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BHP Expansion Environmental Assessment

Date:

July 2, 1999

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From the desk of...

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Mackenzie Valley Environmental Impact Review Board

July 2, 1999

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Our File EA99-004

A:\June instructions note to BHP.wpd

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RE: Work Plan and Direction on the Preparation of a Development Description for the BHP Ekati Diamond Mine Development of the Sable, Pigeon and Beartooth Kimberlite Pipes.

The Mackenzie Valley Environmental Impact Review Board (Review Board) considered the *BHP Ekati Diamond Mine Project Description*¹ (BHP) and decided it needed a broader more detailed development description that incorporated the views of the general public, Aboriginal people and government. The attached *developing the development description* provides BHP direction on preparing a suitable development description that the Review Board will use to provide direction on the scope of the assessment and the environmental assessment report.

The Review Board also prepared the attached work plan for completing the environmental assessment. The work plan outlines the key objectives, phases and approximate dates for completing the environmental assessment. Please contact Louie Azzolini or Heidi Klein if you have questions about the attachments.

Sincerely,



Heidi Klein
Executive Director

cc: Scott Williams, Environmental and Resource Planning Manager, BHP Diamonds Inc.
Denise Burlingame, Senior Public Affairs Officer, BHP Diamonds Inc.
Chris Hanks, BHP Diamonds Inc.
Gordon Wray, NWT Water Board
Jim McCaul, Mackenzie Valley Land and Water Working Group
Stephen Harbicht, Environment Canada
Stephen Traynor, DIAND Land Administration
Julie Dahl, Department of Fisheries and Oceans
Shannon Pagotto, DIAND, Waters Resources Division

attachments.

¹ BHP Ekati Diamond Mine Project Description, February 1999. Prepared as a supporting document for applications for the Pigeon Open Pit Mining Land Lease, the Sable Pit Mining and Access Road Land Lease, and the Ursula Quarry Lease and Class 'B' Water Licence.

Developing the Development Description

for the
BHP Diamonds Inc.
Ekati™ Diamond Mine Expansion

prepared by:

The Mackenzie Valley Environmental Impact Review Board
Box 938, 200 Scotia Centre
5102-50th Avenue
Yellowknife, NT X1A 2N7

prepared for:

BHP Diamond Mines Inc.
#1102, 4920-52nd Street
Yellowknife, NT
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Reference Number

EA99-003

Date

July, 1999

Context

The Mackenzie Valley Resource Management Act embodies the notion of shared environmental management. That includes having Aboriginal people and the general public involved in developments. The role of the Review Board is established by its purpose and principles.² The Review Board makes decisions, gives approval, with legal effect, and provides advice.

Public, Aboriginal and Government Involvement

The Review Board expects BHP to consult³ with Aboriginal people, the general public and government, and demonstrate that it has considered the views of those consulted in its development description. BHP should document and report its consultation process and clearly show how it addressed the views of those consulted and incorporated their input into the development description. Any development alternatives generated by the involvement process should be clearly documented and reported.

Full Development Description

The development description should provide a complete "story" of the development proposal as it changes over time. The "story" should begin when the kimberlite pipes were first discovered and finish when the kimberlite pipes are decommissioned and returned to the environment. All new or added material requirements (e.g., granular material) during all phases of the development should be noted. Also, any change in employment and employee activities associated with the development proposal through its lifespan, should be described.

The development description shall describe what BHP is proposing to develop, and how the components of the development interact and fit together into an operating mine. BHP shall identify the nature of any change to its existing operation and anything new or unique that is proposed. Demonstrated use applicable traditional knowledge is anticipated in the development description.

Other BHP Developments

BHP should describe the three additional kimberlite pipes in the context of all existing and approved activities (the existing mine and approved pipes) and those developments that are done as a part of BHP's exploration and feasibility work on its contiguous mine leases and exploration blocks (e.g., exploration camps).

Uncertainty

Where there is uncertainty about any component of the development proposal (e.g, granular source, period of greatest on-site activity), BHP shall indicate the nature of the uncertainty and what options it is considering in its development design.

Communications

BHP shall prepare a development description that addresses the consultation and communication needs of Aboriginal people and the general public. The development description shall use a variety of communication methods to describe and present the development description in the context of the whole mining operation in the clearest possible way using language that is clear, simple and succinct. The use of tables to summarize comparable data and information is encouraged. A demonstrated use of applicable traditional knowledge is expected. Where technical language is used, a glossary defining technical words and acronyms, should be included. Maps should be of common scale and projection. All information shall be properly cited.

² Mackenzie Valley Resource Management Act. 1998, Section 114 and 115.

³ Mackenzie Valley Resource Management Act. 1998, Section 3 provides a definition of consultation.



WORK PLAN
for the
BHP Diamonds Inc.
Ekati™ Diamond Mine Expansion
ENVIRONMENTAL ASSESSMENT

prepared by:
The Mackenzie Valley Environmental Impact Review Board
Box 938, 200 Scotia Centre
5102-50th Avenue
Yellowknife, NT X1A 2N7

prepared for:
BHP Diamond Mines Inc.
#1102, 4920-52nd Street
Yellowknife, NT
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Reference Number
EA99-003

Date
June, 1999

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Purpose of the Work Plan

The work plan fulfills the purpose of Part V of the *Mackenzie Valley Resource Management Act*:

- to establish the Mackenzie Valley Environmental Impact Review Board (Review Board) as the main instrument for the environmental assessment of developments in the Mackenzie Valley;
- to ensure that the impact on the environment of proposed developments receives careful consideration before actions are taken in connection with them; and
- to ensure that the concerns of aboriginal people and the general public are taken into account in that process.

Guiding Principles

The following principles guide the work plan and the Mackenzie Valley Environmental Impact Review Board (Review Board).

- The environmental assessment process shall be carried out in a timely and expeditious manner and shall have regard to the protection of the environment from the significant adverse impacts of proposed developments; and
- the protection of the social, cultural and economic well-being of residents and communities in the Mackenzie Valley.

Background

The Ekati™ Diamond Mine (Ekati™) proposes to develop three additional kimberlite pipes (Beartooth, Pigeon and Sable). Ekati's™ development proposal was referred to environmental assessment by the Northwest Territories (NWT) Water Board. The NWT Water Board prepared a joint preliminary screening with DIAND Lands, DIAND Water Resources Division, the Department of Fisheries and Oceans and Environment Canada. The preliminary screeners concluded there was a lack of baseline data, potential unknown cumulative impacts, public concerns about loss of fish habitat, and the need for a "broader review."

There have been two other diamond mining related environmental assessments in the Northwest Territories: The BHP Diamonds Inc. (BHP) Panel Review under the *Environmental Assessment and Review Process Guidelines Orders* (EARPGO), and the Diavik Comprehensive Study under the *Canadian Environmental Assessment Act*.

Scope of the Work Plan

This medium scale development is expected to take about 18 months to complete. The Review Board through its executive director will direct and manage the environmental assessment. Aboriginal people and the general public should have meaningful consultation and participation opportunities. Government will contribute to the environmental assessment guidelines, provide expert advice and pertinent information. The Review Board will provide the Minister of the Department of Indian and Northern Affairs (DIAND) its written reasons report. The Minister will distribute the written reasons report and communicate with the Review Board as needed.

Objectives of the work plan are:

- effective, transparent and accountable Aboriginal, public and government involvement
- preparation of an appropriate development description
- preparation of guidelines for the environmental assessment
- analysis of the completed environmental assessment
- the Review Board's reasons for decision report

Context of the Work Plan

The Review Board is the main instrument for conducting environmental assessments in the Mackenzie Valley. The Act specifies what the Review Board shall and may include in an environmental assessment, and how previous reports are considered. The work plan takes into account the Review Board's purpose (s.114), principles (s.115), and assessment requirements (s.117). The work plan also considers the following.

- The Review Board's interim guidelines.
- Rules and guidelines governing the Review Board's conduct.
- The involvement of Aboriginal people and the general public.
- Government involvement.
- Culturally appropriate consultation.
- Timely and efficient work.

Assessment Team

The Mackenzie Valley Environmental Impact Review Board and its staff would be organized effectively and efficiently to manage the delivery and completion of the Ekati™ Diamond Mine expansion environmental assessment.

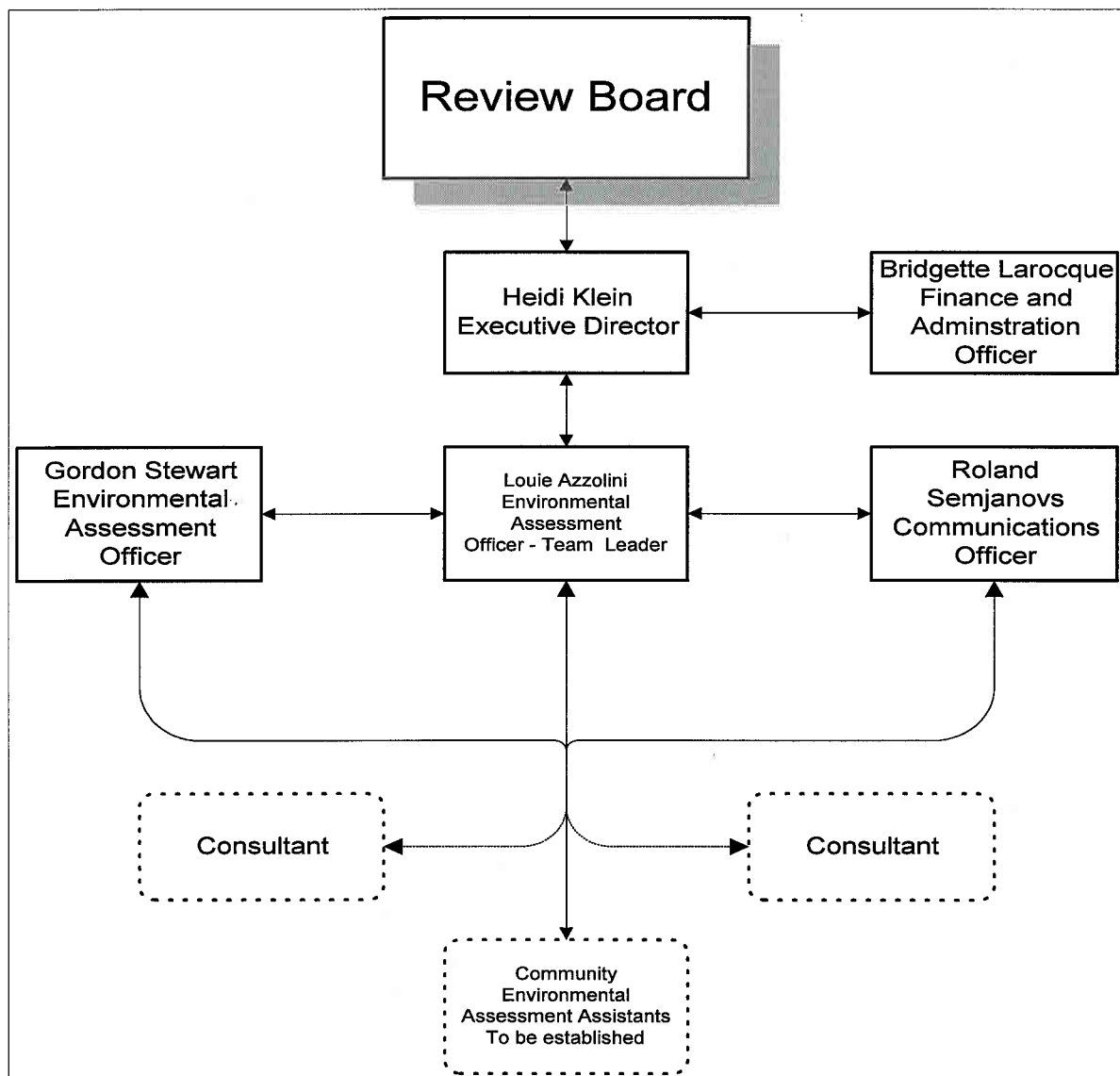


Figure 1
Organization Chart
Environmental Assessment
BHP Ekati™ Diamond Mine Expansion

Involvement Methods

Involving Aboriginal people, the general public and government improves the quality of the environmental assessment. Moreover, the diversity of potential issues and the communities involved reinforces the need for a coordinated involvement process. Involvement methods proposed throughout the environmental assessment would include translation and interpretation where appropriate. A sample of alternative consultation methods is provided below.

- Kitchen Table Meeting
- Informal and formal interview
- Formal interview
- Representative group
- Public Information Session/Open House
- Public Meeting
- Workshop
- Advisory group
- Written Submission
- News Conference
- Newsletter
- Newspaper insert
- News Release
- Newspaper Advertising
- Television Announcement
- Radio Announcement
- Direct Mail

The Work Plan

Work Plan Objectives

The work plan achieves the following objectives:

- Preparation of an appropriate development description for the Review Board.
- Guidelines that instruct the developer about what shall be assessed and what parts of the environment shall be considered in the environmental assessment.
- A completed environmental assessment report.
- A broad range of Aboriginal, general public and government input throughout the environmental assessment.
- Cooperation with government agencies and departments throughout the environmental assessment.
- The Review Board's decision and written reasons on the environmental assessment.

Work Plan Outline

There are four parts of the environmental assessment: The start-up, guidelines, the environmental assessment and the Review Board's written decision.

The start up phase sets the ground work for the environmental assessment. It includes pre-consultation

by the Review Board's staff and the preparation of a suitable development description by the developer.

The guidelines phase concludes with instructions to the developer, and perhaps government, about the contents of the environmental assessment report.

The completed environmental assessment report is checked to make sure it conforms with the guidelines. When the conformity check is finished, the analysis of the environmental assessment report is done.

After the analysis of the environmental assessment report, the Review Board prepares its written reasons regarding the decision it takes on the proposed development.

Phase One - Start-up

Starting the Environmental Assessment

At the start of the environmental assessment the developer, government and the communities in the Mackenzie Valley are informed of the referral. The notification lets people know that while the development is in the environmental assessment process, no licence, permit or other authorization can be issued by government. As part of the referral, staff opened a public registry on the development and started tracking development issues. Public, and government notification of the referral was done by:

- Written submission - the preliminary screening report
- News release
- Newspaper advertising

The Review Board will provide staff its initial observations on BHP's development description and direct staff to prepare a work plan for the Review Board's consideration and approval.

Tasks involved in starting the environmental assessment are listed below.

- Open case file
- Open public registry and registry log
- Public notification of referral
- notify regulatory authorities of the referral
- Review Board notifies the developer of the referral
- Initial regulatory authority and expert advisor identification

Duration: About one month

Deliverable: Public registry, public notification, government notification, developer notification, issue tracking, expert advisor identification.

Pre-Consultation

Pre-consultation is used to identify and inform stakeholders about the environmental assessment process. Community, First Nation, government and experts would be identified and contacted.

The initial consultation would parallel BHP Diamonds Inc. preparing a revised development description and would conclude shortly after the Review Board issues its guidelines to the developer. Pre-consultation

tasks include:

- First Nations consultation - start up phase
 - Initiate contact with First Nation representative
 - Introductory meetings
- Pre-scoping meetings and discussions with regulatory authorities and experts to review referral, development description and supporting information provided by the developer.
- Prepare public notification list
 - Communities
 - Organizations
 - Special interest Groups
 - First Nations
 - Relevant businesses
 - Representative groups
- Staff may conduct public information sessions to inform the public and First Nations about the Review Board and the development proposal
- Staff may conduct further informal public scoping
- Site visit by the Review Board.
- Review Board prepares its environmental assessment work plan

Duration: About three months

Deliverable: Awareness of the Review Board the environmental assessment process.

Development Description Requirements

The Review Board will guide BHP Diamonds Inc. regarding the preparation of an appropriate development description. The developer is responsible for providing a development description that is suitable for consultation with Aboriginal, public and government stakeholders.

The Review Board would inform stakeholders of its direction to the developer using the following involvement methods.

- Fax out regarding the Review Board's direction to the developer.
- News Release to the media.
- Newspaper Advertising informing people of the overall environmental assessment process and the Review Board's direction to the developer.

BHP will provide copies of its final development description to community, First Nation, expert advisors, and government participants.

Duration: About two months

Deliverable: Direction to developer on preparation of its development description and a list of participants who are to receive copies of the final development description.

Phase Two - Guidelines

Environmental Assessment Guidelines

The environmental assessment guidelines (guidelines) ensure the Review Board and stakeholders receive the information they need to understand the environmental consequences and benefits of the proposed development. The guidelines are the Review Board's instructions to the developer.

Staff will coordinate public, First Nation, community, government and expert involvement in the preparation of the draft guidelines. After the Review Board's consideration and adoption the guidelines, they are issued to the developer.

Duration: About three months

Deliverable: Draft and final guidelines, public/stakeholder consultation, direction to the developer including confirmed scope of development and associated scope of assessment, identification of "key" issues, effects, baseline data requirements, and desired results of research, and suggested environmental assessment report table of contents.

Phase Three - Environmental Assessment

Conformity Check

After receiving the developer's completed environmental assessment report the Review Board will ensure the developer has provided the information requested in the guidelines. Aboriginal, general public and government involvement will occur in the conformity check. The Review Board will decide conformity and direct the developer accordingly. The Review Board will notify stakeholders when the conformity check is complete.

Analysis and Adequacy of the environmental assessment

The Review Board's staff will coordinate the analysis of the environmental assessment. The aim is to provide opportunities for people (in government and communities) to participate and express their ideas, evidence and facts in ways that meet their needs (e.g., traditional knowledge holders and scientific experts). The more complete the analysis the better the environmental assessment.

The intent is to find and focus on unresolved or unclear issues, and to provide the Review Board information that will contribute to its decision. Some issues will be scientific, other traditional knowledge based, others personal and value based. Aboriginal, general public and government involvement would occur at community gatherings, elders' gatherings and technical sessions. All gatherings and sessions would be open to everyone always.

Developer Response to Analysis

The developer will have the opportunity of responding to the conformity check and analysis parts of the environmental assessment. BHP Diamonds Inc. can formally provide and present its views on the information brought to the Review Board's attention after submission of its environmental assessment report including any proposed amendments, additions or refinements to the development or the environmental assessment.

Duration: About 6 months to complete from date the environmental assessment is received by the Review Board.

Deliverable: Conformity analysis report, technical session report, community session report and developer's response.

Phase Four - Review Board's Decision

Written Reasons

The Review Board will prepare its determination after considering the environmental assessment report, its analysis, and other pertinent information. The Review Board will then prepare its written reasons. The Review Board will give the Minister of DIAND its written reasons, and the Minister will distribute them to every responsible minister. The referring bodies and the developer also receive copies of the Review Board's written reasons.

The Review Board's staff would work with the Review Board in the preparation of its written reasons.

Duration: About 2 months

Deliverable: Report of the environmental assessment.

Work Plan Schedule

The work plan provides an overview of the tasks, time lines and activities needed to complete the environmental assessment. It is summarized in the following figure and the Table 2 on the following page.

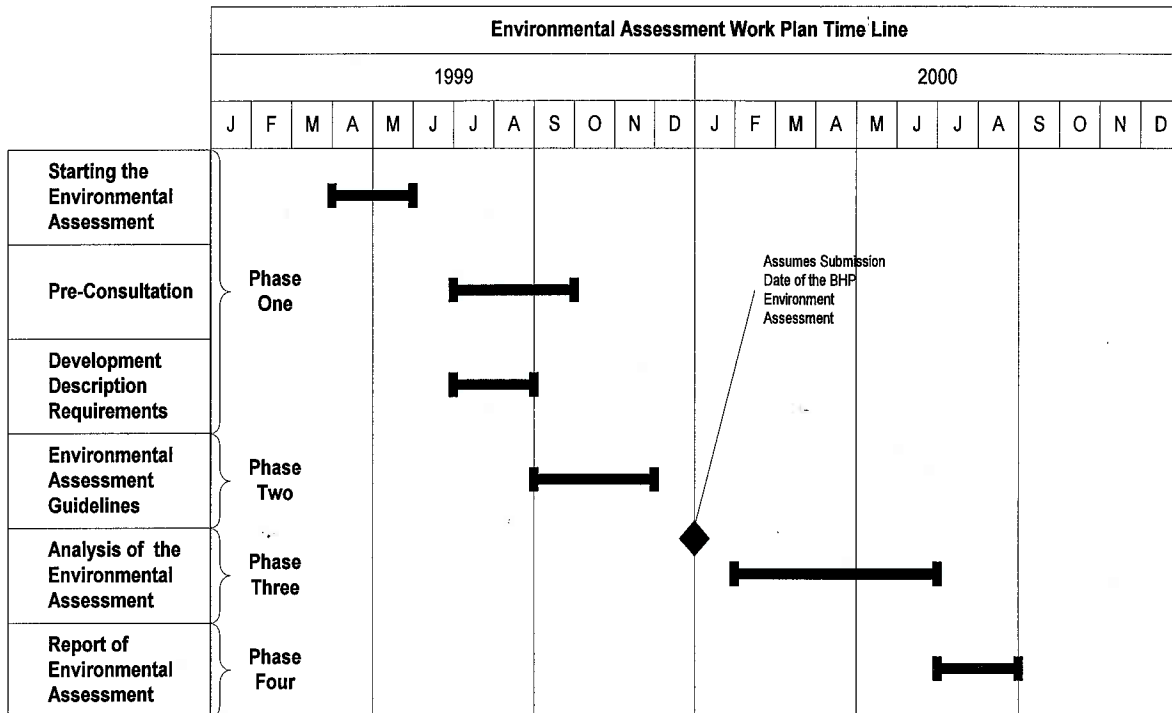


Figure 2

Table 2: Project Schedule and Expense

	<i>Environmental Assessment Milestones</i>	<i>Duration</i>
<i>Phase One</i>	Start-up of the environmental assessment	April and May 1999 (2 months)
	Pre-consultation	July to September 1999 (3 months)
	Development Description Requirements	July and August 1999 (2 months)
<i>Phase Two</i>	The environmental assessment guidelines	September to November 1999 (3 months)
<i>Phase Three</i>	Consideration of the developer's environmental assessment	After developer submits the environmental assessments (5 months)
<i>Phase Four</i>	Review Board's Report of environmental assessment	(2 months)
	<i>Total</i>	not including time taken to prepare the environmental assessment (about 15 months)

The team leader would be responsible to the executive director for overall project management/coordination. All invoices would be co-authorized by the finance and administration officer and the project coordinator to a set limit established with the executive director.