

**ANNUAL REPORT**

**2004 - 2005**

**JAMES BAY ADVISORY COMMITTEE  
ON THE ENVIRONMENT**


**KAWIISHUWAITEKWA ISTCHEE WIISHUWEWIN**


This report is available on the Committee's web site at the following address:

[www.ccebj-jbace.ca](http://www.ccebj-jbace.ca)

Copies are also available at the JBACE secretariat:

James Bay Advisory Committee on the Environment  
383, rue Saint-Jacques, bureau C-220  
Montréal (Québec) H2Y 1N9

 (514) 286-4400

 (514) 284-0039

Legal deposit  
Bibliothèque nationale du Québec  
National Library of Canada  
ISBN  
ISSN

## TABLE OF CONTENTS

|                                                                             |          |
|-----------------------------------------------------------------------------|----------|
| Letter to the Environment Ministers and Grand Chief of the Crees .....      | iii      |
| CHAIRPERSON'S MESSAGE.....                                                  | v        |
| COMMITTEE MANDATE .....                                                     | 3        |
| JBACE ACTIVITIES IN 2004-2005 .....                                         | 5        |
| 1. Sustainable Management of Residual Materials .....                       | 5        |
| <i>a. Development of information tools.....</i>                             | <i>5</i> |
| <i>b. Recycling .....</i>                                                   | <i>5</i> |
| 2. Impact Assessment and Review Procedure .....                             | 6        |
| <i>a. Examination of the procedure applicable to Category I lands .....</i> | <i>6</i> |
| <i>b. Subpoena authority .....</i>                                          | <i>6</i> |
| 3. Sustainable Forest Management .....                                      | 7        |
| <i>a. Mandate.....</i>                                                      | <i>7</i> |
| <i>b. Annual allowable cut calculations .....</i>                           | <i>7</i> |
| <i>c. Forest resource protection and development objectives.....</i>        | <i>7</i> |
| 4. Preparation of the Regional Plan for Public Land Development .....       | 8        |
| 5. Water Quality .....                                                      | 8        |
| 6. Presentation on Hydroelectric Projects.....                              | 8        |
| 7. Presentation on Environmental Effects Monitoring.....                    | 9        |
| 8. Sustainable Development Plan Consultation.....                           | 9        |
| 9. Strategic Plan.....                                                      | 10       |
| 10. Communications .....                                                    | 10       |
| CONCLUSION .....                                                            | 10       |
| APPENDIX 1 – COMPOSITION AND MEETINGS OF THE JBACE.....                     | 13       |

|                                                                                                                              |    |
|------------------------------------------------------------------------------------------------------------------------------|----|
| APPENDIX 2 – DIRECTIONS OF THE STRATEGIC PLAN.....                                                                           | 16 |
| APPENDIX 3 – FINANCIAL STATEMENTS.....                                                                                       | 17 |
| APPENDIX 4 – COMPOSITION AND MEETINGS OF THE EVALUATING<br>COMMITTEE (COMEV) AND PROJECTS REVIEWED BY THE<br>COMMITTEE ..... | 27 |
| APPENDIX 5 – TABLE OF PROJECTS SUBMITTED TO THE EVALUATING<br>COMMITTEE (COMEV) AND THE REVIEW COMMITTEE<br>(COMEX).....     | 32 |
| APPENDIX 6 TERRITORY COVERED BY THE ENVIRONMENTAL AND SOCIAL<br>PROTECTION REGIME .....                                      | 34 |

June 21, 2005

The Hon. Stéphane Dion  
Minister of the Environment for Canada

The Hon. Thomas Mulcair  
Minister of Sustainable Development, Environment  
and Parks

Grand Chief Ted Moses  
Grand Council of the Crees (Eeyou Istchee)

Dear Sirs:

I am honoured to present the activity report of the James Bay Advisory Committee on the Environment for the year ended March 31, 2005.

Respectfully submitted,



Guy Demers  
Chairperson



## CHAIRPERSON'S MESSAGE

Considering the important role played by the JBACE in environmental and social issues in the James Bay Territory, I accepted the position of Chairperson with enthusiasm. Through its function as a "forum for discussion" for the three signatory parties to the James Bay and Northern Québec Agreement, the JBACE is of course a place for sharing and exchanging expertise and opinions. Although the parties' respective positions sometimes make it difficult to reach consensus, I am convinced that the members will agree on recognized criteria of environmental, social and public health protection. As Chairperson, I advocated this approach; as a member for the next year, I will continue working in this spirit of collaboration.

It must be recognized that the Committee's effectiveness largely depends on the quality of the information passed on by government organizations. In this regard, I believe that the members have a role to play with their appointing parties. For my part, I intend to try and improve the dissemination of information to the JBACE by Québec government departments.

In closing, I would like to thank the JBACE members and secretariat staff for welcoming me on board. The support they have given me bodes well for the continuation of work begun in 2004-2005.



Guy Demers

Chairperson

June 21, 2005





**JAMES BAY ADVISORY COMMITTEE  
ON THE ENVIRONMENT**

**KAWIISHUWAITEKWA ISTCHEE WIISHUWEWIN**



## COMMITTEE MANDATE

One of the functions of the James Bay Advisory Committee on the Environment (JBACE) under the James Bay and Northern Québec Agreement (JBNQA) is to advise the responsible governments<sup>1</sup> regarding administration of the environmental and social protection regime. To that end, the JBACE must be consulted on proposed laws, regulations, policies or other measures that may affect the regime, including land use regulations. The JBACE may recommend changes to make these proposals compatible with the guiding principles of the regime set forth in Section 22 of the JBNQA. These principles, which are to be given due consideration by the responsible governments and committees, provide for, among other things, special status and involvement of the Cree people in the application of the regime and for the protection of the rights and guarantees of the Cree people established by and in accordance with the Hunting, Fishing and Trapping Regime of the JBNQA.

The JBACE is responsible for the administrative supervision of the Evaluating Committee (COMEV – see Appendix 4). If deemed necessary, the Evaluating Committee may recommend that a development project be submitted to the impact assessment and review procedure provided for in the environmental and social protection regime. Where this is the case, COMEV issues directives regarding the scope and extent of impact assessment and review and the impact statement to be prepared by the proponent. The procedure aims to minimize the negative impacts of development on Native people and wildlife resources (JBNQA; sub-paragraph 22.2.2 b).

The JBACE also provides organizations representing the Crees with information and data that it obtains from the governments. It informs the governments, government corporations operating in the Territory and the committees established by the JBNQA of its decisions and recommendations. Every year, the JBACE submits a report of its activities to the Minister of Sustainable Development, Environment and Parks for tabling in the National Assembly.

---

<sup>1</sup> Government of Canada, gouvernement du Québec, Cree Regional Authority or councils of the Cree First Nations.



## **JBACE Activities in 2004-2005**

In 2004-2005, the JBACE pursued its mandate to comment on legislative, regulatory and policy proposals having potential environmental or social impacts in the James Bay Territory. It also undertook a review of part of the impact assessment and review procedure.

At the same time, the members drafted a strategic plan defining priority issues to enable the JBACE to be more effective in its action.

### **1. Sustainable Management of Residual Materials**

In 2003-2004, the JBACE had sensitized Recyc-Québec to the need to extend certain recycling programs, particularly for used tires and paint, to the area north of the 49th parallel. The Committee's efforts led, in fall 2004, to the first tire recovery initiative for this area. However, much remains to be done to ensure the program is renewed and other programs are implemented.

In 2004-2005, the Committee geared its efforts toward developing tools to foster integrated management of residual materials.

#### *a. Development of information tools*

As part of a summer work placement, a student from the Université du Québec à Montréal put together a directory of recyclers for the James

Bay Territory.<sup>2</sup> In addition to recycling firms serving the Territory, the directory includes information on haulers and recycling equipment manufacturers.

To reach partners from the academic community, the intern also put together a directory of educational web sites on waste management with the aim of raising local communities' awareness of residual materials management issues. The directory is intended for teachers, students and local-government administrators.

#### *b. Recycling*

In fall 2004, a tire recovery firm, dispatched to the Territory in coordination with Recyc-Québec and the Cree Regional Authority, collected a portion of the used tires stockpiled in eight Cree communities. Taking advantage of the strong iron market and a joint initiative of the local environment administrators for the Cree communities, a Val-d'Or firm also collected automobile hulks from several communities. However, the sustainability of these initiatives still needs to be secured. To that end, the JBACE invites future partners to contact it.

During a meeting with the Québec Environment Minister in September 2004, the members stressed the need to make the regulations more flexible so that recycling programs and related funding apply to the James Bay Territory.

---

<sup>2</sup> Available on the JBACE web site under "Publications": [www.ccebj-jbace.ca](http://www.ccebj-jbace.ca)

## 2. Impact Assessment and Review Procedure

The JBACE's mandate includes examining the environmental and social impact assessment and review procedure. In 2004-2005, the Committee began by examining the procedure applicable to projects carried out on Category I lands.<sup>3</sup> The Committee also wrote to the administrators of the procedure to find out whether the evaluating and review committees have the power to summon witnesses during public consultations.

### *a. Examination of the procedure applicable to Category I lands*

The JBACE mandated a firm to study the quality of assessment and review of projects carried out on Category I lands. Interviews were conducted with nearly 40 people involved in the environmental and social assessment and review procedure, including proponents, project funders, engineering and environmental consultants, advisors to the CRA, local environment administrators and members of the evaluating and review committees.

The comments gathered during interviews will underlie recommendations covering the following five themes:

- coordination of the procedures;
- limitations in the project funding cycle;

- project planning at the community level;
- the role of local environment administrators;
- the content of environmental impact statements.

The JBACE will study the conclusions of the final report, which is expected in May 2005, and then make recommendations to the signatories of the JBNQA.

### *b. Subpoena authority*

In 2003, the JBACE wrote to the federal and provincial administrators of the JBNQA asking about the evaluating and review committees' subpoena authority, i.e. their power to summon witnesses in cases where a proponent refuses to disclose information. This question was initially raised by participants during the public consultations on the draft directives for the Eastmain 1-A/Rupert diversion project.

In fall 2004, the administrators replied, in essence, that the JBNQA does not empower the committees to summon witnesses or force the proponent to provide information or documents during public consultations. However, the proponent's cooperation is essential for the assessment and review procedure to succeed. If the proponent fails to supply all of the documents needed to make an informed decision, the administrator can delay project authorization.

---

<sup>3</sup> Tracts of land set aside for the exclusive use of the James Bay Cree Nations.

### 3. Sustainable Forest Management

Since the implementation of the adapted forestry regime established by the 2002 Agreement Concerning a New Relationship Between le Gouvernement du Québec and the Crees of Québec (ANRQC, or so-called "Peace of the Brave"), the forestry bodies created by the Agreement also have mandates to review and comment on, among other things, forest management plans. Wanting to avoid duplication, the Committee is currently exploring ways to harmonize its activities with those of the new bodies, while fulfilling its mandate.

Under paragraph 22.3.24 of the JBNQA, the JBACE has the obligation to be involved in matters of forestry, including forest policy issues. Fulfilling this responsibility, the Committee commented on the government's proposed forest resource protection and development objectives and the postponement of the release of annual allowable cut calculations.

#### *a. Mandate*

To refine its forestry mandate in light of the ANRQC, the JBACE intends to gear its action more towards the areas of land use planning, ecological knowledge, legislative monitoring and biodiversity conservation.

As regards the review of forest management plans, the members hope to propose a memorandum of understanding to the Cree-Québec Forestry Board to ensure the activities of the JBACE and the Board are complementary.

#### *b. Annual allowable cut calculations*

In spring 2004, Associate Deputy Minister of Forests, Michel Bordeleau, solicited the JBACE's opinion regarding the proposed postponement of the release date for annual allowable cut calculations. According to Mr. Bordeleau, the postponement was warranted by the uncertainty surrounding a parameter used to calculate the forest yield.

The JBACE supported any measure aimed at revising the allowable cut calculations in light of more accurate data on forest dynamics. Furthermore, the Committee took for granted that the revision of calculation methods would result in a decrease in the allowable cut for the Territory, which Mr. Bordeleau confirmed to be true.

#### *c. Forest resource protection and development objectives*

In fall 2003, the Ministère des Ressources naturelles, de la Faune et des Parcs (MRNFP) proposed a series of forest resource protection and development objectives to be integrated into forest management plans for 2008-2013.

The JBACE based its comments on the guiding principles of the JBNQA underpinning its action in forestry matters, including the protection of physical and biotic environments and the protection of Native people, communities and economies.

The JBACE approved the objectives to reduce rutting, maintain productive forest land and protect wildlife habitat as well as mature and over-aged

forest stands. However, the Committee drew MRNFP's attention to the consultations conducted by the Cree Regional Authority (CRA) and Waswanipi Cree Model Forest (WCMF), through which additional objectives relating to economic opportunities, maintenance of the Cree traditional way of life and increased involvement in forest management were formulated.

In March 2005, the Minister, Pierre Corbeil, announced 11 final objectives, including one addressing the concerns expressed by the CRA and WCMF, namely: "Maintaining or improving the habitats of wildlife species of importance to the Crees and fostering harmonization of different forest uses."

#### **4. Preparation of the Regional Plan for Public Land Development**

In 2003, MRNFP mandated its regional offices to prepare a public land development plan for their respective territories. These plans essentially set out the policy directions for granting land rights, including for the development of private vacation sites.

Since the consultation of James Bay partners for the purpose of preparing a regional public land development plan (known by the French acronym "PRDTP") is taking longer than planned, the MRNFP regional office adopted transitional measures in February 2005 to mitigate existing irritants. The measures prohibit the granting of land rights for vacation sites in designated areas, including

Category II lands, sites of special interest defined pursuant to the ANRQC, and land set aside as proposed protected areas.

The JBACE applauded this initiative while underlining the importance, in preparing the PRDTP, of providing reliable data on the location of vacation sites and illegal camps in the James Bay Territory.

#### **5. Water Quality**

In May 2004, the JBACE wrote to the Cree First Nations<sup>4</sup> informing them that local governments have the power to make by-laws respecting drinking water quality.

#### **6. Presentation on Hydro-electric Projects**

In September 2004, Hydro-Québec and Société d'énergie de la Baie James (SEBJ) representatives gave the JBACE an update on the Eastmain 1 project and the impact statement for the Eastmain 1-A/Rupert diversion draft design study.

At the time, 2500 construction workers were busy building three turbine generator sets and excavating in preparation for construction of the dam and dikes. Mitigation measures were also being put in place, including measures to control hunting and fishing by construction workers,

---

<sup>4</sup> At his request, the same information was sent to the chief of the Naskapi Nation, which has the same powers under the Cree-Naskapi (of Québec) Act.



reforestation of barren areas and the removal of trees in areas slated for flooding to facilitate boating on the future reservoir. Commissioning of the reservoir is scheduled for 2007.

The draft design study for the Eastmain 1-A/Rupert diversion project complies with the agreements already signed with the Crees regarding the water level of Sakami Lake and the La Grande River. Moreover, as a result of talks with Cree trappers, the flow of Rupert River will be reduced based on current minimum and flood levels to ensure required water levels during spawning periods. Lastly, tallymen will be advised of aquatic areas with high mercury levels and alternative fishing sites.

## **7. Presentation on Environmental Effects Monitoring**

In April 2004, an Environment Canada representative gave the Committee a progress report on the implementation of environmental effects monitoring (EEM). EEM studies assess the impact of mining operations on aquatic habitat.

EEM studies for five mines in the James Bay Territory should be submitted by the end of 2006. Apart from complying with the maximum concentrations fixed by the federal Metal Mining Effluent Regulations and Québec Directive 019, Environment Canada urges mining companies to consult the communities concerned in order to establish socially acceptable effluent levels. Environment Canada invited the JBACE to consult and comment on the plans once they have been submitted.

## **8. Sustainable Development Plan Consultation**

In November 2004, Québec's Environment Minister tabled his new sustainable development plan. The plan includes a draft bill that would establish a new management framework within the Administration. It also provides for the review of existing standards, policies and programs to integrate social and environmental considerations. The position of Sustainable Development Commissioner would be created to evaluate implementation of sustainable development strategies by government departments, agencies and organizations.

In February 2005, the JBACE expressed the opinion that sustainable development principles are already enshrined in the environmental and social protection regime established by the JBNQA and that the members are in favour of integrating social and environmental concerns into standards, policies and programs. Moreover, in the past, the JBACE has often underlined the government's failure to take these factors into account.

The JBACE will be submitting a brief during the consultations to be held by the Minister of Sustainable Development, Environment and Parks in the James Bay region in May 2005.

## 9. Strategic Plan

Considerable effort was devoted to defining the JBACE's priority actions for the next two years.

The JBACE intends to begin by updating the environmental and social impact assessment and review procedure, giving special attention to the list of projects subject to and exempt from impact assessment, the consultation process, post-project follow-up and coordination of procedures. This work will be carried out in the same spirit as the JBACE's review of the procedure applicable to projects on Category I lands, i.e. with the aim of identifying the procedure's strengths and weaknesses in order to recommend improvements to the JBNQA signatories.

Another priority action will be sustainable development of the Territory. To that end, the JBACE's strategic plan calls for better coordination of the Québec government's various land use planning initiatives. The members urge the government to consider adopting strategic environmental assessment<sup>5</sup> to ensure better integration of economic, environmental and social factors in government policies, plans and programs.

Lastly, the Committee intends to give special attention to sustainable management of residual materials by

ensuring recycling programs are available to James Bay Cree communities and by providing on-the-ground assistance in implementing these programs.

## 10. Communications

During the past year, the JBACE put the finishing touches to its web site, which came on line in June 2004. In addition to information on the Committee and its role, the site includes a monthly inventory of projects and events relating to the James Bay environment and communities (*JBACE Newsletter*). A section reserved for members offers a quick link to the latest documents.

The secretariat digitized all meeting minutes, comments, briefs and annual reports of the JBACE since 1978. The digitized records are available on a CD-ROM that includes a search tool.

---

<sup>5</sup> In September 2004, a representative from the Ministère de l'Environnement du Québec gave the JBACE a presentation on strategic environmental assessment.

## **CONCLUSION**

In 2004-2005, the JBACE focused its attention on the impact assessment and review procedure for Category I lands, sustainable management of residual materials and measures affecting forest management or the James Bay Territory. The actions taken by the Committee aim to ensure that due consideration is given to the special geographical and cultural context of the Territory.

During the year, the Committee also engaged in strategic planning with a view to becoming more effective in its action. This exercise gave greater structure to JBACE activities by identifying action priorities.

These planning tools will facilitate sustained action by the JBACE in 2005-2006, including to review the impact assessment and review procedure and support recycling initiatives in the Territory.



## APPENDIX 1

### COMPOSITION AND MEETINGS OF THE JBACE

#### A. Composition of the JBACE

##### ***Members appointed by the Cree Regional Authority (CRA):***

Glen Cooper, CRA

George L. Diamond, Cree Board of Health and Social Services

Ginette Lajoie, CRA

Diom Romeo Saganash, CRA (Chairperson until December 2, 2004)

##### ***Members appointed by Canada:***

Michel Blondin, Indian and Northern Affairs Canada (until August 26, 2004)

François Boulanger, Canadian Environmental Assessment Agency (since May 31, 2004)

Jean Comtois, Environment Canada (until August 30, 2004)

Claude Langlois, National Defence Canada

Chantal Leblanc-Bélanger, Indian and Northern Affairs Canada (since August 26, 2004)

Gilles H. Tremblay, Fisheries and Oceans Canada (since August 30, 2004)

##### ***Members appointed by Québec:***

Guy Demers, Ministère de l'Environnement (since December 2, 2004 - Chairperson)

Marian Fournier, Ministère des Ressources naturelles, de la Faune et des Parcs, Secteur Forêt

Carole Garceau, Ministère de l'Éducation (until December 2, 2004)

Pierre Moses, James Bay Municipality

Denis Vandal, Ministère des Ressources naturelles, de la Faune et des Parcs,  
Secteur Faune

***Ex-officio member appointed by the Hunting, Fishing and Trapping  
Coordinating Committee:***

Gilles Harvey, Ministère des Ressources naturelles, de la Faune et des Parcs

**B. Composition of the subcommittees**

***Administrative Committee***

François Boulanger, Canada  
Ginette Lajoie, CRA  
Denis Vandal, Québec

***Strategic planning subcommittee***

Ginette Lajoie, CRA  
Pierre Moses, Québec  
Gilles H. Tremblay, Canada

***Subcommittee studying impact assessment and review of projects  
on Category I lands***

François Boulanger, Canada  
Ginette Lajoie, CRA  
Pierre Moses, Québec  
Benoît Taillon, Chair, Federal Review Panel (COFEX-South)

***Forestry subcommittee***

Marian Fournier, Québec  
Chantal Leblanc-Bélanger, Canada  
Diom Romeo Saganash, CRA

**C. Secretariat**

Louise Bélanger, secretariat officer  
Marc Jetten, executive secretary  
Romain Rosant, intern

D. JBACE meetings

In 2004-2005, the JBACE held four meetings at its secretariat office in Montréal:

|                      |                    |
|----------------------|--------------------|
| <b>136th meeting</b> | April 7, 2004;     |
| <b>137th meeting</b> | September 2, 2004; |
| <b>138th meeting</b> | November 30, 2004; |
| <b>139th meeting</b> | January 25, 2005.  |

## APPENDIX 2

### DIRECTIONS OF THE STRATEGIC PLAN (2005-2007)

| <i>Issue</i>                                           | <i>Directions</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>IMPACT AND REVIEW PROCEDURE</b></p>              | <ul style="list-style-type: none"> <li>• Review the lists of projects subject to or exempt from impact assessment in accordance with paragraphs 22.5.1 et 22.5.2 of the JBNQA.</li> <li>• Develop a model of public consultation that is better suited to the communities in the JBNQA Territory.</li> <li>• Favour the development of methods for incorporating traditional knowledge into environmental and social assessment.</li> <li>• Determine whether current follow-up mechanisms for managing a project post-construction are adequate.</li> <li>• Favour harmonization of the assessment procedures, namely through implementation of the related provisions of the JBNQA.</li> </ul> |
| <p><b>SUSTAINABLE DEVELOPMENT OF THE TERRITORY</b></p> | <ul style="list-style-type: none"> <li>• Promote integration between and coordination of the various land-use planning processes.</li> <li>• Examine the relevance of promoting consideration of environmental and social factors through strategic environmental assessment (SEA) of policy, plan and program proposals.</li> </ul>                                                                                                                                                                                                                                                                                                                                                             |
| <p><b>MANAGEMENT OF RESIDUAL MATERIALS</b></p>         | <ul style="list-style-type: none"> <li>• Advocate implementation of an adapted regulatory framework for sustainable management.</li> <li>• Promote recycling, recovery and reuse programs.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p><b>FORESTRY</b></p>                                 | <ul style="list-style-type: none"> <li>• Clarify the extent of its role and mandate in the context created by the Agreement Concerning a New Relationship Between Québec and the Crees (ANRQC).</li> <li>• Promote cooperation with the new ANRQC bodies.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p><b>DRINKING WATER QUALITY</b></p>                   | <ul style="list-style-type: none"> <li>• Make local governments aware of the importance of promoting application of appropriate standards to protect public health.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |



## APPENDIX 3

*[TRANSLATION]*

### JAMES BAY ADVISORY COMMITTEE ON THE ENVIRONMENT

#### FINANCIAL STATEMENTS AND REVIEW ENGAGEMENT REPORT

AS AT MARCH 31, 2005

|                                                     |            |
|-----------------------------------------------------|------------|
| Review Engagement Report                            | 1          |
| Balance Sheet                                       | 2          |
| Statement of Financial Activities                   | 3          |
| Statement of Accumulated Surplus                    | 4          |
| Notes to Financial Statements                       | 5 - 8      |
| Supplementary Information<br>Operating Expenditures | SCHEDULE A |

RUEL GIROUX DORION  
Chartered Accountants

*[TRANSLATION]*

## **REVIEW ENGAGEMENT REPORT**

To the members of the  
**JAMES BAY ADVISORY COMMITTEE ON THE ENVIRONMENT**

We have reviewed the balance sheet of the JAMES BAY ADVISORY COMMITTEE ON THE ENVIRONMENT as at March 31, 2005, and the statements of financial activities and accumulated surplus for the year then ended. These financial statements were prepared in accordance with Canadian generally accepted accounting principles regarding differential reporting by non-publicly accountable enterprises, as mentioned in Note 2 of the financial statements. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Committee.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

*[ORIGINAL SIGNED]*

**RUEL GIROUX DORION**  
Chartered Accountants

Victoriaville,  
May 20, 2005

**BALANCE SHEET**  
**AS AT MARCH 31, 2005**  
(Unaudited)

[TRANSLATION]

|                                        | 2005           | 2004           |
|----------------------------------------|----------------|----------------|
| <b>ASSETS</b>                          |                |                |
| <b>CURRENT ASSETS</b>                  |                |                |
| Cash                                   | \$42 468       | \$49 540       |
| Receivables (Note 4)                   | 7 661          | 8 448          |
| Prepaid expenses                       | 2 454          | 459            |
|                                        | <u>52 583</u>  | <u>58 447</u>  |
| INVESTMENTS (Note 5)                   | 452 062        | 401 138        |
| FIXED ASSETS (Note 6)                  | 11 746         | 10 492         |
|                                        | <u>516 391</u> | <u>470 077</u> |
| <b>LIABILITIES</b>                     |                |                |
| <b>CURRENT LIABILITIES</b>             |                |                |
| Accounts payable and accruals (Note 7) | \$62 947       | \$91 954       |
| <b>MEMBERS' EQUITY</b>                 |                |                |
| Accumulated surplus                    | 453 444        | 378 123        |
|                                        | <u>516 391</u> | <u>470 077</u> |

**CONTRACTUAL COMMITMENT (Note 8)**

**DIRECTOR'S SIGNATURE**

*[ORIGINAL SIGNED]*

\_\_\_\_\_, Director

**RUEL GIROUX DORION**  
Chartered Accountants

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2005  
(Unaudited)

[TRANSLATION]

|                                            | 2005              | 2004              |
|--------------------------------------------|-------------------|-------------------|
| <b>INCOME</b>                              |                   |                   |
| Subsidy                                    | \$251 000         | \$252 593         |
| <b>OPERATING EXPENDITURES (SCHEDULE A)</b> | 185 815           | 159 637           |
|                                            | <u>          </u> | <u>          </u> |
| <b>SURPLUS</b>                             | 65 185            | 92 956            |
|                                            | <u>          </u> | <u>          </u> |
| <b>OTHER FINANCIAL ACTIVITIES</b>          |                   |                   |
| Interest income                            | 8 543             | 1 485             |
| Other income                               | 1 593             | 4 851             |
|                                            | <u>          </u> | <u>          </u> |
|                                            | 10 136            | 6 336             |
|                                            | <u>          </u> | <u>          </u> |
| <b>SURPLUS FOR THE YEAR</b>                | \$75 321          | \$99 292          |
|                                            | <u>          </u> | <u>          </u> |

RUEL GIROUX DORION  
Chartered Accountants

**STATEMENT OF ACCUMULATED SURPLUS  
FOR THE YEAR ENDED MARCH 31, 2005  
(Unaudited)**

*[TRANSLATION]*

|                                                   | NON<br>ALLOCATED | ALLOCATED<br>TO THE<br>FORESTRY<br>FUND | ALLOCATED<br>TO THE<br>SECTION 22<br>REVIEW<br>FUND | TOTAL<br>2005 | TOTAL<br>2004 |
|---------------------------------------------------|------------------|-----------------------------------------|-----------------------------------------------------|---------------|---------------|
| <b>ACCUMULATED SURPLUS,<br/>BEGINNING OF YEAR</b> | \$220 935        | \$107 188                               | 50 000                                              | \$378 123     | \$278 831     |
| <b>SURPLUS FOR THE YEAR</b>                       | 75 321           | --                                      | --                                                  | 75 321        | 99 292        |
| <b>ACCUMULATED SURPLUS,<br/>END OF YEAR</b>       | \$296 256        | \$107 188                               | \$50 000                                            | \$453 444     | \$378 123     |

**RUEL GIROUX DORION**  
Chartered Accountants

**NOTES TO FINANCIAL STATEMENTS  
AS AT MARCH 31, 2005  
(Unaudited)**

[TRANSLATION]

---

---

**1. GOVERNING STATUTES AND NATURE OF OPERATIONS**

The James Bay Advisory Committee on the Environment was established by Section 22 of the James Bay and Northern Québec Agreement (JBNQA) and Chapter II of the Environment Quality Act (R.S.Q., c. Q-2) for the primary purpose of reviewing and overseeing the administration and management of the environmental and social protection regime established by and in accordance with Section 22 of the JBNQA.

**2. ACCOUNTING POLICIES**

**Differential Reporting**

By unanimous consent of its members, the Committee has prepared its financial statements in accordance with Canadian generally accepted accounting principles, following the differential recording rules for non-publicly accountable enterprises:

*Financial Instruments*

The Committee has chosen not to disclose information on the fair value of financial assets and liabilities where the value is not readily obtainable. The fair value of other assets and liabilities is reported as follows:

The fair value of cash, amounts receivable, notes payable, bank borrowings, accrued expenses and dividends payable corresponds to their book value given their maturity.

**Investments**

Investments are recorded at cost.

**Fixed Assets**

Fixed assets are recorded at cost and depreciated over their estimated useful life according to the following methods and rates:

|                         |                     |     |
|-------------------------|---------------------|-----|
| Furniture and equipment | Diminishing balance | 20% |
| Computer equipment      | Diminishing balance | 30% |

**3. STATEMENT OF CASH FLOW**

A statement of cash flow is not presented, as it would not provide any new, useful information to facilitate the understanding of the changes in cash position during the fiscal year.

**RUEL GIROUX DORION**  
Chartered Accountants

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2005**  
**(Unaudited)**

[TRANSLATION]

|                                                | <u>2005</u>       | <u>2004</u>       |
|------------------------------------------------|-------------------|-------------------|
| <b>4. RECEIVABLES</b>                          |                   |                   |
| Deposit receivable                             | \$ --             | \$ 365            |
| Taxes                                          | 5 038             | 8 083             |
| Advance to the HFTCC                           | 2 623             | --                |
|                                                | <u>          </u> | <u>          </u> |
|                                                | \$7 661           | \$8 448           |
|                                                | <u>          </u> | <u>          </u> |
| <br><b>5. INVESTMENTS</b>                      |                   |                   |
| Term deposit, 2.6%, maturing in May 2004       | \$ --             | \$111 000         |
| Term deposit, 1.8%, maturing in April 2004     | --                | 50 000            |
| Term deposit, 1.8%, maturing in November 2004  | --                | 50 138            |
| Term deposit, 1.8%, maturing in November 2004  | --                | 50 000            |
| Term deposit, 2.25%, maturing in December 2004 | --                | 140 000           |
| Term deposit, 3.43%, maturing in August 2008   | 90 000            | --                |
| Term deposit, 3.5%, maturing in May 2009       | 111 000           | --                |
| Term deposit, 1.7%, maturing in June 2005      | 50 062            | --                |
| Term deposit, 1.75%, maturing in October 2005  | 11 000            | --                |
| Term deposit, 1.75%, maturing in October 2005  | 50 000            | --                |
| Term deposit, 1.5%, maturing in December 2005  | 140 000           | --                |
|                                                | <u>          </u> | <u>          </u> |
|                                                | \$452 062         | \$401 138         |
|                                                | <u>          </u> | <u>          </u> |

**RUEL GIROUX DORION**  
**Chartered Accountants**

**NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31, 2005  
(Unaudited)**

[TRANSLATION]

**6. FIXED ASSETS**

|                         | Cost              | Accumulated<br>depreciation | 2005<br>Net<br>book<br>value | 2004<br>Net<br>book<br>value |
|-------------------------|-------------------|-----------------------------|------------------------------|------------------------------|
|                         | <u>          </u> | <u>          </u>           | <u>          </u>            | <u>          </u>            |
| Furniture and equipment | \$10 612          | \$5 726                     | \$4 886                      | \$5 013                      |
| Computer equipment      | 10 930            | 4 070                       | 6 860                        | 5 479                        |
|                         | <u>\$21 542</u>   | <u>\$9 796</u>              | <u>\$11 746</u>              | <u>\$10 492</u>              |

**7. ACCOUNTS PAYABLE AND ACCRUALS**

|                                          | <u>2005</u>     | <u>2004</u>     |
|------------------------------------------|-----------------|-----------------|
| Suppliers                                | \$ 191          | \$ 294          |
| Owed to the Ministère de l'Environnement | 58 268          | 87 402          |
| Owed to the HFTCC                        | 4 488           | 4 258           |
|                                          | <u>\$62 947</u> | <u>\$91 954</u> |



**NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31, 2005  
(Unaudited)**

[TRANSLATION]

**8. CONTRACTUAL COMMITMENT**

The James Bay Advisory Committee on the Environment receives an annual subsidy of \$251 000 from the governments of Canada and Québec. Of this amount, the JBACE must transfer \$30 000 to the Evaluating Committee (COMEV) to cover the costs of operating its secretariat in the offices of the Ministère de l'Environnement du Québec. During the year, COMEV incurred the following expenditures for the JBACE:

|                                     |          |
|-------------------------------------|----------|
| Salaries, wages, benefits           | \$34 426 |
| Translation                         | 664      |
| Rental of automotive equipment      | 198      |
| Food and lodging                    | 459      |
| Messenger services and photocopying | 71       |
|                                     | \$35 818 |
|                                     | \$35 818 |

The JBACE is not required to cover the amount of expenditures in excess of \$30 000.

**9. FINANCIAL INSTRUMENTS**

**Interest Rate Risk**

The Committee manages its investment portfolio based on its cash-flow needs in such a way as to maximize its interest income. During the year, the effective interest rate on long-term investments varied between 1.5% and 3.5% (2004, 1.8% and 2.6%)

**10. COMPARATIVE FINANCIAL STATEMENTS**

Certain comparative figures from the previous fiscal year have been reclassified to conform to the presentation adopted in 2005.

**NOTES TO FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2005**  
**(Unaudited)**

[TRANSLATION]

|                                                      | 2005           | 2004           |
|------------------------------------------------------|----------------|----------------|
| <b>OPERATING EXPENDITURES</b>                        |                |                |
| Salaries, wages, benefits                            | \$69 616       | \$65 517       |
| Telecommunications                                   | 3 485          | 2 245          |
| Rent (office space)                                  | 16 090         | 19 820         |
| Travel expenses                                      | 1 119          | 3 001          |
| Translation                                          | 14 680         | 12 651         |
| Photocopying                                         | 4 655          | 3 483          |
| Messenger services, postage                          | 1 351          | 1 359          |
| Office supplies, furniture and<br>computer equipment | 4 075          | 3 339          |
| Expert opinions, meeting expenses                    | 765            | 1 100          |
| Bad debts                                            | 365            | --             |
| Insurance                                            | 591            | 615            |
| Dues, fees, memberships, conferences                 | 760            | 242            |
| Professional fees                                    | 1 435          | 1 398          |
| Advisory expenses                                    | 28 016         | 7 147          |
| Training                                             | 1 201          | 1 530          |
| Internet                                             | 4 356          | 2 760          |
| Interest, bank charges                               | 106            | 357            |
| Amortization                                         | 3 149          | 3 073          |
|                                                      | <u>155 815</u> | <u>129 637</u> |
| Expenditures attributable to COMEV                   | 30 000         | 30 000         |
|                                                      | <u>185 815</u> | <u>159 637</u> |

**RUEL GIROUX DORION**  
**Chartered Accountants**

## APPENDIX 4

### COMPOSITION AND MEETINGS OF THE EVALUATING COMMITTEE (COMEV) AND PROJECTS REVIEWED BY THE COMMITTEE

#### A. Composition

##### *Members appointed by Québec:*

Daniel Berrouard  
Mireille Paul

##### *Members appointed by the Cree Regional Authority (CRA):*

Brian Craik  
Philip Awashish

##### *Members appointed by Canada:*

Éric Giroux  
Jacques Grondin

#### B. Meetings

The Evaluating Committee held its 204<sup>th</sup> meeting in Montréal on June 17, 2004. It also held three conference calls, on September 14 and November 12, 2004, and February 8, 2005.

#### C. Projects reviewed

1. Soil decontamination, Barrette-Chapais sawmill, Barrette-Chapais Ltd.;
2. Dismantling and replacement of fuel tanks at Wemindji, Eastmain and Waskaganish airports, Transport Canada;
3. Mining exploration project, Corner Bay property, Ressources MSV inc.;
4. Eastmain River bank stabilization, Cree village corporation of Eastmain;
5. Operation of a quarry at km 87.4 on Highway R-1005, Lozeau township, James Bay Municipality;
6. Contaminated soil remediation in Nemaska, Transport Jacques Auger inc.;
7. Establishment of protected areas in natural province F, Direction du patrimoine écologique et du développement durable, Ministère de l'Environnement, additional information.

**1. Soil decontamination, Barrette-Chapais sawmill, Barrette-Chapais Ltd.**

This project, which falls into the grey area,<sup>6</sup> consisted in treating hydrocarbon-contaminated soil in-situ on a site adjoining the Barrette-Chapais sawmill used for receiving and servicing mobile equipment and machinery. The proponent had already begun excavating and safely storing 1 300 m<sup>3</sup> of contaminated soil—too much to be transported to a treatment site, which is why the proponent decided to treat the soil in-situ. After studying the project information, the Evaluating Committee (COMEV) recommended to the provincial administrator that the project be exempted from impact assessment.

**2. Dismantling and replacement of fuel tanks at Wemindji, Eastmain and Waskaganish airports, Transport Canada**

This project to dismantle and replace non-compliant fuel tanks that represent an environmental hazard was reviewed by COMEV during its 204<sup>th</sup> meeting. After studying all of the related information, COMEV deemed that the planned improvements to the petroleum equipment would ensure better protection of the environment. Knowing that the work would be carried out in compliance with the *Soil Protection and Contaminated Sites Rehabilitation Policy* and the applicable

legislative provisions, COMEV recommended to the federal administrator that the project be exempted from the environmental and social impact assessment and review procedure.

**3. Mining exploration project, Corner Bay property, Ressources MSV inc.**

This underground mining exploration project involved collecting data for a feasibility study on mining the overall deposit. After reviewing the preliminary information, COMEV wrote to the provincial administrator on July 6, 2004, to ask for additional information on aspects relating to the project description and anticipated impacts, including shaft sinking, minerals to be graded, the local geology, the surrounding environment, freshwater supplies and related details, mine water analyses, final effluent and the risk of acid mine drainage. The requested information had not yet been received on March 31, 2005.

**4. Eastmain River bank stabilization, Cree village corporation of Eastmain**

The Evaluating Committee reviewed this project at its 204<sup>th</sup> meeting. The purpose of the project, which involves both Category 1A and III lands, was to stabilize 450 metres of shoreline in the Cree community of Eastmain by filling the affected area with granular material and then planting vegetation. The proponent also planned to build a breakwater and repair an existing

---

<sup>6</sup> Projects that fall into the grey area are projects that are not included in the lists of developments automatically subject to or exempt from impact assessment (schedules 1 and 2 of Section 22 of the JBNQA).

wharf. COMEV wrote to the local environment administrator (part of project located on Category 1A land) and the provincial administrator (part of project located on Category III lands) asking about the accuracy of the information relating to various project components as well as the anticipated impacts on the aquatic environment. Having obtained the requested clarifications, COMEV recommended that the project be exempted from the environmental and social impact assessment and review procedure.

This recommendation was made to both the local environment administrator and the provincial administrator.

#### **5. Operation of a quarry at km 87.4 of Highway R-1005, Lozeau township, James Bay Municipality**

COMEV received the information relating to this project in September 2004. The project falls into the grey area and consists in operating a 2.80-ha quarry and using the extracted material to repair Highway R-1005. After reviewing the project, COMEV wrote to the provincial administrator recommending that the project be exempted from the environmental and social impact assessment and review procedure. In its letter, the Evaluating Committee stressed the importance for the proponent to inform the tallyman of the quarry's opening and the blasting schedule. The proponent must also consider hiring Cree workers for the project.

#### **6. Contaminated soil remediation in Nemaska, Transport Jacques Auger inc.**

COMEV learned of this project in early October 2004. The project consisted in treating soil that had been contaminated with petroleum hydrocarbons following an accidental spill at the gas station in Nemaska. 540 m<sup>3</sup> of contaminated soil were excavated and carried to a sandpit on Category III land in Nemaska for storage and treatment through biodegradation (to level A concentrations).

After examining all of the project information and understanding that the work would be carried out in compliance with the applicable laws, regulations, policies, etc., COMEV recommended to the provincial administrator that the project be exempted from impact assessment.

#### **7. Establishment of protected areas in natural province F, Direction du patrimoine écologique et du développement durable, Ministère de l'Environnement, additional information**

The purpose of this project was to add three new protected areas to the five protected areas planned in the Abitibi and James Bay Lowlands natural province and covered by the directives issued by COMEV in December 2003. The number of protected areas covered by the directives for the impact statement would thus be increased to eight: two aquatic reserves and six biodiversity reserves

### *Evaluating Committee*

totalling 4 229.2 km<sup>2</sup> under protected status.

After studying the additional information provided by the proponent, COMEV sent the provincial administrator its recommendation regarding the scope of the environmental and social impact statement to be prepared by the proponent. The recommendation was updated to incorporate the three new proposed protected areas.

## APPENDIX 5

**TABLE OF PROJECTS SUBMITTED TO  
THE EVALUATING COMMITTEE (COMEV)  
AND THE REVIEW COMMITTEE (COMEX)<sup>7</sup>**

| PROJECT                                                                                 | PROPONENT                                | SUBJECT TO<br>IMPACT<br>ASSESSMENT | COMEV<br>RECOMMENDATION                       | COMEX<br>RECOMMENDATION                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------|------------------------------------------|------------------------------------|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Decontamination of 1300 m <sup>3</sup> of soil                                          | Barrette-Chapais Ltd.                    | No                                 | -                                             | -                                                                                                                                                                                                                                    |
| Remediation of 540 m <sup>3</sup> of contaminated soil in Nemaska                       | Transport Jacques Auger inc.             | No                                 | Comply with applicable laws and regulations   | -                                                                                                                                                                                                                                    |
| Artillery test site                                                                     | SNC Technologies                         | Yes                                | -                                             | Refuse the project                                                                                                                                                                                                                   |
| Dismantling and replacement of airport fuel tanks in Eastmain, Waskaganish and Wemindji | Transport Canada                         | No                                 | Comply with existing regulations and policies | -                                                                                                                                                                                                                                    |
| Underground mining exploration                                                          | Corner Bay property, Ressources MSV inc. | -                                  | Pending reception of additional information   | -                                                                                                                                                                                                                                    |
| Troilus mining project (changes to certificate of authorization)                        | Inmet Mining Corporation                 | Yes                                | -                                             | <ul style="list-style-type: none"> <li>▪ Recommend the change regarding the mining plan, increase in tonnage, abandonment of cyanidation, tailings pond dikes, new tailings heaps and extension of the project until 2010</li> </ul> |

<sup>7</sup> No projects were submitted to the federal Review Panel (COFEX-South) in fiscal year 2004-2005.

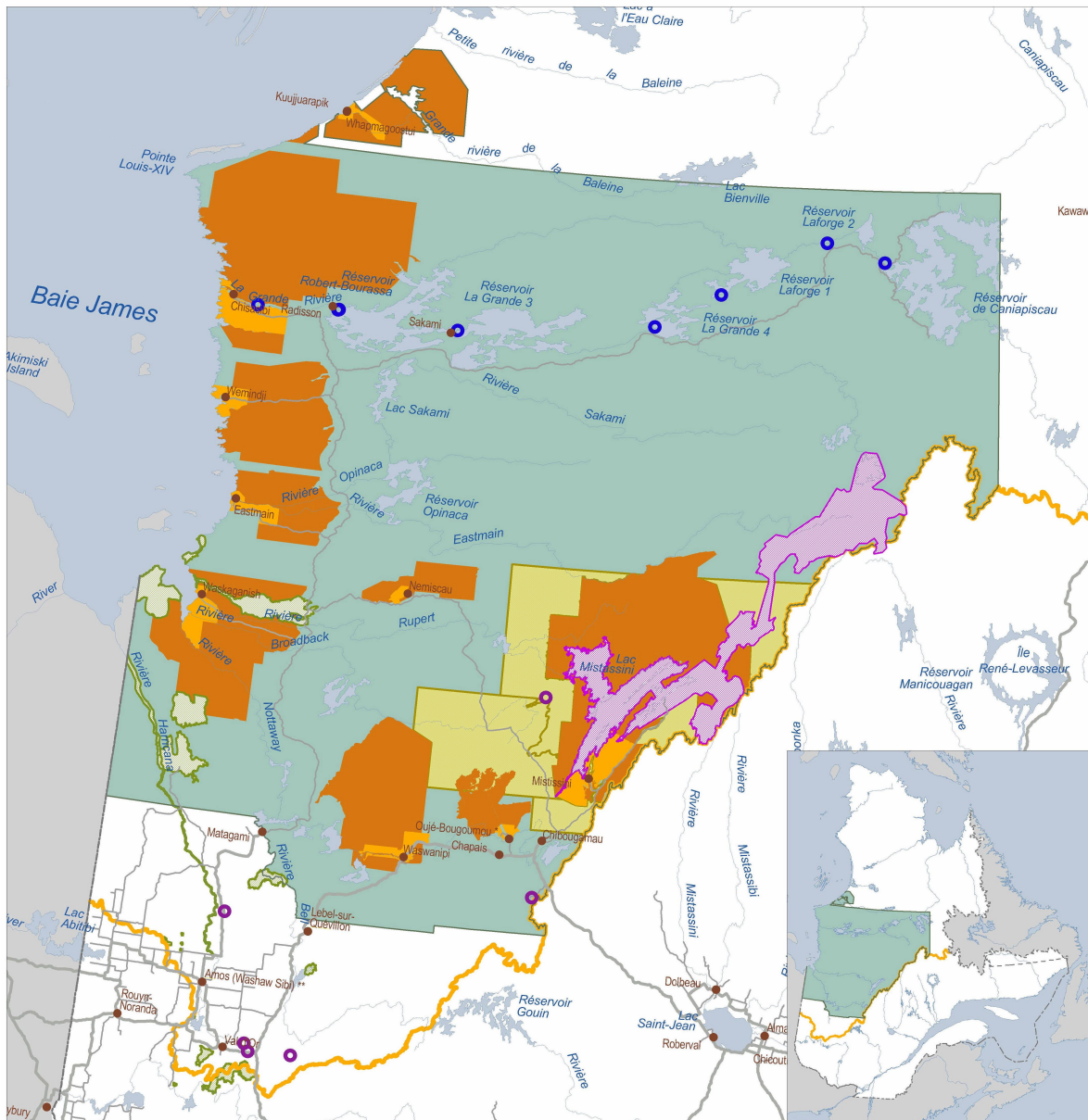
| PROJECT                                                                      | PROPONENT                                                                   | SUBJECT TO IMPACT ASSESSMENT | COME V RECOMMENDATION                                  | COMEX RECOMMENDATION                                                                                                                                           |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Troilus mining project (changes to certificate of authorization) (continued) |                                                                             |                              |                                                        | <ul style="list-style-type: none"> <li>▪ Continue reflection on effluent monitoring</li> <li>▪ Address social impacts in the next monitoring report</li> </ul> |
| Development of the vanadium deposit at Lake Doré and a metallurgical complex | McKenzie Bay Resources Ltd.                                                 | Yes                          | -                                                      | Pending                                                                                                                                                        |
| Fenelon mining project                                                       | International Taurus inc.                                                   | Yes                          | -                                                      | Pending                                                                                                                                                        |
| Eastmain in-trench disposal site                                             | Eastmain First Nation                                                       | No                           | Pending                                                | -                                                                                                                                                              |
| Factory hog farm                                                             | Chapais Economic Development Corporation                                    | Yes                          | -                                                      | Pending                                                                                                                                                        |
| Broadback access road                                                        | Abitibi-Consolidated of Canada                                              | Yes                          | -                                                      | Pending                                                                                                                                                        |
| Quarry to repair Highway R-1005                                              | Lozeau township (Municipality of James Bay)                                 | No                           | Inform the tallyman and, if possible, use Cree workers | -                                                                                                                                                              |
| Eastmain river bank stabilization                                            | Eastmain First Nation                                                       | No                           | -                                                      | -                                                                                                                                                              |
| Albanel-Témiscamie-Otish park                                                | Ministère du Développement durable, de l'Environnement et des Parcs (MDDEP) | Yes                          | -                                                      | Pending                                                                                                                                                        |
| Creation of 5 protected areas                                                | MDDEP                                                                       | Yes                          | -                                                      | Pending                                                                                                                                                        |



| PROJECT                                          | PROPONENT         | SUBJECT TO IMPACT ASSESSMENT | COME V RECOMMENDATION                                                                                                     | COMEX RECOMMENDATION                                                                                                                                                                                          |
|--------------------------------------------------|-------------------|------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Creation of 3 protected areas                    | MDDEP             | Yes                          | Incorporate these 3 projects into the impact statement for the 5 protected areas already proposed in the James Bay region | Pending                                                                                                                                                                                                       |
| Eastmain 1-A power station / Rupert diversion    | Hydro-Québec      | Yes                          | -                                                                                                                         | Pending                                                                                                                                                                                                       |
| Environmental follow-up of the La Grande complex | Hydro-Québec      | -                            | -                                                                                                                         | <ul style="list-style-type: none"> <li>▪ Continue long-term monitoring of hydrology, ice regime, bank dynamics and mercury concentrations</li> <li>▪ Finish the monitoring report on water quality</li> </ul> |
| Micro-power station                              | Pourvoirie Mirage | Yes                          | -                                                                                                                         | Pending                                                                                                                                                                                                       |

## APPENDIX 6

### Territory covered by the environmental and social protection regime



- Territory covered by the regime
- Cree Category I lands
- Cree Category II lands
- Southern limit of JBNQA Territory
- Interprovincial border

\* Oujé-Bougoumou Category I and II lands are under negotiation  
 \*\* The Washaw Sibi Eeyou Association is temporarily based in Amos

**Sources**

|                                 |       |      |
|---------------------------------|-------|------|
| Cartographic bases              | MRNF  | 2005 |
| Land division                   | MRNF  | 2005 |
| Mine site                       | MRNF  | 2005 |
| Recreational and protected area | MDDEP | 2005 |

**Metadata**  
 Lambert Conic Projection  
 Geodetic datum: NAD 83

**Produced by**  
 Direction générale de l'information géographique  
 Ministère des Ressources naturelles  
 et de la Faune, June 2005

- Hydroelectric power station
- Active mine site
- Wildlife sanctuary
- Planned Québec national park
- Protected area



Comité consultatif pour l'environnement de la Baie James  
 James Bay Advisory Committee on the Environment  
 ᑭᑦᑭᑦᑭᑦᑭᑦ ᑭᑦᑭᑦᑭᑦᑭᑦ ᑭᑦᑭᑦᑭᑦᑭᑦ ᑭᑦᑭᑦᑭᑦᑭᑦ