



NI HADI XA

Annual Report 2018



OBJECTIVES

Nì Hadi Xa (NHX) is a contractual agreement between six (6) Indigenous parties; Deninu Kue First Nation (DKFN), Lutsel K'e Dene First Nation (LKDFN), Yellowknives Dene First Nation (YKDFN), North Slave Métis Alliance (NSMA), Northwest Territory Métis Nation (NWTMN) and Tłı̨chǫ Government (TG), and De Beers Canada Inc. The Nì Hadi Xa Agreement is a legally binding agreement that provides for environmental monitoring and management of the Gahcho Kué Diamond Mine, additional to such matters governed by legislation.

Nì Hadi Xa is to provide ways to avoid or minimize the impacts of the Gahcho Kué Mine on the rights of Indigenous parties; their traditional lands; their relationship to the land, water and resources; their social, cultural, economic and spiritual values; their way of life; and the environment.

Nì Hadi Xa exists to watch over the Gahcho Kué Mine. This is not different than the agencies set up to monitor the other mines in the NWT, but there is a much greater emphasis on traditional knowledge monitoring and direct involvement of Indigenous people with Nì Hadi Xa.





OBJECTIVES

Some of the objectives of Nì Hadi Xa are to:

- ★ Respect and protect land, water, wildlife, plants and the land-based economy essential to the way of life and well-being of the Indigenous parties, and present and future generations;
- ★ Ensure ongoing review of Environmental Monitoring and Management Plans, activities and reports of De Beers and the regulators in relation to the Gahcho Kué Diamond Mine;
- ★ Develop and improve the capacity of the Indigenous parties to participate in adaptive environmental management;
- ★ Make recommendations to De Beers with respect to these objectives;
- ★ Integrate and promote equal use of traditional knowledge in environmental monitoring and management; and
- ★ Communicate to the parties and the public on activities and achievements of the above objectives.



STRUCTURE

Nì Hadi Xa was established in December 2014. It is administered by a Governance Committee comprised of seven (7) land and environmental specialists appointed by each party to the agreement: six (6) Indigenous party members, and one (1) member representing De Beers Canada. The committee makes decisions by motion and seeks to have consensus.

The Governance Committee exercises its will through Nì Hadi Xa staff, who run the day-to-day operations. Staff, monitor the impacts of Gahcho Kué in three different ways. The first is technical – reviewing the environmental monitoring and management plans.

The second is observation – our staff will be on site, working with the De Beers environmental staff to observe. The third way is traditional knowledge monitoring – where our staff and land users are on the land, observing what's occurring in the area around Gahcho Kué.



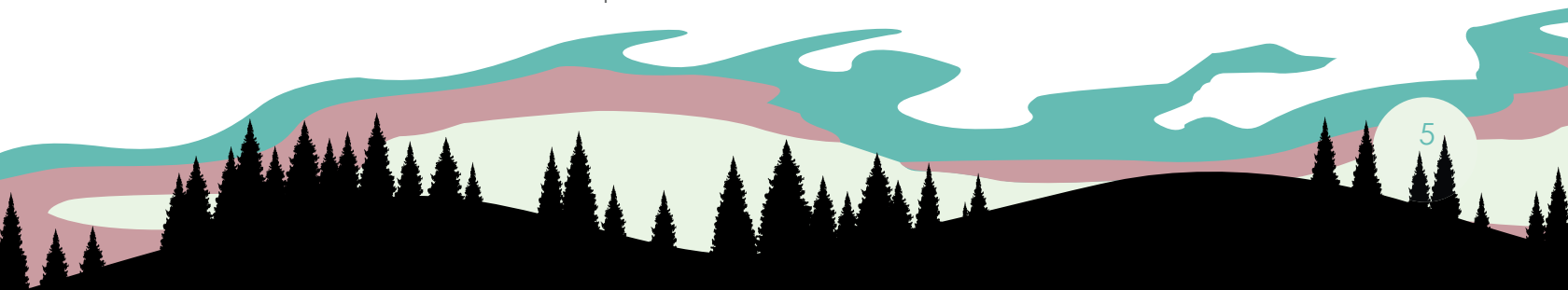


STRUCTURE

★ **Technical Review:** NHX employs an Environment Manager (formally the Technical Coordinator), who carries out technical reviews of permits, licenses and regulatory documents, and provides reports and recommendations. The Environment Manager oversees implementation of the entire agreement and co-supervises the other NHX staff members. Additionally, we have dedicated resources to ensure that outside experts can be contracted to conduct external reviews.

★ **On-site Observation:** NHX employs an Environmental Monitor, who works on site at the mine within the mine's environmental team. Their role is to observe on-site activities, report observations and incidents, and provide recommendations to the Nì Hadi Xa and De Beers leadership.

★ **Traditional Knowledge (TK):** NHX employs two part-time Traditional Knowledge Monitors (TKM) and one part-time Administrator, who are responsible for the implementation of our traditional knowledge monitoring program. Traditional knowledge monitoring is carried out via two avenues: 1) through observations and data collected by the NHX TKM staff who spend approximately 12 weeks of the year on-the-land near the mine site; and 2) through observations and data collected by Indigenous party beneficiaries who participate in our On-the-Land Travel Program (OTLTP).





CHAIR MESSAGE 2018



2018 has been a very busy year. Ni Hadi Xa has seen a lot of change and renewal within the membership of the Governance Committee.

We would like to say thank you and welcome to Joline Huskey of the Tłı̄chǫ Government, William Liu representing De Beers, Jessica Hurtubise for the North Slave Métis Alliance, and Stephanie Poole for the Lutsel K'e Dene First Nation. Many thanks for joining the team and thanks to outgoing members Michael Birlea, Sarah McLean, Nicole Goodman, Ray Griffith for their contributions over the years.



CHAIR MESSAGE 2018

We were also thrilled to welcome the Yellowknives Dene First Nation into Nì Hadi Xa beginning in January of 2019. The first member representing the YKDFN will be Joanne Black and the alternate is Machel Thomas.

In addition, we would like to welcome the new Environment Manager for the Nì Hadi Xa, Miss Rosy Bjornson. She lives in Fort Resolution where the main office will now be located.

I also would like to welcome Miss Allison Baetz, Environmental Monitor for Nì Hadi Xa. Allison joined Nì Hadi Xa in September of 2018.

Now that we have a renewed Governance Committee and fresh new faces amongst our staff, we are poised and ready to meet our goals in 2019.

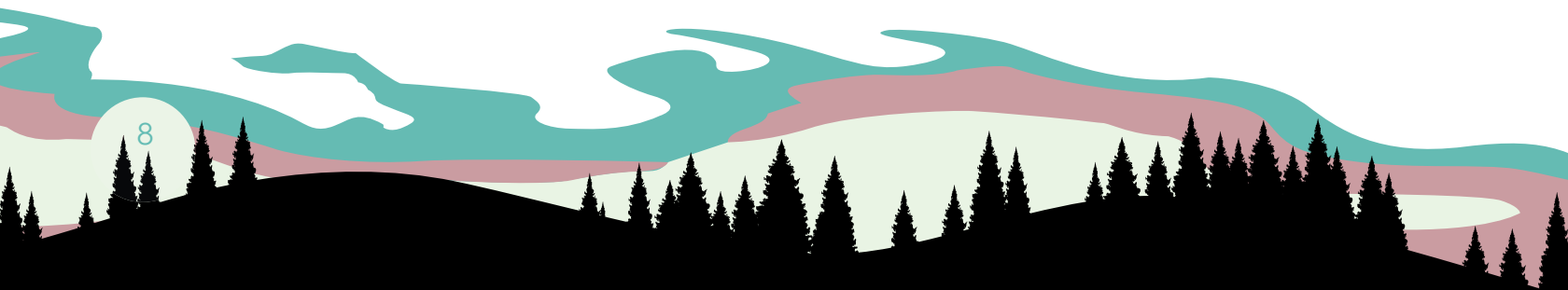




ON-THE-LAND FAMILY PROGRAM 2018

The cabin at Fletcher Lake was completed in 2017, since then our On-the-Land Program has hosted several different organizations, groups, families and events. An annual event that takes place at the cabin is the Gahcho Kué Annual Fish Tasting. This past year's event was a success.

We had elders from the respective communities come out to Fletcher Lake and spend the day eating fish from the area and discussing the environment around the mine from their perspective.



ON-THE-LAND FAMILY PROGRAM 2018

We had two on-the-land success stories out to the cabin. Both groups spent a week on the land observing the land around the mine. One family was from DKFN and the other was a women's group from LKDFN.

The annual on-the-land meeting for the Ni Hadi Xa Governance Committee was held in the September 2018 at the Fletcher Lake cabin. The TK Monitors, Environmental Monitors and Committee Members were all in attendance.





NHX TRADITIONAL KNOWLEDGE MONITORING PROGRAM

Nì Hadi Xa employees two Traditional Knowledge Monitors: Herman Catholique and Denecho Catholique, both from the Lutsel Ke Dene First Nation. The two TK Monitors spent up to 14 days at the Fletcher Lake cabin, observing the environment down stream of the Gahcho Kué Mine site.



Herman Catholique and Denecho Catholique

The NHX TK monitoring team had to complete a lot of work prior to the monitoring beginning. The team constructed the cabin at the Fletcher Lake site and constructed a skidoo trail from Lutsel Ke to Fletcher Lake. When the TK monitoring team returns to the community, the data collected is then uploaded to the Trailmarks app, reports are written, and inventory is completed.



NHX ENVIRONMENTAL MONITORING

This past year we hired Allison Baetz to work as the NHX Environmental Monitor. She has been with Nì Hadi Xa since September 24, 2018.

Allison graduated post-secondary school with a degree in Biological Sciences.

De Beers has recently given Allison the opportunity to attend a Conservation Leadership and Management program in Rio de Janeiro, Brazil.

With this great opportunity, after the workshop she will be working closely with all parties of the Nì Hadi Xa agreement to have workshops at Gahcho Kué and at the Nì Hadi Xa cabin. The workshops are to educate people on complementary approaches bridging the distance between scientific and traditional environmental monitoring.



Allison Baetz, Environment Monitor



GOVERNANCE COMMITTEE REPORT

In 2018, the Governance Committee met five times; January 24-25, April 19-20, July 19-20, November 14-15, and the On-the-Land meeting September 25-27.

★ **Finances:** Fiscal responsibility is a priority – we continue to balance quality programing and fiscal responsibility to meet our program objectives. In 2018, we hosted Deninu Kue First Nation and Lutsel K'e Dene First Nation families to participate in the On-the-Land Program, which allows for Indigenous families to participate in the traditional monitoring of the Gahcho Kué Mine. A financial report for spending in 2018 was prepared and approved by the Governance Committee.

★ **Programing:** All monitoring programs are ongoing.

★ **Administration:** In 2018, the Nì Hadi Xa employed an Administrative Assistant for the TKM program. The TKM Administrative Assistant is responsible for conducting travel arrangements as scheduled by the Environment Manager, drafting quarterly reports for the TKM program, and any other logistical coordinating that may be required by the TKM program monitors. There has also been turn over in the Technical Coordinator position and Environmental Monitor position. De Beers took on the workload until both positions were filled.

MAX AWARD ON ENVIRONMENTAL AND SOCIAL RESPONSIBILITY- GEOSCIENCE FORUM 2018 YELLOWKNIFE, NT

- ★ Nì Hadi Xa won the MAX Award for Environment and Social Responsibility in November 2018.
- ★ Traditional Knowledge and Community-based Monitoring program.

- ★ Tom Unka, Violet Camsell-Blondin, William Lui and Stephanie Poole accepted on behalf of the NHX.





DE BEERS WATER LICENSE RENEWAL PROCESS

There were two water license amendments in 2018. The first was to increase the camp water usage from 27,000 m³ to 35,000 m³. This was approved in July of 2018. The second amendment was to allow for the deposition of additional mine rock on the West Mine Rock Pile. This additional mine rock was the result of naturally occurring joint sets in the rock surrounding the ore, which results in the need to remove more rock to ensure the pits remain safe to mine.

The mining of additional rock also required some adjustments to water management, including adjusting the downstream flow mitigation to allow for discharge from Area 7 to Area 8 of Kennady Lake, adjusted effluent quality criteria for discharge to Lake N11,

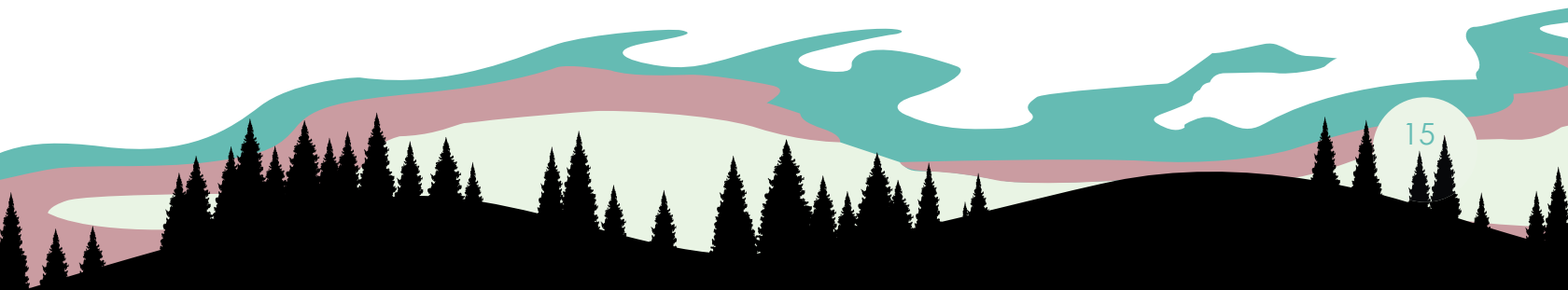
extension of the number of years of discharge, and a few other minor adjustments, including an adjustment to the frequency of fuel storage tanks inspections to once per week, and an additional requirement for an EQC report prior to discharge.

Ni Hadi Xa hired Matrix Solution to do the peer review. Comments received were addressed by De Beers, and Ni Hadi Xa was satisfied that the application could proceed.



NEXT STEPS

- ★ In 2019, Ni Hadi Xa will be continuing with the traditional monitoring.
- ★ Ni Hadi Xa will conduct a four-year review of the Implementation of the Agreement by the Governance Committee, the Traditional Knowledge Monitoring program and the On-the-Land family program.
- ★ Recommendations from the Ni Hadi Xa Governance Committee Members 2018; request more detail, graphs and outcomes/analysis for future annual report updates.
- ★ To continue to work with De Beers and other Indigenous parties to ensure the livelihood of the Indigenous people is monitored in and around the mine area, and to monitor the co-existence.
- ★ Deliver a safe On-the-Land program out at the cabin.





COMMITTEE MEMBERS

Top, left to right:

Tom Unka, Northwest Territories Métis Nation

Stephanie Poole, Lutsel K'e Dene First Nation

Jessica Hurtubise, North Slave Métis Alliance

Bottom, left to right:

Robert Sayine, Deninu Kue First Nation

Joline Huskey, Tłı̨chǫ Government

Machel Thomas, Yellowknives Dene First Nation

William Liu, De Beers Canada Inc.