what happened.

I am a land user myself and the caribou has been my diet since I have been a kid and I would like to maintain that. People should know when it is a good time to kill a caribou, not too fat. They do not kill just any caribou. I also run a big game hunting camp with some people. I do not like what some mining company had to say about a caribou one time. I am not going to say it is BHP or whoever. The caribou herd is going to be extinct anyway, sooner or later. They made that kind of comment.

People are trying to benefit. We are trying to be equal. I understand there is a lot of money involved in diamonds. Everybody wants to get it done with. I understand three more pipes are coming up. I understand what kind of deal has been first with BHP. There has to be an option or opportunity to re-negotiate. The Dettah people are trying to govern themselves too. I understand there are all kinds of levels of government people in here right now. We have to be given the opportunity. This land is not federal yet. This treaty land is not settled yet. We are trying to negotiate. The treaty was signed quite some time ago. This is what I do not understand. The surface land the Dettah people owns, maybe 450% of sub-surface. I do not know where you are coming from with that. Anybody who has been on that surface have rights to own the

sub-surface also. That is what we are trying to negotiate, the Treaty 8 with the government. Then we will try to work together with mining companies. I am trying to make a point as best I can. I was not prepared, but I think the mining company and the territorial federal government has to listen to it. The Dettah people will try to work together to get things going and not try to be greedy or things like that, try to be equal. Thank you.

MS. BRENDA PARLEE: Thank you. That concludes our presentation.

MR. CHAIRMAN: Thank you representatives from Lutselk'e. You can now turn to areas for general questions from the public. Questions from the floor. If not, we will give a chance to BHP to respond. Any questions?

MR. JIM EXCELL: Thank you, Mr. Chairman. We were in Lutselk'e for an afternoon of presentations on the project and an update and it went on very well. One question is we were due to come back on October 4, and I presume that is still on.

UNKNOWN SPEAKER: We have scheduled that in for October 4.

MR. CHAIRMAN: Thank you. I believe there was a question from this gentleman over here.

MR. ISADORE ZETA: (translation starts) You are sitting here but then when I was younger I used to work out in the land. I remember a lot of years before the town of Yellowknife even started here. We live here near the city of Yellowknife. We live in Dettah. We go to town almost every day from Dettah. We have been living in this area since the town even started, before even the white man came to this land. So, when you talk about starting a little town or something like that, we know how a town starts because we have seen it first hand when the town of Yellowknife first came about.

We should just take our time when we first start working on something new and then in years to come and we know that it is going to be an expansion. We know about those mines too that start up. We know about the Giant Mine, how it started and everything and all those other mines that are coming up on our land.

We live close to two mines here. Look at our land, look how big of an area was ruined or spoiled, but to this day we never had anything, any kind of benefit from all the land that was ruined. We did not even know that it was going to have a big impact on our land. We did not know that back then. We do not want the same thing to happen to us today. That is why we have so many concerns.

When they first started the mine Ekati, they were talking about five open pits. Now they want to open three more, so they said they will have the mining operation for 25 years. What I am trying to say is that we as elders here did not know that the mine was planning on being in operation for 25 years. Maybe in the future, mining will be in operation for 100 years, who knows. Look at Giant Mine. Look at Con Mine. They did not predict to be in operation this long, but it is still running today. Now they say they

found three new pipes at Ekati, so how long do you think it will be in operation -- maybe more than 25 years? That is why we want to re-negotiate with BHP.

When they have a winter road here, we want to go out there if they have the road open. We know that the water level is going down too. We have been watching everything. We have been told about all these changes, but we want to take a look for ourselves at those mines and how they do the open pits and they even do the blasting, where they put the gravel. We want to have a detailed look at all these things ourselves, we, the elders of this community. That is why we want to go there, sort of like a tour for two or three days just to have a good look around. We want to take a look at the land and maybe go up in the plane or helicopters. We want to have a tour of all the areas so that we know exactly what is happening. Maybe the migration routes.

In those days when I was young back in 1940, we did not have any non-native things around here. In the past, our ancestors worked really hard and now we have opportunities to do things for our young people today and we want the best for our children. Everybody does, so that is what we want for our future.

All you people are sitting here listening to our concerns. We thank you for listening to us. We, the people of the Yellowknife River, Weledeh, have seen how those mines can affect our land and how it can affect our people. We as elders here have concerns and we hope you listen to us. If you want to expand the project in the barren lands, you should really consider the affects on the water, land and wildlife there. You have to really consider those things. You have to think hard about all the wildlife that is there, even the fish. You must consider the bugs in the water that provide food for the fish, as well as plants. These things just cannot be ruined. How are all the other animals to survive?

I remember way back before the white people ever came to this area, a lot of our people were really poor back then. We tried really hard to survive on this land because this land was cold. We did not have the big machineries or anything like that way before the white man came. I remember how I grew up when I was young, but today, everything is different now. Today we use skills-doods to go out on the land and we even drive trucks around town.

We want to have some kind of economic benefit from the use of our land. We want at least compensation or royalties is what I am talking about. We want that for all the impact that you guys are doing on our land. There are a lot of people who do not have very high educations. I am sure that those are the ones that you will not even hire if they do not have a grade 12 education. Maybe we can encourage our young people to get their grade 12 education and further, maybe university degrees. That is why we need your help, to encourage our young people to further their education so they can take part in the growth of the development on our land.

Every year everything is changing. There are lots of fuel spills on the snow, on the ice roads and there are oil spills. If a vehicle goes through the ice, everything is ruined. The water is ruined from the fuel and oil. All these concerns we have and all these things

are happening on our land. I hope you take my concerns into consideration. As a resident of Dettah near the city of Yellowknife, I hope you consider my concerns. (translation ends)

MR. CHAIRMAN: Thank you. Could I have your name for the record please? Isadore Zeta, for the record. The other gentleman beside him, would he like to speak? He has the microphone, I was wondering if he wants to say something.

MR. MICHEL PAPIER: That is a time white man scared, and we scared white man that day too. We have never seen a white man before. We have never seen a mine before. So white man comes to Yellowknife. We are happy we see the white man anyway. In the springtime she hired me; she hired 12 boys. I worked for 25 cents an hour and then she told me you had to **inaudible** yourself. There was no store at that time. ...**inaudible** After that, ?? started in 1935, in the springtime, \$5.00 a day. I worked about three years over there. **Inaudible**. There were a lot of tough jobs, so I worked three years there and I quit anyway. I moved to Con Mine. ...**inaudible**...I started work over there. I looked for a good job....**inaudible**... Now I have no job. Everybody used a dog team at that time....**inaudible**...I looked for a good job. ..**inaudible**...For six years I worked for the highway. ...**inaudible**...I do a hard job. I am 87 now. ...**inaudible**...Now, all the children should know how to make a mine. There is going to a lot of mines over there, you know. ...**inaudible**...In Yellowknife, she hired lots of young persons that day, 1935. ...**inaudible**...He got a good job. ...**inaudible**...He is about 60 years old now....**inaudible**... White man and Indian should work together. ...**inaudible**...We will work together. ..**inaudible**...My son got two babies. ...**inaudible**... Thank you.

MR. CHAIRMAN: For the record, that was Michel Papier, representative of the Yellowknife Dene Band. Just to get back on track, perhaps I should ask BHP if they have any further questions or concerns.

MR. JIM EXCELL: No.

MR. CHAIRMAN: Any questions or concerns from the board?

UNKNOWN SPEAKER: None.

MR. CHARLIE SNOWSHOE: Hello and good evening everybody. Sorry for missing part of the public meeting which from the time the board got started, BHP was already talking business. What I am hearing tonight is what I always wanted to hear: public concern from the communities of the development that is going to be happening. This is the first time I am hearing from the local people in the area. It is very interesting. We all know and understand what is happening when the developers come in. That is the reason we set the board here, the in Mackenzie Valley Environmental Impact Review board, in order to try to help the best we can, to see the development come in and to see that the work is going be done the way you people want it.

This is one thing I want to bring up. We have been set up for the last two or three years now. I am going to tell you we are not recognized. Ask the board. We were set up to

work with you people, but we are not recognized. Nobody is coming up to tell us this is what is going on and this is the first time I am sitting in here to hear that. Somebody mentioned tonight that they wanted to set up another board. I am going to tell you something that if you are trying to set up another board, you are going to have a little fun.

-- Laughter

We are having fun right now. As you have all heard in the past what has happened with the board – it is just about to dissolve for the funding that we were getting and the work that is going on. I would like to say to you that if you are thinking of setting up another board, God help you in that area. We are having fun right now with the federal government to even get funding. It took a lot of time to try to keep it going, but the one thing I wanted to say is that I am really happy to hear the comments, the concerns that are coming out from the public. Whatever you people are saying we try to do our best to hear you out and to do the work the best we can. We do not have that much activity. I came from Fort McPherson, Northwest Territories. Not much activity has been happening in the past concerning mining. I am learning from you people. Thank you.

MR. CHAIRMAN: Thank you for those general comments, Charlie. Are there any further questions or comments from the board?

I would like to thank the elders for their presentation. People from Lutselk'e speak Chipewyan, but the elders understand Dogrib, so I will ask the question in Dogrib.

(translation begins) He mentioned that not very many people from his area work at BHP. He also mentioned that in smaller communities there are not a lot of activities happening. There are no jobs for the young people and what kind of activities are being done in their communities. I would like to hear more about that.

There are problems associated with people working at the mines. They were experiencing social problems so I was wondering if they could elaborate or clarify on that question. My question was Elder Baptiste mentioned in his presentation that there were problems, not only with the IBA but the social life. I was wondering if he could elaborate a little bit about the social problems that are occurring.(translation ends)

UNKNOWN SPEAKER: (translation begins) I was in the community after the mining company was open. In the past, it never used to be like that. In the past, we never used to have any **inaudible** and people used to live really good. Now that everything is changing and people are encountering all kinds of problems. Drugs and alcohol is everywhere in the communities. It is because people are making a lot of money from the mine. Is that what you are talking about?

When I was 20 years old, I never knew what alcohol was. Since 1950, the first time I have been to Yellowknife, at that time alcohol was so close to the aboriginal people but then it was open for 1951. Then people never used to come to Yellowknife. They used to go to Fort Resolution. After the Giant Mine had opened, stores had opened and many

people came to Yellowknife so they are having problems with the alcohol. They have bars here. I had problems with alcohol as well. Now there is a lot of mining activity happening on our land, what is going to happen with their social life? We have to teach them how to make money and how to make use of it. We are concerned about our social life in the communities as well as our wildlife and environment.

All these problems are occurring because of the mine. I think that the mining companies should help us. If we started working towards a good goal and try to work good together, we would solve all the problems that we are having. Thank you. (translation ends)

MR. CHAIRMAN: Thank you. Before we move on, are there any further questions from the board?

MR. DENNIS BEVINGTON: My question was to Antoine Michel. He talked about the condition of the land after mining operations. Is there some understanding as to the kind of condition you would like to see the land left in after mining operations have taken place?

MR. ANTOINE MICHEL: I do not know if you can put it back the same when they damage it. It will never be the same again. I think what John is saying from the impacts of the mine, I know what he is talking about.

As you look now, there is going to be more people coming in and a lot of people are going to try to get jobs through the mine. Not only native. As we see, it is a lot of people in Yellowknife now. It is going to be more people. So if other mines open, there is going to be more people. That is what John is talking about. All the signals that are coming down from South. That we know.

In the olden days, they said there were no doctors. Now, you cannot go without a doctor. That is the thing that he is talking about and he is worried about his future. The kit down the road.

The environment is very important for us. Like I told you, the changes that we have seen in, what, five or six years. Things are changing already. Like what John is saying, let us get help from the mining people. Come and sit down with us, maybe we can negotiate on some of those things. How we can help them out, monitoring. I think that is one of the important things for us, Dene people, if you really look at it.

It is so easy. We do not even have to go through court. You can just sit and page us in our community. Listen to our problems and you guys can help out. For the amount of money we are giving, like what Archie said, is peanuts. It is true. Everybody is telling us that. We know it, yet we still sign it. That can be fixed here.

Sixty days, you cannot do anything in 60 days. Not very much because you have to translate what every word for word. When you are translating through elders, you have to maybe translate it 3 or 4 times, until they get it. It is hard to do. Just one translating and everybody can understand. Try English, you guys can understand that. However,

when business people talk to you, they use high words and there is no word for some of those words.

So those kinds of things are so easy to fix. All we have to do is sit down together, like the board right now. I like what Charlie said. Sure, now we have a board here. Treaty #8 should have a board like that, going over our Territory. Perhaps we could put a line there now. There is more diamonds behind our backyard and there are more minerals. Let us go put the line down, if we sign a treaty like that, then you guys deal with it. That is what is going to happen with the mining companies.

So you pull the cord. Let us sit down and talk about those things. That is all I am saying. Thank you.

MR. DENNIS BEVINGTON: Thank you for those comments. There is a question of restoration that comes up. It is a question... we have heard different things from people about whether they feel like, what I am hearing you say is, that some respects, you do not see the restoration. Do you feel there is a role for restoration in this process, afterwards, to mitigate these impacts?

MR. ANTOINE MICHEL: I have done a lot of travelling in my time. I went down South. I saw the things that, down South, it is not like here. The North is so clean and we want to keep it that way. I have seen how the damage covers up again.

In Arizona, after they took the coal mine out, maybe that can work, but we do not have that kind of earth here. It is mostly rock. How can you cover that, in a way to make it look the same? I do not think so. It will not look the same but maybe that is the kind of thing that we can talk about on the table. How can we work together on those types of issues? That is what you mean. Thank you.

MR. DENNIS BEVINGTON: Thank you.

MR. CHAIRMAN: Further questions to the board? If not, we can move right into the Department of Fisheries and Oceans presentation.

MS. TASHA STEPHENSON: My name is Tasha Stephenson. I am a habitat management biologist here in Yellowknife with the Department of Fisheries and Oceans. Our department reviews the environment assessment report and the associated information pertaining to the BHP proposed expansion project. We asked to make a presentation to the board, both, for the public's, as well as the board's information. We thought it was important to summarize our main points of concern in our written submission.

So to preface my comments, I should probably explain what our department's mandate is. The Department of Fisheries and Oceans is responsible for the management and protection of fish and fish habitat. DFO's habitat management policy has, as its overall objective, a net gain in productive capacity of fish habitat. We try to achieve this first, through conservation of existing natural habitat and, additionally, through restoration and enhancement of degraded habitat. The no net loss policy requires that unavoidable

habitat losses be compensated through fish habitat replacements on a project-by-project basis.

Based on this objective, the Department of Fisheries and Oceans must insure that adequate compensation for fish habitat losses, associated with any proposed project, are in place. This is DFO's main concern. There will be fish habitat loss and loss of fish populations from this expansion project.

The proposed expansion, as it was explained today, and in all the documentation, will wipe out fish populations and result in complete loss of habitat in five small lakes. As well as having a negative impact on other lakes and streams and ponds in the area. This is in addition to the dozen lakes already written off under the initial project authorization. If this expansion project is approved, BHP will request our department to authorize the destruction of fish habitat under section 35 of the fisheries act and DFO, in return, will require habitat compensation to achieve no net loss of fish habitat.

BHP has put forth some compensation concepts for discussion. However, to date, BHP has not presented an approach for compensating the loss of lake habitat that is satisfactory to DFO.

BHP assertion that mined out open pits will be restored to productive fish habitat is still questionable. There are many unanswered issues that need to be resolved before we can conclude that this is a doable objective. While we are certainly interested in the potential results of such an experiment, at this time, DFO is not convinced that reclaimed pits will be adequate to achieve no net loss of fish habitat.

Similarly, DFO is not yet satisfied that stream habitat compensation proposed with the stream habitat compensation proposed by BHP. The bottom line for our department is that we will not proceed to issuing an authorization until we are confident that no net loss of fish habitat can be achieved.

The significance of losing the entire fish population inhabiting the five lakes in question is a concern. BHP suggests that these losses are insignificant in the regional context. The professional judgement needs to reach this conclusion differs from that, which embraces another DFO policy, which is a precautionary approach, which dictates that, where knowledge is uncertain, it is better to err on the side of conservation.

In addition to our main concern about the loss of fish and fish habitat, DFO and several other points of concern were outlined in our technical comments. Briefly, they are that the back filling of pits with processed kimberlite raises concerns about water quality from using uncontrolled back fill pits as processed kimberlite storage areas.

More study and modeling needs to be done on the toxicity of kimberlite to predictions that a meremcitic lake will become an established, the remobilization of contaminants, both in the lake itself and down stream, before the potential of this proposal can be assessed.

Secondly, there is inadequate baseline information on several water bodies that will be affected by the expansion project. These were outlined in our written submission. DFO recommends that these data gaps must be adequately filled prior to further activities on the expansion being initiated.

Several departments have raised questions about waste rock seepage problems, in spite of BHP's statement that waste rock will be inert or benign observations on the current Panda pit waste rock indicate that this is not necessarily so. Although BHP is now conducting more intensive monitoring of the Panda waste rock dump, the origin of the seepage problem will likely not be resolved for a couple of years and it is not yet known what impact will occur to nearby lakes, if any.

DFO is concerned about the gradual acidification of lakes near the waste rock piles and the associated contamination. BHP proposed mitigation of potential waste rock drainage problems by constructing frozen rock-fill perimeter burns around their waste rock dumps. However, if the perimeter burn does not contain all run-off, there is a high probability, especially around the Sable development, that it will drain quickly into nearby lakes, which have little capacity to buffer acidic inputs. DFO, therefore, recommended that the characterization of the acid drainage from the Panda waste rock pile and the construction and assessment of the proposed frozen perimeter burns be completed prior to approval of further waste rock storage areas. Upon approval, synoptic water chemistry monitoring programs during spring melt and mid-open water season be carried out on all lakes surrounding waste rock piles and also, we recommend that BHP provide contingency plans for collection and treatment of run-off, if necessary.

Acid rock drainage from roads, paths and other infrastructure built from waste rock was not considered in the environmental assessment report and DFO is concerned that there may be potential for further impacts on water quality from such infrastructure. Therefore, we recommended that materials used in construction of roads and other infrastructure be tested for their acid drainage potential and associated contaminants and contingency plans should be specified.

With regard to water quality, phosphorus is a nutrient and BHP proposes to contain phosphorus, either within the Long Lake payment area, or at the Sable development, within the two rock lake.

The chemical and physical differences between the Long Lake containment area and the two rock lake and how these factors may affect phosphorus contained or released from the two rock Sable system are not analyzed. Considering that the prevention of eutrophication of down stream lakes hinges on the assumption that they are phosphorus limited and release of nitrogen compounds will have no eutrophying effect, as long as phosphorus is contained. We feel this is not acceptable.

BHP proposes that the release of nitrogen compounds does not need to be controlled since the aquatic systems are phosphorus limited so the control of phosphorus is assumed to be sufficient to prevent impacts on the trophic status. However, this

overlooks the potential water quality effect of nitrogen, if nitrogen is in the form of ammonia, which has related toxicity affects to aquatic life. I think, again, DFO is not the only department to comment on a potential problem here.

So we recommend comprehensive monitoring to detect early signs of water quality changes, both for phosphorus and nitrogen and that BHP again, should specify contingency plans.

Two final comments pertain to unsubstantiated conclusions or assumptions about fish habitat. Fish habitat is defined by BHP in the environmental assessment report, as it is defined in the fisheries act, and that is spawning grounds and nursery rearing food supply and migration areas, on which fish depend directly or indirectly in order to carry out their life processes. BHP should be applying this definition in their assessment. However, BHP's conclusions in the Environmental Assessment Report, often contradict the evidence.

For example, the report states that the Bearclaw-Beartooth stream does not possess fish habitat for any life stage of Grayling or Lake Trout when, in fact, juvenile grayling and juvenile lake trout were caught in the stream during baseline surveys.

Similarly, several other streams were concluded not to support fish habitat on the basis that they were merely temporary streams. The statement that was shown to be unfounded by a DFO site visit, when we found that several of these streams were flowing sufficiently in August. We walked the full length of some of them. However, it also ignores the more complete definition of fish habitat, which is that a streams habitat value may be more than simply a possible migration route.

The assessment of impact is thus skewed by the erroneous conclusions about what is and what is not a fish habitat and DFO recommends that BHP re-evaluate the fish habitat in the lakes and streams that will be affected by the proposed expansion development.

Connected with their assessment of fish habitat, BHP considers that the loss of small fish populations and associated aquatic habitat in the lakes that will be destroyed, which they refer to as isolated self-sustaining lakes, is a negligible effect. DFO questions the assumption that affected lakes contain isolated and self-sustaining fish populations. As I said, site visits confirmed that these lakes are connected to other water bodies with streams that are, at least, seasonally passable. Therefore, the conclusion that is probable these lakes do not contribute to the regional fish gene pool is unsubstantiated.

As previously mentioned, we have little data by which to judge the potential significance of the loss of several small lake fish populations.

So, in conclusion, these are some of our concerns about the proposal at this time. DFO is not yet satisfied with the mitigation and compensation proposed by BHP. However, we will continue to work with BHP towards discussions on these issues. Thank you.

MR. CHAIRMAN: Thank you very much for your presentation. If we have any questions from the general public? We have somebody in the back raising their hand. Can you come to the microphone here please.

MR. ERIC KNOTT: I am just concerned, as far as the DFO, when we speak of compensation. I am just curious as to what the money is going to be used for the compensation. Is there going to be some fish habitat set up to grow some new fish, if indeed some are going to die off?

MR. CHAIRMAN: For the record, could we have your name, please?

MR. ERIC KNOTT: Eric Knott.

MS. TASHA STEPHENSON: Thank you, Eric, for giving me an opportunity to clarify what I mean by compensation. As some of you probably know, for the original Ekati project, DFO and BHP could not easily come up with solutions for actually replacing the fish habitat that was going to be lost in the time frame that we had. So we agreed to set up a habitat compensation fund, which was money, to be satisfied to be used in the future for projects to actually replace fish habitat.

That is DFO's perspective when we talk about compensation. We are not talking about paying somebody to replace the loss of fish and fish habitat. We are talking about actually replacing the fish and fish habitat.

MR. CHAIRMAN: Further questions from the floor? If not, perhaps we can hear from BHP.

MR. JIM EXCELL: Yes, I would just like to make a couple of comments. First, I would like to thank Tasha for her presentation...

MR. CHAIRMAN: One more question from the floor.

MR. CHRIS O'BRIEN: My name is Chris O'Brien. No, I have two questions but I guess I am just allowed one. I am wondering which one to pick. Well, I think you may have touched on your presentation on the regional impact of the loss of five lakes and you did not mention a number of the streams and ponds. Could you just, very quickly, describe to me the regional significance of this impact?

MRS. TASHA STEPHENSON: That is a very good question. We now have, as I said, a dozen lakes that were authorized in the original Ekati project, to be destroyed or altered in some way. There is, approximately, half a dozen with Diavik. We now have an expansion proposal for an additional five lakes and, to tell you the truth, I do not know the number of kilometres of stream because there is this question of what is and is not fish habitat. There are other mines, potentially, coming on and future expansions so it is difficult to say how far along we may be towards some future end.

I think the relevant question for our society and our government is do we know what an acceptable number is in the long term. How many lakes are we willing to write off or to

alter and try to replace? Personally, I do not know the answer to that question. It involves the cumulative impacts, which, at this stage, is still a framework working group working on a framework to deal with cumulative impacts.

So it is not an easy answer to say that the regional significance is this or that.

MR. CHRIS O'BRIEN: Well, you are getting to my next question, but you sort of answered it. It was, can DFO see a possibility for setting some limits in the future for loss of further lakes and streams and does it have any idea about possible thresholds for the loss of such lakes and streams and how to determine them? I guess you have answered that question by saying DFO is not doing any thinking and maybe no one else is. It is not something that is really being thought about now, is that generally.

It seems to me that this is something that this board could find very interesting in the long term future because I am assuming this board will be around for a long time. Sooner or later, it is an issue that is going to have to be dealt with by the board. Perhaps within the lifetime of BHP. Has DFO done some thinking about this? Is there planning going on for this day when...?

MS. TASHA STEPHENSON: Ron has just pointed out to me that if the habitat is compensated for with appropriately replaceable fish habitat then, in the long term, our objective of no net loss would mean that we could go on indefinitely replacing one piece of habitat with another. I do not know if that actually answers the question that you were just getting at.

Is DFO thinking about it? Well we are grappling with how to go about achieving appropriate compensation at this point.

MR. CHRIS O'BRIEN: My question is that replacement of habitat will not always be possible, therefore we will have to deal with this at some point. I guess that is it for my questions. Thank you.

MR. CHAIRMAN: Thank you very much, Chris. Perhaps we could go back to BHP.

MR. JIM EXCELL: Thank you, Mr. Chairman. I would just like to make a brief comment. One, thank you Tasha, for the comments that she has made. We have responded to her very detailed issues today in writing, so that will be on the public record.

Some other things that she brought up were issues of kimberlite toxicity, ARD seepage issues, stream fish habitat. I just wanted to assure everyone that we do indeed have studies underway in each and everyone of these areas at this point in time. We look forward to working with DFO on coming forward with a good no net loss plan for these lakes, which we will have the opportunity to move forward with this project. Thank you, Tasha.

MR. JIM EXCELL: Mr. Chairman, just one other comment to keep it into perspective with these new pipes as well. Remember, we are not mining the Leslie pipe, so the

number of lakes is much more in balance and it is not just adding up. Some are coming back or not being affected. Thank you.

MR. CHAIRMAN: Thank you for those comments. Any questions from the board? Gordon Wray.

MR. GORDON WRAY: Thank you, Mr. Chairman. A question for Ms. Stephenson. For the record, Ms. Stephenson, I take it then that is DFO's position that Beartooth Lake, Big Reynolds Pond, Sable Lake and Two Rock Lake, in fact constitute a fishery, as defined by the Fisheries Act? That is the official position of DFO? They have a fishery, under the Fisheries Act?

MS. TASHA STEPHENSON: We are saying that they are fish habitat. If they contain fish, they are fish habitat.

MR. GORDON WRAY: But are they officially a fishery as defined by the Fisheries Act?

MS. TASHA STEPHENSON: We are not commenting on whether they are a fishery. We are merely talking about the management of fish habitat and fish habitat is defined in the Fisheries Act and, as I mentioned, in the Environmental Assessment Report.

MR. GORDON WRAY: My second question is you talk about further studies and modeling for kimberlite toxicity. The way that BHP is doing a fair amount of work but I am also aware that Environment Canada is also doing quite an extensive bit of research. Are you suggesting additional studying and modeling, like the stuff BHP and Environment Canada are doing is not sufficient?

MS. TASHA STEPHENSON: No. I am not saying that it is not sufficient, I am just saying that we do not have enough answers at this point to say that a lake that filled with kimberlite is going to be a productive fish habitat.

MR. GORDON WRAY: Thank you.

MR. CHAIRMAN: We have a question from Mr. Pope.

MR. POPE: Thank you, Mr. Chairman. Just to clarify, please if you can. Over the period of this afternoon and this evening, two different groups talked at length about negotiating their IBAs to try and get a better deal than they have from the first go around with BHP. They have also stated that they will not sign off or approve this project until the time this is done.

The government of Canada through DFO is saying the same thing. Unless you get a compensation package to the department, you will not be able sign off on this either?

MS. TASHA STEPHENSON: Yes. That is correct. However, I would like to underline that we are talking about a different type of compensation. We are not talking about money.

MR. CHAIRMAN: Further questions from the board? If not, perhaps we can have the next presentation made by NORD. The Northern Organization for the Responsibility of Development.

However, before we go into presentations, we have been going a little bit over our time limit and I think we have about another five presentations to be made. Your papers are on the public registry. It is there as evidence for us to consider. What I would ask that you do is go over the more pertinent points in your presentation and I think we will get through the evening much quicker because we do have a slate of individuals who want to make oral presentations on the floor. So please keep that in mind.

The presenter for NORD.

MR. BILL AHE: Mr. Chairman, I would first like to thank the board for providing us with this opportunity to make this presentation here, this evening. I would like to introduce myself. My name is Bill Ahe. I am currently the president of NORD, which is the Northern Organization for Responsible Development. With me here, tonight, are two or three of our board of directors. Our organization was registered under the Societies Act, May 18th, 2000. We are an organization of Northern individuals and business people who have interest and stake in what role occurs, as far as development, in our Territory.

Since the review process began for the original BHP mine, members of our organization have been making presentations to various public forums on behalf of themselves, or as representatives of organizations, such as the Chamber of Commerce, the Construction Association.

We felt that our voice was not being heard and that our views were not being given due consideration. We felt the need to become more organized and focused. Out of this, NORD was born.

The years of experience of our membership make us a recognized and credible voice for responsible development in our Territory. We believe this is crucial, as we will be the ones who have to live with the consequences of the decisions made at forums such as this.

We understand that the development of our natural resources is the only way to better the lives of all that live in our Territory. We require that this development be responsible to the environment that we live in and to the people who live here. Our organization is young, but it is growing fast. Our membership includes a broad spectrum of the population and the business community.

We are here, today, to help assist and seeing that the regulatory process that will allow development in our Territory will be trite, fair, and timely. We do not wish to see potential development, large or small, discouraged because of a process that is not affordable and clear.

I would like to speak briefly about the guiding principles of the Mackenzie Valley Environmental Impact Review Board. Number one is the protection of the environment

from significant adverse impact of proposed developments. NORD is in total agreement with this position. We are only interested in furthering the economy of the Northwest Territories with the long term safety of our environment secured. We do, however, recognize that there have been many forces at work, in the Northwest Territories, that are making these decisions more difficult than they should be. We encourage you to focus your efforts on an imperial information provided to you by the regulatory agencies and the proponents to make reasonable and informed and timely decisions.

When you are considering BHP's proposal to alter their mine plan, we encourage you to recognize the importance of the approval already given by the Environmental Assessment Review panel.

Your next principle stated as follows: "The protection of the social, cultural and economic well-being of residents and communities in the Mackenzie Valley." This principle truly embodies the need for safe and timely development in the Northwest Territories. It is our belief that this board must proceed with a positive attitude towards development in order to protect the well-being of the residents.

There is little else in the Mackenzie Valley that has long term economic spin-off. We must encourage mining and oil and gas companies to harvest our non-renewable resources and set guidelines that protect our environment, while allowing reasonable projects to proceed and bring economic prosperity to our region.

The training opportunities offered by these major international companies are long overdue in the Northwest Territories. We must take advantage of them now if we are to see an elevated standard of living for all of our residents of the Mackenzie Valley, in the years to come.

If we think about the children that are in Grade 9 and 10 right now, they are going to be coming into the job market about the time BHP, Diavik and the oil and gas should be hiring additional full-time employees. Without these major projects to look forward to, there is nothing for them to train for, or offer them a future. These projects will have the potential to carry generations of families in the Mackenzie Valley to a higher standard of living, bettered education and reduce dependency on social programs.

Let us not forget that projects, such as BHP's Ekati mine, inject approximately \$100 million into the economy in goods and services annually, along with \$35 million in salaries. Please take time to review your guideline principles every time you evaluate and make recommendations to the Minister of DIAND.

Since the beginning of the diamond industry in the North, a review process has been continually changing. The original BHP project was a paneled review and took about 26 months to complete, from ground zero to an operating mine. The Diavik project was reviewed under comprehensive study and will take about the same amount of time. The changed Ekati mine plan, we understand, could take up to 28 months to complete. It is hard for us to understand why the addition of three pipes of an existing mine plan could take so long to approve or reject. We believe this is sending the wrong message to

those that would consider development in our Territory. The process has to be clearer defined and timed. Smaller developers may look at the experience of the two mines that have gone through the process and decide to take their development dollars to other regions where the process is clearer and they can determine whether or not they can do business in the Territory.

We do not want to make our Territory out of reach for development, large or small. One road block that we see coming over the horizons is cumulative effects. This is an issue that has to be addressed collectively, not separately, by each developer. A mechanism has to be put in place to deal with cumulative effects on an ongoing basis so it does not become a stumbling block for future development.

In closing, I would like to thank the board for the opportunity to make our presentation and to ensure them that NORD will provide whatever support we are able to see that the board has the tools and resources they need to make the decisions in a timely matter. Thank you.

MR. CHAIRMAN: Thank you for your presentation. Do we have any questions from the floor? From BHP? Any questions from the Board? Dennis Bevington.

MR. DENNIS BEVINGTON: You bring up the question of process and the length of time that the review process takes. Do you have any idea of other jurisdictions in which these processes are less cumbersome?

MR. BILL AHE: The only information that I have is not direct knowledge that I have. I have been informed by other organizations that the review process in other Territories can take anywhere from 6-12 months to whatever. I have no information to respond to that.

MR. DENNIS BEVINGTON: At the present, this review process started in April of 1999, with this board. The first opportunity this board had to start the assessment process, there was a period before this, it was with the federal government, but this board came into this process in April of 1999. According to our schedule, it was set up at that time, we were to finish at the end of August 2000. That was when the public register was going to close. I think we are planning now to have the public register closing at the end of this month.

So according to our schedule then we have been at it for about 17 or 18 months. How long was the federal process prior to that? You indicated that the federal government did not do anything...

-- Laughter

Is doing nothing part of the process?

-- Laughter

MR. BILL AHE: I think, quite clearly, there was a transition phase in which the decision on who was going to handle the process was being taken by forces that were beyond this board's control. I am not criticizing the board for the timeframe that they have taken. All I am indicating is the overall process seems to be lengthy.

MR. DENNIS BEVINGTON: Well what I am just pointing out to you is this process, this board has had this in front of it for 17 months and will be complete when?

MR. BILL AHE: Well it was scheduled to close the public registry at the end of this month and we were going to close it at the end of August but BHP asked us to extend the public meeting time for a month.

MR. CHAIRMAN: Further questions from the board? A question.

UNKNOWN SPEAKER: In your presentation, you are saying that if we think about the children that are in Grade 9 right now, coming into the job market at the time BHP Diavik and the oil and gas companies should be hiring additional full-time employees. In earlier presentations we have heard concerns about problems with promotion, problems with the Treaty. Can you clarify what kind of training NORD envisions because, once the lives of the mines run out, has NORD thought about life beyond the mine?

MR. BILL AHE: First off, I do not necessarily want to see the mines phase out. If there is potential for them to continue for 50 years or 100 years, I would like to see that occur. The type of potential training, I can speak more to a field that I am involved in, which is construction and the potential for training in that industry. Construction that relates to the mine development and oil and gas development is limitless.

We probably do not have the population to satisfy the needs or requirements of those projects so there is opportunity for everyone there, even in just the field that I am involved with, construction.

My other question is on cumulative effects. I think you have touched on an issue that we talked about. My question is, on the issue of the negative cumulative impacts of this, in terms of the delivery of social impacts that the mine would probably potentially have. Not the mine itself but we have heard over and over again about the millions of dollars that is going to be generated that economy has benefited from the communities, our individuals. However, when you balance it out on the other hand, where negative social effects that come out of that.

So I was wondering if NORD has any idea... or clarification on that, I guess, or what the position of NORD is on that?

MR. BILL AHE: NORD's position on cumulative effects or NORD's position on negative social impacts?

UNKNOWN SPEAKER: Well you just mentioned cumulative effects, so why do we not get down to the social effects.

MR. BILL AHE: I am not knowledgeable enough in regard to the difficulties of the social situation so I am not in a position that I can answer your question.

MR. CHAIRMAN: Gordon Wray.

MR. GORDON WRAY: Thank you, Mr. Chairman. I have not heard of NORD before but in your presentation you say that you felt that your voice was not being heard, as representatives of organizations such as the Chamber of Commerce or the Construction Association. I take it, then, that your view is that the Chamber of Commerce and the Construction Association's views were not being presented. They were not being heard. They were not being listened to? So you decide to form another organization?

MR. BILL AHE: The reason behind organizing NORD was that the other associations and organizations that I speak of have other member services that they provide and focusing on development in the Northwest Territories was only a portion of what they did. Basically, we felt that, in order to have that voice heard, we would have to create and support another organization.

MR. GORDON WRAY: How big of a membership base does NORD have?

MR. BILL AHE: I cannot give you a clear answer to that. Our organization has only begun membership since the beginning of September. Our administrative staff has been on holiday for that period of time. I can answer only for the individual and corporate members.

MR. GORDON WRAY: Thank you.

MR. CHAIRMAN: I do not think there are any more questions from the board. The next presenter will be Diavik. However, I think we should take at least a 10 to 15 minute break before we bring them on.

-- Break

MR. TOM HOEFER: Mr. Chairman, Board members, elders, if there are any left, thank you for the opportunity to address you this evening in the context of the environmental assessment of BHP's proposed mining of the Sable, Beartooth and Pigeon kimberlite pipes.

My name is Tom Hoefer, and I am here as a representative of Diavik Diamond Mines Inc. in my capacity as manager of public affairs. We respectfully place the following comments pertaining to the socioeconomic aspects of this project to you, the board. There is a package that I passed out earlier to Gord Stewart and, included with that, is a report that we had commissioned last year, which I will refer to in here.

BHP stated intent of the project is to replace minable reserves lost with the release of the Leslie pipe from their mine plan, due to economic considerations. The loss of Leslie reduced the mine life from 25 to 15 years. The addition of the three new pipes into

BHP's life plan will enable the company to continue mining for an additional three years, bringing the mine life back up to 18 years.

This is within the range contemplated during the ERP panel review, which concluded in 1996. As described in their environmental assessment submission to you, BHP indicates that this project, to add three pipes, will require no change to the overall work force or accommodation requirements, the mining method or the equipment on-site, the processing method or associated facilities, processed kimberlite containment facility power plant, winter road requirements, or the mining profile.

BHP has presented information on the public record demonstrating its socioeconomic performance to date in the following documents. In socioeconomic reports submitted annually since its operation began in 1997, BHP has provided statistical information on socioeconomic benefits associated with its mine. BHP has also provided results of effects monitoring based on current available information.

In the Environmental Assessment Report of Sable, Pigeon and Beartooth, BHP predicts socioeconomic effects based on the information arising from the current operations of their existing Ekati mine.

This report indicates that the actual socioeconomic effects are consistent with those predicted in their 1995 environmental impact statement and that they are not significant and they are omittigable.

BHP states that monitoring of these effects will continue in order that adaptive management of effects can be applied wherever possible. These documents indicate that BHP has met or exceeded the socioeconomic benefits forecast for their existing operations.

To the extent that there might be deficiencies in the information base or should improvement to mitigation be required, as some submissions on the public registry or this project seem to suggest, the place to address those requirements is through the existing mechanisms established under legally binding agreements, such as the BHP socioeconomic agreement and the various benefit agreements in place between BHP and aboriginal groups within the region.

While the evidence to date would indicate that BHP is meeting or exceeding its socioeconomic goals set out for the existing Ekati mine, these agreements provide mechanisms to allow for adaptive management practices and for the evolution and improvements of mitigation measures and monitoring requirements where it can be determined that existing activities are not adequately addressing adverse effects.

This is provided in, for example, 2.1.4 of the BHP socio-economic agreement, and I quote:

"Whereby regular monitoring of socioeconomic impacts are undertaken and, furthermore, unforeseen events or impacts or impacts that scope the

significance of which are greater than foreseen are addressed and dealt with in accordance with the spirit and intent of this agreement.”

Quite legal language, I think, to say that there are methods available to address any problems that arise.

It appears from the project description prepared by BHP that should the project not proceed and the mine life not be extended, then the positive socio-economic effects of the project will be shortened by three years.

Based on BHP's performance to date, the following socio-economic benefits would fail to materialize:

- Approximately 560 person-years and direct jobs would be lost annually for each of the three years;
- 70 percent or more of the jobs lost would be northerners' jobs;
- The gain of three years of employment, valued at \$40 to \$50 million annually in direct wages, would be lost;
- In each of those three years, the gain of \$100 million in annual purchasing expenditures, in which at least \$70 million in purchasing would be from northern businesses, would be lost;
- Benefits under benefit agreements would also be reduced.

In January 2000, Diavik released a report entitled *The Distribution of the Project Resource Income*, a copy of which was passed out to the board, which estimates that some 40 percent of the total resource income from the Diavik project will accrue to governments, in the form of royalties and direct, indirect and profit taxes. This distribution of resource income is typical of other mining projects in the Northwest Territories, including the BHP project.

Based on this model, Diavik estimates that, should the BHP project under review not proceed as planned, some \$500 to \$600 million of government tax revenues will be foregone. This would place an increased burden on other sources of government revenue needed to maintain projected levels of government services over the life of the project.

In summary, the three new pipes: Sable, Beartooth and Pigeon, were not included in the original scope of the ERP panel review of the project completed in 1996. However, from a socio-economic perspective, the potential effects associated with now including these three pipes in their mining plan are still within the extent of the effects resulting from the 25-year mine life. These longer term effects were recessed by the BHP ERP panel, which concluded in 1996 that they were mitigable and not significant at that time. Diavik is not aware of any information that would be inconsistent with the panel's determination.

Diavik respectfully submits that the socio-economic effects arising from this project to substitute mining reserves should be viewed as having been assessed. Further, Diavik submits that these effects are being appropriately managed within the scope of the regulatory instruments that are in place to ensure that the mitigation measures previously identified are implemented.

In conclusion, Diavik submits that the evidence before the board indicates that the project will have an overall positive socio-economic effect for the people of the Northwest Territories and that mitigative measures currently in place to address any adverse socio-economic effects are sufficient for this purpose.

Pending the board's determinations regarding the biophysical aspects of the project, Diavik urges the board to consider the project favorably and to refer to the regulatory process in the briefest time practical. Thank you.

MR. CHAIRMAN: Thank you, Tom. Are there any questions from the floor? From BHP?

MR. JIM EXCELL: No questions.

MR. CHAIRMAN: Any questions from the board? Gordon Wray.

MR. GORDON WRAY: Thank you, Mr. Chairman. I forgot to ask this question when BHP were making their presentation, but Mr. Hoefler has kindly opened the door.

-- Laughter

In your presentation, you speak of the band agreements that exist between BHP and the various groups. We have heard today and tonight there appears to be some disputes between the two groups over the IBAs. However, you made the comment that there are ways to deal with this. I take it then that what you are referring to is that, in fact, there is a dispute resolution mechanism contained within those IBAs so that in fact if two parties cannot agree, there is a way to resolve any disputes. Is that what you are referring to?

MR. TOM HOEFER: The knowledge of the guts, if you will, of those benefit agreements is not knowledge that I have. I understand those agreements were confidential and still are confidential. So that is a question that you would have to pose to BHP.

I think what I am saying though is that the crux of the issues here are between the company and the people and there are vehicles in place that can address those. Those two vehicles would be the socioeconomic agreement and the benefit agreements.

MR. GORDON WRAY: Thank you.

MR. CHAIRMAN: Are there questions or comments? BHP, Jim.

MR. JIM EXCELL: Just to clarify the point on dispute resolution. The socio-economic agreement has a dispute resolution and all IBA's have a dispute resolution procedure imbedded in them.

MR. CHAIRMAN: Further questions or comments? Rachel.

MS. RACHEL CRAPEAU: My name is Rachel Crapeau, I am the Chair of the Land Environment Committee for the Yellowknife's Dene First Nation. I have a question for Tom Hoefer. My question is, what interest does Diavik have with this BHP expansion? I need to have some explanation. Plus, also, the three new pipes, the environmental and the information regarding the new pipes need to be explored. Does Diavik not see this benefiting worth questioning? I was just wondering about that and if there is another new hearing on another new mine, are you guys going to do this? Thank you.

MR. TOM HOEFER: Maybe let me answer the second question first. That was the issues of biophysical effects. Our submission was purely on the socioeconomic effects, Mr. Chairman. So as we stated, it was pending the discussion on biophysical effects. We would recommend that the socioeconomic effects were not an issue.

We are interested in what is happening in this project, as a member of the community up here and, also, as perhaps a company that might find yourselves in the same situation and I hope to say that we would find ourselves in the same situation because our goal is always to try and live as long as we can.

I am sorry, I forgot the third question.

MS. RACHEL CRAPEAU: Are you going to do this when another new mine is coming up? Is Diavik going to be making the same kind of presentation again in the future if you had to?

MR. TOM HOEFER: Nobody forced us to do this one so I would not say that we had to do this one. I would say, as an interested member of the community, we would step forward if we felt that it was a good thing to do.

MR. CHAIRMAN: Any questions from the board? Micheal.

MICHEAL: Thank you. Tom, just to go back to the life of the mine, which you raise here about the addition, from 25 to 15 years. If this project goes ahead, we increase it by three more years and ream all these benefits you have on the \$40 to \$50 million annually in direct wages, the \$100 million in annual purchasing. Do you also consider the loss of these seven years as reducing the benefits of the Northwest Territories of these same figures which you quote? Thank you.

MR. TOM HOEFER: Yes.

MR. CHAIRMAN: Questions? Dennis Bevington.

MR. DENNIS BEVINGTON: More to that. When you design a mine life with a variety of pits with various or reserves and various values of karats, I suppose there always has to be a compromise between maximum profit and extraction of the resource.

I guess the initial mine life for the BHP mine, at 25 years, extracted quite a bit of the resource and was designed at a certain profit level. Now, where does the interest of the North come in mine life? Where do the interests of the people of the North and the economies of the North, come in the careful design of mine lives so that we can extend and reap the full benefits from a variety of mines, a variety of pits that will give us the maximum return to the North and to the communities? Because, of course, that is what we are here representing.

So perhaps, as a technical question, how do you determine the pace and development of the variety of pits that you have and how is the interest of the public and the economy of the Northwest Territories taken into consideration within that, and the resource, which is Canada's?

MR. TOM HOEFER: That is a big question.

-- Laughter

MR. DENNIS BEVINGTON: Well, it is a germane question, I believe.

MR. TOM HOEFER: Well you touched on a couple of areas. One, initially, I felt you asking the broader question of how we as a Territory can try and extend these opportunities through mine life?

MR. DENNIS BEVINGTON: That is correct.

MR. TOM HOEFER: Is that fair to answer that question?

MR. DENNIS BEVINGTON: Sure.

MR. TOM HOEFER: I think there are a whole ream of answers that you can give to that that certainly people of the Territories should be considering. Some of these are issues of trying to help companies seek opportunities and find opportunities so that you actually have got something that you can mind and the bottom level of that would be something as simple as the government supporting geological surveys in the country side to try and raise the level of knowledge so that companies can find more resources and companies are not asked to do all of that work themselves. That has not been going on up in this country for a long time.

Secondly, it is to set a mineral policy. We have one here in the North that is probably 15 years old now and probably needs a good revamp so that it sends a message from the people and how much they would support that.

Thirdly is an argument we had a few years ago with setting a taxation regime that is one that allows companies to profit more and, that way, be able to pay for their operations

over a longer mine life and that was a dance that went between government and companies on just what level that should be at.

Another factor would be to train local people so that we can have local people up here who work. The old style of doing business up here, where you flew people in and out was also a costly affair and we can probably do a lot more if we have people locally that are doing that kind of work.

It is a very complex question you asked me and those are some of the answers I can think of. I do not know if I am still on the mark for what your question was.

MR. DENNIS BEVINGTON: Within the mine plan, through the Chair, how can the best interest of the economy of the Northwest Territories be protected from high grading diamond pits and how can we maintain a balance between the higher grade pits and lower grade pits to ensure that the diamond industry can remain a viable force in the Northwest Territories for a significant period of time?

MR. TOM HOEFER: There is a cost of doing business up here. That is a fact of life and that requires a certain level of resource to pay for that. So there will be some resources that just will not be able to make that at this one point in time with the diamond market price of 'x'. That may change down the road, if the marketplace changes, but we are at the whim of that marketplace.

If you choose to create a more economically attractive environment for the companies, where costs are lower, then you can mine lower value rocks. You are not going to be able to drive up the diamond price but you certainly could do something about the cost of mining in the Territories.

For example, if there was a cheaper fuel price, perhaps you could afford to mine something that was lower grade. Some of that stuff you are going to be quite powerless at doing. You are going to have to rely on the companies to work with what resource they have in the ground. What you want to do is exact the toll that you are looking for out of that. Is what I think you are getting to.

MR. DENNIS BEVINGTON: So there are a number of issues that come up here, perhaps infrastructure is one of them. Perhaps the provision of electrical power to the diamond fields would be one issue that might extend the life and make more of these pits economically attractive. Has that alternative been explored by the companies?

MR. TOM HOEFER: I think companies have looked at that, but it is a very pricey option and certainly nothing has come out nor has anybody come forward and said let us give a very attractive that looks like it is workable. It is one communities can support and it is one that would be better for you as an operation. Maybe that is in the cards. In five years' time, maybe Fort Smith is thinking about doing it. It is another option that could help extend mine life, sure.

MR. DENNIS BEVINGTON: Is there any planning that goes on within the diamond industry to ensure that the benefits are maximized to the North?

MR. TOM HOEFER: Certainly.

MR. DENNIS BEVINGTON: Could you explain that planning to me?

MR. TOM HOEFER: Do you want me to get into a Diavik story or the BHP hearing?

MR. DENNIS BEVINGTON: You presented your data here, sir, and I would like to continue to talk about it.

MR. TOM HOEFER: Do you want to speak about the resource income report?

MR. DENNIS BEVINGTON: Well, I would like you to address the issue of long-term planning in the diamond industry so we can understand it better on this board so that we can make a determination of what is happening in the best interests of our communities.

MR. TOM HOEFER: Well, I would ask...these are tough questions. You are really pulling me out of my forte here. I can ramble on for a long time on it, but what its relevance is to the discussion that is happening right now I am not quite clear. I would certainly enjoy talking about this. I would enjoy telling you how maybe the Territories could establish a mineral policy that would help set the stage for lots of companies to come up here and explore. How that policy could embrace lots of community development, community participation. A lot of that is already happening.

Our company is looking at a resource that we see has a finite life. If we could stretch it to 50 years, that would be a nice thing. Maybe your mineral policy would help do that. It would make it easier for us to find more pipes or to mine more pipes. These are very, very broad questions. They are very difficult to answer in five minutes or ten minutes. They are certainly worthy of discussion at some point in time.

MR. DENNIS BEVINGTON: Yes, I think they are worthy of discussion and I think that they are...

MR. CHAIRMAN: If I may interrupt here, perhaps one way of getting around this particular question is if Diavik could put forward, by way of presentation of a paper through the public registry. That may solve some of your concerns that you have and if you want to have more specific questions that you may want answered, maybe you could propose those more direct questions to Tom here and he can answer them the best way he can in a more formal presentation, if that is acceptable to you.

MR. DENNIS BEVINGTON: Certainly, I recognize that some of these questions are not answerable at this time and I think that I would be quite willing to look at other avenues that we can follow to get those answers.

MR. TOM HOEFER: It is a discussion worthy of debate and I would suggest you try and bring in the Chamber of Mines and sort of a broader industry discussion like that, but I think it is worthy of pursuit here in the North.

MR. DENNIS BEVINGTON: I guess my concern would be to find where in the structure of government, because we are of course an environmental assessment board where those questions are being discussed. Where in the broad scope of our society we are having those discussions and where those answers, where we can find those answers. If you say industry is not doing it and industry does not have those answers for us, then perhaps we will have to look further afield.

MR. TOM HOEFER: Good questions.

MR. CHAIRMAN: Bertha Rabesca.

MS. BERTHA RABESCA: In your conclusion, you state that the project will have an overall positive socio-economic effect for the people of the Northwest Territories. You add that: "Mitigative measures currently in place to address any adverse socioeconomic effects are sufficient for this purpose."

Are you saying that the current measures in place are sufficient for this purpose in terms of health, social services, various programs like drug and alcohol programs, housing, education and training? Are you saying that the positive socio-economic effects also, on the other hand, can lead to some negative impacts on people so you are saying that negative measures currently in place are sufficient to meet this purpose?

MR. TOM HOEFER: What I am saying is that the project has the ability to provide positive socio-economic benefits. We all know that there are ruts in the road of life as we move forward and what I am saying is that there are vehicles in place. We believe through the socio-economic agreement and through the benefit agreements for that discussion to take place and for those changes to be made to smooth those ruts. The parties that are in a position to make a change are at those tables, if you will, for those two agreements. I am not saying there is not an absence of hurdles or that there are problems being experienced. The issue is how do you deal with those problems and the vehicles are there through those two socioeconomic agreement and benefit agreements.

MR. CHAIRMAN: One more question from Mr. Wray.

MR. GORDON WRAY: Thank you, Mr. Chairman. Mr. Hoefer, just to follow up, I realize that there are socio-economic and impact benefit agreements in place, but surely you are not suggesting that complex issues such as alcohol and drug problems, social problems, housing, should be addressed within those issues. Surely those are issues that should be addressed by government, not by industry.

MR. TOM HOEFER: What I am saying is that government is party to those agreements.

MR. GORDON WRAY: Okay. Thanks.

MR. CHAIRMAN: If there are no further questions from the board, thanks Tom, for your presentation. We can move on to our next presenter. If there are no further questions, we can move on.

MS. BERTHA RABESCA: Just one more question. The socio-economic agreements plus the IBA's that are in place right now. My question is can negotiations be reopened? Can talks be opened?

Isadore had a question earlier. He said that there was a limit of 25 years and he wanted to see something done about the 25-year limit. He said that he was not part of the talks back then and he wanted to get the 25-year limit changed. My question is can negotiations be reopened? I think our chiefs were asking about that too earlier. Thank you.

MR. CHAIRMAN: I am going to have to disallow that question. It has nothing to do with the expansion project and you are asking Diavik to make a response and I do not think they can properly do so at this time. Are there further questions from the board or from the public? If not, I suggest we move on to the next speaker, Hillary Jones, representing the secondary...no, sorry, the Independent Monitoring Agency.

MR. A.B. NEVITT: Thank you, Mr. Chairman and ladies and gentleman of the board. My name is A.B. Nevitt, and I am here to attend on behalf of the Independent Environmental Monitoring Agency.

Under the environmental agreement between BHP, the Government of the Northwest Territories and Canada, the agency has a mandate to analyze, review, report and make recommendations on environmental impact reports, environmental plans and programs and to participate as an intervenor in regulatory and other legal processes respecting environmental matters of the BHP mine site.

Under this mandate, the agency has carried out an independent review of the BHP proposed expansion. The presentation I am about to make is a summary of the report that was submitted to the board on September 15th. In that case, I am going to try and make it as short as possible because, as the Chair has already stated, it is on the record for review.

Generally, most of the mitigation and assessments of impacts made by BHP the agency feels to be adequate. The document is generally well written and presented. The agency would in general like to comment to commend BHP in its current use of monitoring results from the existing mines in preparing this new environmental assessment report.

However, there a number of areas of significant information gaps the agency has determined. The first one is throughout the document the ratings of significance of predicted impacts. This is how BHP provided its terms of what is a significant impact and what in terms largely is negligible. Throughout the report, these are provided on the basis of professional judgment, largely without having the qualified person identified or the reasons given.

On a positive note, on page 415, BHP provides the credentials of an archaeologist who has been working on the mine site for over 6 years and the assessments are based on his or her predictions. On the next page on fish aquatic habitat, we are asked to accept

predictions made on best professional judgement. The agency feels more detail is required. Who's judgement and why?

On air quality, the agency has expressed concerns in the past over the current air quality monitoring program and feels it requires enhancements. BHP has recognized in its report the particular matter as the largest source of air emissions and therefore has the greatest potential for impact.

The Beartooth, Sable and Pigeon pipes will increase the particular fugitive dust. The agency recommends that there is a review of the current air quality air monitoring program with the potential of adding a source characterization and sample characterization program.

On habitat losses, no comparative assessment of the ecological significance of habitat losses calculated to the species affected. BHP throughout its assessment has used arbitrary zones such as the claim block, for example. With wetlands, they stated the significance status is insignificant, but this is based on a percentage lost. It is not based on the importance of the wetlands to some ecologically relevant boundary that is not the BHP claim block.

The agency has concerns on the waste rock, storage and drainage issues. The environmental assessment presents preliminary data on the geo-chemistry of the waste rock and BHP has identified the importance for the testing to fully understand the potential impacts from waste rock drainage.

Now, the agency has identified some problems with the preliminary data test work, the static test work and these are outlined in the agency's report. The agency also feels that kinetic testing is a must to make meaningful predictions on site-water quality. While BHP's predictions of no problems may be true, current water quality results from the Panda waste rock pile is showing potential problems when none were predicted. BHP has said these studies are underway, whereas the agency feels this work should have been a part of the environmental assessment if a complete understanding of the environmental impacts were to be understood before licensing.

Therefore, the agency recommends that BHP complete the testing either before the approval of the board or as part of the application for water license. The mitigation proposed for this is the perimeter burns. These are untested and unproven. There are potential problems of the ability of frozen **inaudible** burns to permanently control what is potentially troublesome, wastedrop drainage. Due to the possibility of global warming effects, we do not have a clear picture right now if proposed mitigation will deal with what is at the moment an unknown impact. To this, the agency feels the company must complete the test work that it has stated that it will do.

A more environmentally acceptable solution could be underground mining. It may be unrealistic for economic or safety reasons, however, the agency still feels that this is not yet demonstrated. BHP's suggestion that an independent review of the underground

option by a registered mine engineer should be carried out and should be carried out with the direction of the board.

On pit reclamation, these are issues that have already been raised by both the Yellowknife Dene and DFO. The environmental assessment report contends the pits will be reclaimed as lakes that will include features to permit the re-establishment of viable lake ecosystems.

There are two separate issues here. First, will the mitigation measures work? Second, can there be no net loss when there is no habitat for what will be a decade or two? Habitat compensation is not considered during the course of the mining activities. It is proposed that the Beartooth pit will be in-filled with tailings before filling with water. This is proposed as the fish habitat reclamation plan. BHP has stated that they will carry out test work to ensure the material does not cause deterioration in water quality.

The agency feels proper geo-chemical testing prior to the placement of these tailings in the pits must be carried out. Without it, it cannot be predicted when conditions in the lake will be suitable for fish. The agency feels that the details of the proposed testing methods should be provided and more detail provided on the reclamation program in the case the backfilling turned out not to be desirable.

The agency recommends more detail on this proposal in application for water license and this includes geo-chemical analysis of slurry-solids and pond water in the lowest LB of the long leg tailings impoundment.

On wildlife and habitat the assessment of impacts is generally good. However, there are some areas of concern. BHP has indicated that on the Sable haul road that there will be an average of 9.6 vehicles per hour. This will likely be greater during road construction and there is a possibility that there could be some variation in this figure. This would lead to peaks of greater than 9.6 vehicles an hour. BHP's own literature review provided info on impacts to caribou when traffic volume was greater than 10 vehicles per hour. BHP's own figures are approaching this.

The agency has some recommendations and this includes specific terms – traffic volume to be recorded and reported and not to exceed specific limits. For example, 200 one-way trips per day during the migration periods. The agency also recommends that road construction should not take place during migration and the road design should be very low profile.

BHP has made a commendable effort to assess the impacts of the development on grizzly bears. The greatest potential of impact is the loss of habitat. The agency feels that the indirect loss of habitat is possibly significant but at the moment undetermined and would require further monitoring.

On cumulative effects, the spatial boundaries for impacts to caribou, there is no ecological justification from BHP for not including the carving and wintering grounds in their assessment. Again, effects to caribou are based on habitat loss based on a

percentage of the habitat loss. The environmental assessment does not account for the importance of any particular kind of habitat to the animal.

The environmental assessment report has determined areas of various habitat type loss, but not significant compared to some ecologically relevant boundary or the zones of influence.

On cumulative effects, the environmental assessment report says there is a need to manage cumulative effects on a project's specific basis. The agency does not agree. Cumulative effects are not project specific. Monitoring and management must go beyond the individual project. The agency accepts BHP cannot do this alone and recommends that the cumulative effects monitoring is the responsibility of governments and must be continued.

Programs such as the cumulative effects assessment management framework and the Bathurst Caribou Management plan must have sufficient funding and be given enough importance and the company must acknowledge a responsibility to collaborate with others on the development on cumulative effects monitoring programs. The agency is pleased to hear that BHP has thought and is providing input on these programs.

On fish and aquatic habitat, many of the issues have already been raised by DFO. The environmental assessment reports states that Baretooth, Pigeon, Sable and Two Rock do not constitute a fishery and the agency feels clarification is required on this. This, I believe, is happening with DFO at the moment.

On the issue of genetic isolation, the agency feels BHP has not carried out enough field studies to date to determine movements of fish between populations or examine DNA to evaluate exchange or long-term isolation. Required exchanged to counter in-breeding is actually very small: a few fish every few years and the agency feels more research is required to establish the actual genetic exchange between water bodies.

On the Pigeon stream diversion channel, this required detailed engineering design explained. At present, the agency believes we cannot state that this will create a viable fisheries habitat as has been done with the Panda diversion channel. The agency feels this is because the Panda diversion channel has not been proved as yet to achieve no net loss because no baseline data was ever collected.

The agency follows up on most of the concerns on fish and aquatic habitat by recommending that the Mackenzie Valley Environmental Impact Review Board require BHP to development a no-net loss plan which is satisfactory to DFO. The cumulative effect of the loss of a number of water bodies in the region and now at close to 20 including Diavik. Therefore, the potential for impacts has got to be considered the agency feels is possibly significant.

On monitoring, the agency feels that BHP has done good work but would like to see BHP identify trends in their report analysis. This concludes the agency presentation. Thank you.

MR. CHAIRMAN: Thank you very much. Do we have questions from the floor? The gentleman at the back.

MR. JOHN ZAGORIC: My name is John Zagorac. I have spent some thirty some odd years in the Territories and I listened to the presentations and request to the board is we talked about fish habitat, we have talked about the funds, the money, the rest of it but aren't we leaving a big equation out? We are in the highest suicide rate in the country.

I was involved in developing mining operations a number of years ago. We felt pretty good about getting aboriginals and northerners to work. That has increased ten-fold in five years. A lot of that is attributed to BHP. Diavik is in the same boat. You do not work there unless you have northerners and aboriginals.

Every one of these suicides that we save, is that worth three fish or one square mile? All of us in this room representing the non-aboriginals, we look forward to our children being able to go to school and work someplace. They do not have that.

When you are doing your equation of what is a compensation, remember everyone of those little white crosses out there that somebody has not had something to do and has given up. Put that in your measurement. That is just a request that we put that in our compensation. We need that. Do not forget it.

MR. CHAIRMAN: Thank you for your statement, Mr. Zagorac. Are there further questions from the floor? BHP, any comments?

MR. JIM EXCELL: Mr. Chairman, we got a copy of the report and we will be making a formal response in writing. Thank you.

MR. CHAIRMAN: Any comments from the board? Dennis Bevington.

MR. DENNIS BEVINGTON: Yes, in this discussion on traffic on the Sable road, you compare it to a rate that is set that came out of some information about the Prugal Bay experience. Yet we do not really know...there is no indication in terms of Prugal Bay what kinds of vehicles were being used on the roadway there. In some of the information that I was looking at, it suggested that the larger vehicles had a greater impact on caribou movement. Can you comment on that?

You have got a figure here of 8.3 haul trucks per hour and 1.3 per hour for the smaller vehicles. Are these comparable numbers or are they numbers that should be taken into account in terms of vehicle size?

MR. NEVITT: When the agency originally reviewed the material, the information that was received from BHP was just on haul truck volumes and the agency actually put in an information request for information on vehicles of another size. All other kinds of vehicles for example, pickup trucks and the like, this material was reviewed by one of the agency's reviewers. I would like to say I probably have to take your question back and provide a written response because one of our reviewers would be much better suited to answer that question.

MR. CHAIRMAN: Any further questions from the board? If not, thank you for your presentation. Our next presenter is Hillary Jones, representing the secondary diamond council.

MS. HILLARY JONES: Mr. Chairperson, the Mackenzie Valley Board Directors, I have been asked by the Northwest Territories Secondary Diamond Council on behalf of BHP on the development of the three pipes. The secondary diamond council represents spin-off effects of the other sectors of the northern economy related by Tina today during her presentation to BHP.

I can honestly say that the industry that I have been asked to speak for would not be here today if there was not a diamond mine in the Northwest Territories. A shortened mine life has a direct impact on continued health of the secondary or value-added industries in the North. Perhaps a little background for the board. All the diamond manufacturers in the North have a contractual arrangement with BHP for the purchase of rough diamonds. This arrangement is unheard of anywhere else in the world, and gives us an incredible competitive advantage when we are making our own marketing strategies. I am also very happy to hear, Mr. Excell, that if the other three pipes come in, the contractual arrangement would be extended or continued.

A few statistics that relate to all three of the manufacturers, in September of 1998, there was no one in the Northwest Territories polishing diamonds. At the end of this month, there will be 100 people working in our industry polishing diamonds to an international standard. By the end of the fiscal year 2000, the total value of manufacturing outputs from the Northwest Territories will have been raised by an order of 300 percent, from \$23 million to over \$69 million. By the end of 2001, it will be over \$80 million. This difference in the figure between \$23 million to \$80 million can be all directly linked to diamond polishing.

While our combined figures do not match Mr. Hofer's, the three manufacturing concerns have paid approximately \$3.5 million dollars to the Northwest Territories construction companies for new factories. We have an annual payroll for all three to over \$3 million, and an equal amount is spent on goods and services purchased locally. All of these expenditures would not have been made had a diamond mine not opened in the Northwest Territories, however, this may not continue with a shortened mine life at Ekati. There is still a great deal of uncertainty surrounding the opening of the Diavik and Winspear properties, if those companies decide not to go ahead with their mine development or if the necessary permits are denied by the many and various regulatory bodies. BHP Ekati remains, right at this moment the sole source of diamonds available to northern manufacturers. I would like to step away and not speak for my colleagues at this moment and the other companies, but if for one should Winspear and Diavik come onto production, we would be happy to buy as many diamonds as they are going to sell.

Additional investment by other manufacturers will be certain, should the mine life of Ekati be shortened due to lack of approval for the three pipes. Just to picture what the economy is coming in the positive impacts, there are approximately ten other manufacturers that are looking to relocate and invest in the North, bringing in much

needed employment and economic generation. When I speak of employment in the North, we are hiring the young folks of the North. All my staff that we are hiring northern are under the age of 30. They have never had jobs before they joined us. We are bringing them in from the burger type of jobs and giving them careers.

An international grading laboratory will be opening and it has announced its facility and there will be here tomorrow to look for their real estate. Just as of today, an international security firm has formed a local partnership with another company in Yellowknife for the delivery and the security of diamonds in the Northwest Territories. That is five companies that have spun off in the past two years generating new jobs. And of course this all might be threatened by a shortened mine life.

Speaking for our slinging cutting works which is the company I represent, we have a relationship with the Dogrib Rae Band. We are assisting them in developing their own long term in the diamond industry. Building capacity, by hiring in Rae as well as management trainees into the companys. So they in turn can build their own polishing factory in their five to ten year plan. The other two companies are also relying on a long term supply of rough. Serious Diamonds who are the first to open and Deton Cho Diamonds which I understand is a joint venture between the Yellowknives Dene Development Corporation and several business interests. I believe their manufacturing provide a just about a 100 feet that way. We would be very reluctant as our slain in to be, to invest further if we knew that the source of rough was not available due to a shortened life span of the mine.

It is not only the investors and our company that are relying on the long term health of Ekati, it is also employees. Many of whom are here today observing the process and to discover for themselves what it takes to get approval for our diamonds. All of whom are young people from the communities in and around Yellowknife and are just starting their careers. All of this will be threatened by a shortened mine life. Thank you very much.

MR. CHAIRMAN: Thank you for your presentations. Do we have any questions from the floor? Comments or questions from BHP?

MR. JIM EXCELL: We have no questions, Mr. Chairman.

MR. CHAIRMAN: Comments or questions from the Board? Gordon Wray.

MR. GORDON WRAY: Just one point of clarification. You say that you had approximately about 100 people working for the three companies and that all of them were young people from Yellowknife and the surrounding communities. What is the breakdown between aboriginal and non-aboriginal?

MS. HILLARY JONES: I cannot speak for the other companies, Mr. Wray, but 75 percent of our employees are aboriginal. The rest are all just Northerners.

-- Laughter

MR. WRAY: I thought aboriginal people were Northerners, too.

MR. CHAIRMAN: Further comments or questions from the group? If not, thanks for your presentation, Henry. Next up we have KIA representative, Jack Kaniak.

MR. JACK KANIAK: Thank you Mr. Chairman, board and the public. My name is Jack Kaniak, I am the Band Manager for Kitikmeok Inuit Association. The Kitikmeok Inuit Association is pleased to present to the Mackenzie Valley Diamond Impact Review Board, BHP Diamonds and all other stake holders represented here today, our comments on the Sable, Beartooth and Pigeon expansion of the Ekati Project, NWT.

KIA submitted a 36 page document to the Mackenzie Valley Environmental Impact Review Board outlining our concerns regarding the application of the class B water license from BHP. Today I would like to summarize our major issues with you. Anybody interested in our submissions can get a copy from the public registry at the Mackenzie Valley Environmental Impact Review Board, or you can let me know after this meeting and we can pass it on to whoever needs it.

Most of our review has focused on water issues identified in the April 2000 Environmental Assessment Report. As these are the major concerns of the Kitikmeok residents. These issues are generally related to the potential impacts that construction and operation of the proposed mining facilities would have on the Exeter and the Lac De Gras drainages and associated downstream waters.

Other areas of focus include diamond and air quality, fish and aquatic habitat, wildlife and socio-economic cultural issues. Additional comments on the October 1999 project description and the preliminary design of water control structures were also provided.

Although the environmental assessment report appears to be comprehensive in scope and depth, there are some essential deficiencies that need to be addressed. Further, from the water perspective, there appear to be fundamental differences in how to approach the new development.

BHP has to apply for a Class B water license, stating that the majority of the waters used will be covered under the existing Class A water license. However, two of the proposed new pipes, Sable and Pigeon, are some distance away from the existing operation and are located within a different water shed, which is separate from the Koala water shed.

In general, much required data is presented...is not presented, sorry. Only some of the information is present in many cases. It is not stating how the summary data was derived, because the data is not available in an appendix or the original references are not readily available.

The apparent lack of focus on collecting or presenting the data may be the result of the expectation that a new development cannot...new water sheds or existing water licenses, class B. However, what should be required for assessing development of new water sheds is the same level of assessment that would be conducted for a class A water license.

beaten up and being accused of being beaten up by the a lot of extra traffic. I think the Territorial Government is probably in a difficult position to impose a road tax because everybody would have to pay it then. It seems a little bit unfair to me that we cannot take advantage of the diamond mines contributing a little bit to roads, and maybe even a bridge across the Mackenzie River. It would be nice to see some lasting benefits from these big projects.

My personal concern is along the line of roads and maybe I will just back up a little bit and give you a little bit of history. I am not sure if everybody is all interested in that but about 20 miles south of your camp is where I had a camp site up there. I had pioneered an outfitting industry and I had some hunters and we would hunt a lot of caribou as they passed through there. I, unfortunately, was extending my flying season, I had a flying business, and I was knocked out of the air by the federal government.

Unfortunately, the Territorial Government also have done a number on me and changed the law so that I was not able to carry on this outfitting business that I had pioneered and developed. I brought somewhere in the neighborhood of \$250,000 in one month, as a gross national product.

Unfortunately, I had had nothing to do with BHP but sometimes I think that, perhaps, with this board might have some leverage in the way that it addresses conditions. I am presently located on a project right at the end of the Ingrahm Trail where BHP and other mining companies use the winter road. I have started to try to develop a project there where I would quarry out my mineral oil, which I have had a land-use permit for, for a few years, and I was attempting to try to market the waste rock, similar to what Kanut Rasmussen does. He sells waste rock and he sells or to the mines.

Unfortunately, I am not sure if I am targeted but certainly there is a lot of evidence to that effect that I would be eliminated from taking advantage of business going by me. They are using the winter road and I would have had liked to have been able to sell them some gravel to put on the portages there. I bid a couple of times on road construction for resurfacing the Ingrahm Trail, where they used to have the stock pile up there. Unfortunately, the last time that I did, I was \$85,000 low on the bid, on the tender. I was denied it because I did not qualify for BIP, that is the Business Incentive Policy. I applied for it with a federal license and a territorial license and I was denied it. So on the basis of being denied the BIP, that was one of the reasons they turned me down for this gravel contract.

My point, I guess, is I would like to see, as industry comes in, and passing by people, I personally would like to benefit. I would like to work on extending the road a little farther up to where the diamond mines are. That project would probably benefit both industry and what my aims are. However, I would like to see some lasting benefits for big development taking place, not just the immediate employees or those directly related to it. So, when the board considers these kinds of matters, I would like to look for possibilities where you can help the government out so they do not put a road tax and tax everybody. They are using our road and it would be nice to see a contribution. We are having difficulty straightening it out. It is a danger. It is a hazard.

Environmental Impact Review board. We look forward to the board's and BHP's response to our concerns and hope that they understand, appreciate and resolve the particular needs of the community. Thank you.

MR. CHAIRMAN: Thank you for your presentation. Do we have any questions from the floor? Do we have any questions from BHP?

MR. JIM EXCELL: Mr. Chairman, we are in possession of the report and are preparing a written response.

MR. CHAIRMAN: Any questions or comments from the board? There appear to be no questions. Thank you for your presentation there, Jack. Our next presenter was to be Clem Paul, but I believe he is no longer with us. He has left his paper here to be put on the public registry for your information.

This brings to a close the presentations made with what appears to be the private and the public registry. We are now ready to entertain general questions or presentations from the floor. We had one request from a Mr. Fred Turner. He indicated that he wanted to be the first to speak.

MR. FRED TURNER: Thank you, Mr. Chairman. I have a lot to say and a lot of questions to ask. I do not want to tire everybody, but I would like to commend BHP for many of the good things that they have done, and some of the people who work for them do a lot of smiling. I am sure there are a lot of business people who are very happy they are around.

I am concerned about some of the negative things that have been raised and I am glad there are forums like this to address that, to bring about better solutions and better situations where we do not have these kinds of horror stories. Maybe that is a little bit of a strong word, but at any rate, I have some personal concerns.

As I watched development take place in the Territories, I have been involved in seeing quite a number of it. My name is Fred Turner, by the way, for the record, I guess. I was born here on Latham Island. I am an aboriginal person. I have been involved in seeing a lot of development take place over the years. The Giant Mine and Con Mine have probably helped to bring the road to Yellowknife. I was there when the railroad crossed the Northwest Territories border, and it had to do with Pine Point, bringing benefits that we still enjoy.

I am concerned about the benefits of the diamond mines. In my opinion, it seems as though if you are directly related to the diamond mines, then you may benefit. I go to Shell Oil to pay for my oil and I think I am probably paying more for my oil because of the good deal that BHP gives their employees. That is just a supposition on my part but I am concerned that perhaps only people directly related to diamond mines are benefiting.

When I see big projects, and this is not small, these diamond mines are investing a lot of money and they are coming over these roads that we built. The Ingrahm Trail is

The hydrology and related sections appear to be no more than revamped sections from the 1995 environmental assessment report with little new data. There is a general lack of baseline data for new water sheds, and too much reliance on water quality and stream flow data from the Koala water shed. Even so, critical data from the Koala water shed is not provided in the text nor in the appendix. Only some summary statistics are given.

There is a general assumption that drainage in the next year will have the same characteristics as those observing the Koala, but this conclusion is present without any descriptions of, for example, channel upgrades, channel geometrics, landforms, the density or soil conditions.

There will be impacts to the Exeter water shed for new picks, new waste log piles, water management structures and other facilities. Obviously we will require new water management plans based on specific water balances, water quality conditions and hydrologic responses to handle pit water, steam diversions, et cetera.

Critical data is apparently not available to adequately characterize baseline conditions and make these plans. The message for describing the effects from the development are in the context of area wide and long-term. That is chronic and are discussed as procedure...**inaudible**.

Summary tables describe the residual effects only, and rate them as ineligible or minor. This system appears to avoid apparent local or short-term effects that are acute, which can be locally very significantly. That is the permanent or temporary losses of lakes, streams, wildlife and aquatic habitat.

The acclimation of the Sable pit will take place over a fairly long period of time, greater than 25 years. Based on the data present, there is a possibility of acid rock drainage being generated. Also, the hydrology of the data from the Sable, **inaudible** and **inaudible** lake watersheds is not adequate to predict accurate water balances. Hoping assurances will be made that water quality will not be degraded over the mining and acclimation period.

With the available information, can assurances be made that only three years additional use of mine life is worth the number and magnitude of impacts that will appear with the development of the Sable pit and the new water shed.

The reason why a class B water license and not a class A water license is being applied for does not appear to be justified or explained in adequate detail in this report. The Northwest Territories water regulations SOR-19-303, **inaudible** for classifying licenses. Generally, class A licenses apply to major undertakings such as mines, while a class B license is applied to smaller undertakings such as water and sewage disposal. Since there will be new mines, **inaudible**...taken permanently out of production. It would appear that a class A license would be required. This in turn would involve more appearance of an environmental review process. As mentioned before, the KIA has submitted these measurable concerns along with others to the Mackenzie Valley

That is a suggestion on my part to the board. My big concern is I raised my beef that has really nothing to do with BHP but I can assure you that I am not going to be just pushed aside continually without stepping up and making it known that I am not very happy with this kind of treatment. I will continue. If necessary, set aside and be for development if that is what it takes to straighten out some areas where we can improve these areas. We have heard some complaints and I am making one now. It is not directly related to BHP but, as a side effect, I would like to see and be involved in starting a lot of the aboriginal corporations in the Territories. We would always come to the table in our talks and we said we wanted a piece of the action. I am repeating that now and I am serious about it.

That is my presentation. I would really like to, like I said, I can go on for a long while but I will finish there and answer any questions that may have been raised from what I said.

MR. CHAIRMAN: Thank you for that presentation. Any comments or questions from the floor? From BHP?

MR. JIM EXCELL: Mr. Chairman, we do not have any questions. Thank you.

MR. CHAIRMAN: Any questions from the board? If not, thank you for your presentation, Fred. The floor is now open for any other oral presentation that anybody wishes to make. Question for...

MR. TIM BUYERS: Thank you, Mr. Chairman. Tim Buyers here. Rachel Crapeau and I have two questions. One of which is, I remember Gordon Wray asked a DFO representative if the lost lakes constitute a fishery. As I recall, Tasha Stephenson's response was that DFO was not concerned whether or not they were a fishery but whether a fish habitat needs to be replaced. Now I am kind of thinking, as I sit back and listen to the conversation back and forth, I am wondering between the lines as to what reason for the board's question. I am wondering, does BHP feel that if a water body that contains fish is impacted by them and it is not currently being used as a fishery, subsistence or commercial, do they feel that they are not ethically or legally obligated to replacing the lost habitat? I would like clarification on that point, if you could, please? Thank you.

MR. CHAIRMAN: Well, it is kind of late in the day for questions of this nature but if BHP wishes to respond, We will leave it up to you?

MR. JIM EXCELL: We would be prepared to respond but we will do it in writing, for the cause of the registry.

MR. CHAIRMAN: Is that satisfactory?

MR. TIM BUYERS: That is satisfactory to us, yes, if we can get a written clarification that would be great. I think Rachel also has a question.

MS. RACHEL CRAPEAU: Just one point on that, perhaps we could get a written copy of the exact question.

MR. TIM BUYERS: We can address our next question in a written format later. Thank you.

MR. CHAIRMAN: Are you done?

MS. RACHEL CRAPEAU: My question is does BHP have anything against the opening of negotiations of Nabili because the chiefs asked that, plus also I was just wondering about that too?

MR. CHAIRMAN: Again BHP may wish to respond. They indicated that, with the last question, perhaps you would put this in writing. Do you want to do so with this particular question to, at another date?

MR. JIM EXCELL: Mr. Chairman, in our closing remarks we would like to address several issues that were raised by Akaitcho that have gone unanswered and we have now collected some information that would make the answers very clear to the board.

MR. CHAIRMAN: Thank you. Any other oral presentations from the floor? If not, we can go directly into the response of BHP for their closing of the session.

MR. JIM EXCELL: Our first point in closing, we just wanted to point out, we had some comments made about training or the lack of it. I would just like to show you, this comes off our computerized training system, where we record all training activities by all employees. This sheet was made up for the Akaitcho group. What is taken off here is people's names. So each one of these lines represents an employee from the Akaitcho group. Every 'x' indicates a completed training event. Along here, for instance, this is grader operation, rubber tire dozer, extrivater, larger extrivater, small trucks, large trucks.

I just want to point out mainly here that a lot of training is going on. Skills are being increased.

This is the same groups of names down here and again training across here. Again, these are large trucks, front-end loaders, three different sizes, air-brake test, buses, D10 dozers across the top, the different mining equipment. Again, what you tend to see is there are a lot of things filled in. These people have been with us a couple of years. In some cases, here, this is done in alphabetical order. This one might not show any training events but this person might have just started in the last month or so.

The most important thing, this is a continue on, a bit more equipment and training events. Again, you can see all the training spread around but what is interesting here is we now have an acting team leader, or a supervisor, so that is a management position. We also have another one, acting team leader of the first stage of becoming a supervisor. Also, promoting some DMAG. DMAG is our main digging machine. It is the main shovel, most difficult to operate and most highly skilled operation required. So this is the kind of results we got in just 18 months of operation. It is staggeringly successful.

Unfortunately, back on May 29th, we were going to explain all this to the Akaitcho chiefs, but they had to cancel the meeting. We have not been able to get back to them so this will be clarified. The remarks that they were concerned about will be clarified.

Conditionally, in the training area we have developed, what we call, the Ekati Leadership Development Program. It is a fully comprehensive, self-based learning system that has been developed by our staff and Northern consultants. Everything has been done in the North. It has been recognized around BHP as being the model for the future. All people can take pride in this program. It is available for one and all.

The next thing I wanted to point out and make very, very, very, very, very clear is that intimidation is not allowed on our site in any way, shape or form. We will not tolerate it. If it happens, we fix it. I am not really sure what comments they made and we will try and talk to them and get some official information if there is a case that there is some concern.

Intimidation, harassment of any type, is not tolerated.

In response to a DFO statement, basically, regarding our working with DFO to determine appropriate compensation, that is certainly something we will be presently working together with DFO. However, to clarify, the compensation programs are not required at the Environmental Assessment Stage, they are part of the regulatory stage.

There was one comment made, I cannot remember who it was, but there was a comment of aboriginal employees being a fairly low number. We currently have 217 employees, which is 40 percent of a workforce of 516.

IBAs. We are really pretty limited in what we can discuss about those because they are private contracts and they are confidentially. They have confidentiality clauses in them. So we would be limited on what we can... A couple of principles that should be recognized, which we want to understand how these things came about.

These agreements were set up as life of mine. So the issue of new pipes, we believe, is not relevant to the agreement. The money that passes through is meant to be a way of allowing aboriginal groups to mitigate impacts in their communities.

So if a chief in the community believes he is beginning to have a drug problem or some social issue, he can go to a fund, get money, put it on programs, provide assistance to the community to help mitigate impacts. They are not royalty payments. They are not tied to production in any way. Royalties are collected by the federal government and, through the land claim processes, are redistributed to several land claim areas.

We also hear a fair bit about the 60 days. The federal government did impose a 60 day extension to formal full approval of this project to see if IBAs could be settled. In fact, it was more than that. It was an environmental agreement, a socioeconomic agreement and four IBAs.

However, back in the EIS days, we always stated that we would come to some arrangement with the four aboriginal groups. In fact, the negotiations have been going on for some time, prior to the installation of the 60 days. In the case of the Akaitcho group, that was an excess of 10 months. The case of the Dogribs was probably three years.

I guess the other part of the whole thing that most people would not understand that the final 60 days was, the negotiations, were monitored in full by the Government of the Northwest Territories and also the federal government had a representative at all negotiation sessions. They did contain conflict dispute resolution procedures and, if that is the way we are going, that is the way we should have to go. The agreements are there. They are private contracts and they are confidential. You really cannot say much more.

I think the other thing that we would just like to say.. I know our business can be confusing to people. All of a sudden you hear of millions of dollars here and there. The numbers sound very, very big. Basically, our mine is a business. It works from the same principles as your corner gas station. You have got to have money come in, and money goes out and hopefully you have got something left in the end to pay off your loans and maybe even give something back to the people, the shareholders, that actually funded the operation. Unfortunately, our operation is around \$1 billion invested to date and the numbers you hear are big numbers. I would just like people to keep that in mind when they are thinking.

With that of course though we have 500-odd jobs in our mine. As Hilary was saying, there are another 100 coming in to town. We also have, on top of our 500 employees, have 120 full-time contractors engaged in duties as housekeeping, catering, tire replacement, light vehicle maintenance. All of these sorts of activities, not to mention our huge influx of contractors in the summer, summer students for our environmental monitoring programs, which probably employ almost 60 people full-time for three to four months.

Our operation has been successful and we are hoping to maintain that just as long as we possibly can. Our exploration is still active. Hopefully we will be discovering more pipes that we can keep on producing diamonds for a long, consistent period of time. Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Excell. I just have one question. It seems to me that you have been having burden placed on your company for responding to the various presentations. I am just wondering if you are looking at September 29th as the cutoff date of the closing of the public registry and whether or not you would have time? We would be prepared to maybe look at a few extra days extension if you needed that.

MR. JIM EXCELL: Thank you, Mr. Chairman. If you would not mind, could we assess this overnight, get a realistic assessment by morning and then come back to you?

MR. CHAIRMAN: I would like to thank all the presenters. Some, I think, I thought the presentations that were made were enough information for us, as a board, to digest. We are certainly going to have a big job ahead of us. I would also like to thank BHP for being here and the Diavik representatives, and you, the members of the general public.

With that, I would like to close out this hearing and we will see you again sometime soon. Thank you very much.

— ADJOURNMENT