

**ANNUAL REPORT**

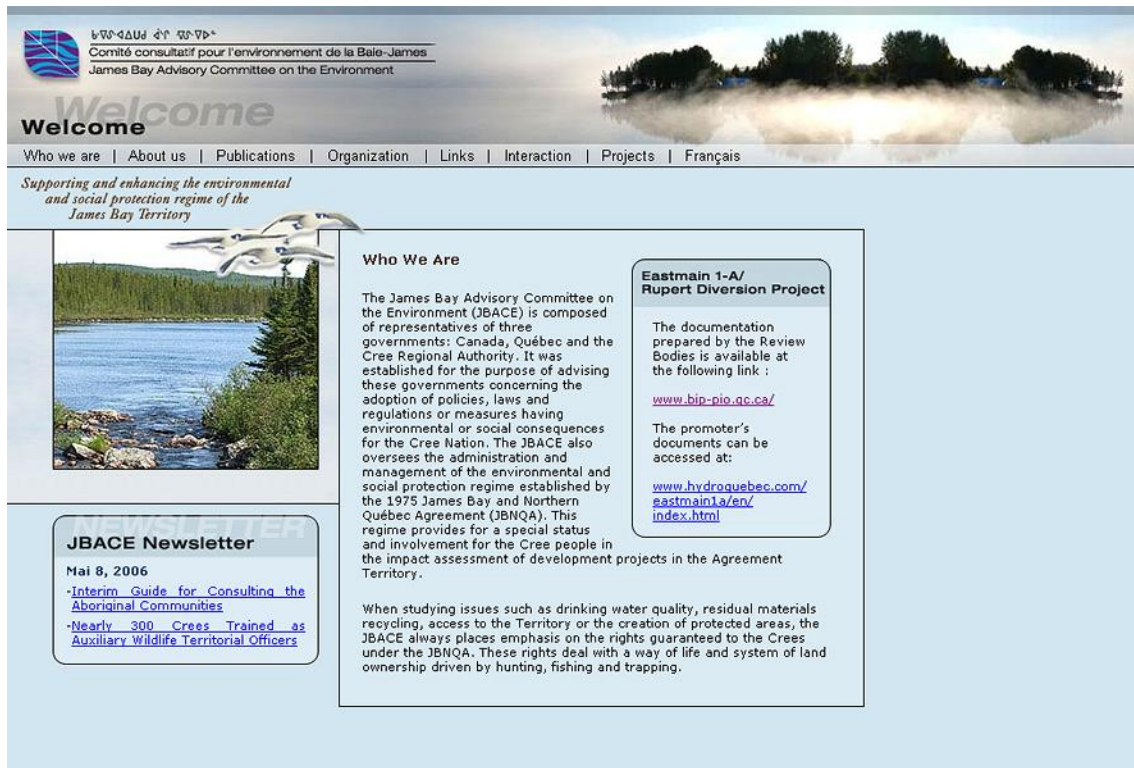
**2005 - 2006**

**JAMES BAY ADVISORY COMMITTEE  
ON THE ENVIRONMENT**

**KAWIISHUWAITEKWA ISTCHEE WIISHUWEWIN**

This report is available on the Web site of the James Bay Advisory Committee on the Environment. The site contains a wealth of information pertaining to the Committee's mandate and activities.

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



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

Welcome

Who we are | About us | Publications | Organization | Links | Interaction | Projects | Français

Supporting and enhancing the environmental and social protection regime of the James Bay Territory

**Who We Are**

The James Bay Advisory Committee on the Environment (JBACE) is composed of representatives of three governments: Canada, Québec and the Cree Regional Authority. It was established for the purpose of advising these governments concerning the adoption of policies, laws and regulations or measures having environmental or social consequences for the Cree Nation. The JBACE also oversees the administration and management of the environmental and social protection regime established by the 1975 James Bay and Northern Québec Agreement (JBNQA). This regime provides for a special status and involvement for the Cree people in the impact assessment of development projects in the Agreement Territory.

**Eastmain 1-A/Rupert Diversion Project**

The documentation prepared by the Review Bodies is available at the following link :  
[www.bip-pio.qc.ca/](http://www.bip-pio.qc.ca/)

The promoter's documents can be accessed at:  
[www.hydroquebec.com/eastmain1a/en/index.html](http://www.hydroquebec.com/eastmain1a/en/index.html)

**JBACE Newsletter**  
Mai 8, 2006

- [Interim Guide for Consulting the Aboriginal Communities](#)
- [Nearly 300 Crees Trained as Auxiliary Wildlife Territorial Officers](#)

When studying issues such as drinking water quality, residual materials recycling, access to the Territory or the creation of protected areas, the JBACE always places emphasis on the rights guaranteed to the Crees under the JBNQA. These rights deal with a way of life and system of land ownership driven by hunting, fishing and trapping.

Copies of this report 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

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June 1, 2006

The Hon. Rona Ambrose  
Minister of the Environment of Canada

The Hon. Claude Béchar  
Québec Minister of Sustainable Development,  
Environment and Parks

Grand Chief Matthew Mukash  
Grand Council of the Crees (Eeyou Istchee)

Ministers Ambrose and Béchar:  
Grand Chief Mukash:

I am pleased to present the activity report of the James Bay Advisory Committee on the Environment for the year ended March 31, 2006.

Respectfully submitted,

Ginette Lajoie  
Chairperson



## CHAIRPERSON'S MESSAGE



This year marks the 30th anniversary of the signing of the James Bay and Northern Québec Agreement and, through it, the establishment of an environmental and social protection regime for the Territory. The Territory has undergone profound changes during this period, driven primarily by hydroelectric, forestry and mining development. Since its inception, the JBACE, as overseer of the regime, has concerned itself with numerous issues and advised all levels of governments (federal, provincial and Cree).

Given the very broad mandate conferred on it, the Committee chose to adopt a more targeted approach that runs less risk of diluting efforts. It is with that aim in mind that the Committee adopted its first strategic plan in 2005. During the past year, we focused on the sustainable management of residual materials and improvement of environmental assessment of northern projects. I would be remiss not to mention that this work was carried out in collaboration with local organizations, particularly the community of Wemindji. This is a new and promising approach to the Committee's work.

I wish to thank my colleagues on the Advisory Committee for their support and I encourage them to persevere despite the sizeable challenge. In the coming months, we will have the chance to present the JBNQA signatories with our recommendations regarding the first-ever revision of the lists of projects automatically subject to and exempt from impact assessment.

Ginette Lajoie

Chairperson

May 16, 2006









## COMMITTEE MANDATE

One of the roles 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> on the 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 and 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).<sup>2</sup> If deemed necessary, the Evaluating Committee may recommend that a development project be submitted to the impact assessment and review procedure provided for in Section 22. Where this is the case, COMEV issues directives to the proponent regarding the extent of impact assessment required for the project. The procedure aims to minimize the negative impacts of development on Native people and wildlife resources (JBNQA; sub-paragraph 22.2.2 b).

Upon request, the Advisory Committee provides the local Cree government with technical and scientific information, advice or technical assistance, which it obtains from the appropriate government agencies (paragraph 22.3.33). As well, the JBACE transmits its decisions and recommendations to the governments, government corporations operating in the Territory and the committees established by the JBNQA for appropriate action. Every year, the JBACE submits a report of its activities to the Agreement signatories.

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

2 See appendices 5 and 6.

**TERRITORY COVERED BY THE ENVIRONMENTAL  
AND SOCIAL PROTECTION REGIME  
(SECTION 22)**

## **JBACE ACTIVITIES IN 2005-2006**

The JBACE has already begun to see the fruits of its Strategic Plan 2005-2007.<sup>3</sup> In just the first year, the plan resulted in more cohesive action and consensus-building that enabled the Committee to contribute to various issues, including the recycling pilot project in Wemindji.

In addition, the study report on the environmental and social impact assessment and review procedure for Category I lands and the adoption of 12 related recommendations constitute a major step towards renewing the environmental and social protection regime.

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

#### ***a. Support for the recycling pilot project in Wemindji***

The JBACE partnered with local organizations to promote integrated waste management. In conjunction with the Wemindji Cree First Nation and the Cree Regional Authority, it developed a recycling pilot project for this community.

To support this initiative, the JBACE hired two interns: Jean-François Luc Vachon, a graduate student who worked on the ground for three weeks, and Andrew Biron, a college student from Wemindji.

The interns worked with Wemindji's Local Environment Administrator,

Johnny Mark, to raise awareness about sustainable waste management and there was excellent participation from the community. With Mr. Mark's support, Mr. Vachon and Mr. Biron also prepared a draft sustainable waste management plan<sup>4</sup> to serve as a model for all of the communities in the JBNQA Territory.

In fall 2005, Mr. Vachon continued working part-time for the JBACE, acting as coordinator between the local environment administrators and the organizations responsible for recycling.

#### ***b. Used tire collection***

Under the used-tire recovery program, Recyc-Québec hired a transportation company to collect tires from the James Bay Cree communities. For the first time ever in the Territory, used tires were collected in 2004 and the operation continued in 2005. The JBACE, in conjunction with the CRA, facilitated coordination between the partners, enabling nearly 4000 tires to be removed from six communities. With as many tires left to be collected, Recyc-Québec intends to complete the recovery operation in the James Bay in 2006.

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<sup>3</sup> See Appendix 2.

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<sup>4</sup> The plan is available for downloading on the JBACE Web site under the section "Publications - Waste Management."

*c. Eligibility for recycling programs*

The JBACE approached the Ministère du Développement durable, de l'Environnement et des Parcs (MDDEP) about exploring ways to extend and adapt recycling programs to the JBNQA Territory. The MDDEP responded favourably by proposing the creation of a task force to examine the issue.

## **2. Study Report on the Impact Assessment and Review Procedure for Category I Lands**

The JBACE mandated a firm to study the environmental and social impact assessment and review procedure as applied to Category I lands.<sup>5</sup> A key role was given to the primary stakeholders in the procedure, namely, local proponents, local and regional governments, northern committees, government agencies and consultants.<sup>6</sup>

In follow up to the study, the JBACE adopted 12 recommendations targeted at environmental management of projects, strengthening of local authority and community consultation, among other things. During 2006-2007, the JBACE will focus its attention on updating the lists of projects automatically subject to and exempt from impact assessment.

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<sup>5</sup> Lands set aside for the exclusive use of the James Bay Cree bands.

<sup>6</sup> The study report is available on the JBACE Web site under the section "Publications - Assessment and Review Procedure."

## **3. Coordination of Forestry Action**

The JBACE's mandate under the JBNQA includes examining forest management plans (FMP) before they are approved by the Minister of Natural Resources and Wildlife (par. 22.3.34). However, the same role was conferred on the Cree-Québec Forestry Board (CQFB) under the Agreement Concerning a New Relationship Between le Gouvernement du Québec and the Crees of Québec (ANRQC).

Since a new FMP must be filed for each new forest management unit in the James Bay Territory no later than April 2007, the JBACE met with representatives of the CQFB to minimize duplication.

## **4. Parks and Protected Areas**

### *a. Implementation of the protected areas strategy*

The JBACE encourages measures to preserve exceptional ecosystems, which is why it called on the MDDEP to explain how the Québec strategy on protected areas reflects the James Bay Territory.

The strategy pledges to designate 8% of the territory of Québec as protected areas by 2005. Currently, only 5.8% of Québec's land mass is protected in some form, including 3.2% of the James Bay Territory.

The JBACE manifested its concerns about the delay in implementing the strategy in the Territory. Despite these concerns, the MDDEP plans on announcing new park, biodiversity

reserve and aquatic reserve projects in James Bay.<sup>7</sup> Some of these projects are Cree initiatives, such as the Paakumshumwaau protected area proposed by the Wemindji Cree Nation.

*b. Legislative amendments*

The JBACE was consulted on proposed amendments to the *Parks Act* and the *Natural Heritage Conservation Act*. The amendments would introduce the status of "proposed park," which would be assigned until a park is designated as a protected area. To avoid duplication, the amendments also provide for harmonization of the consultation processes applicable to proposed parks and protected areas, including the JBNQA environmental and social impact assessment and review procedure. The JBACE will be submitting comments on the proposed amendments in spring 2006.

## 5. Land Use Planning Initiatives

Currently, there is no public land use plan setting forth government directions for the James Bay Territory. The JBACE intends to participate in the development of such a plan so as to ensure that it conforms to the guiding principles of the environmental and social protection regime. The Committee invited the Ministère des Ressources naturelles et de la Faune to work with regional organizations to develop a land use plan to provide a framework for the various types of development carried on in the Territory. The JBACE also recommended that the Cree First Nations adopt master plans for Category I lands.

It must be pointed out that James Bay is the only region in Québec where land use is not governed by a master plan.

## 6. Consultation on the Sustainable Development Plan

During the consultations on the Québec government's Sustainable Development Plan, the JBACE submitted a brief proposing that the related bill refer to the guiding principles of the environmental and social protection regime established by the JBNQA. The regime already enshrined the principles of sustainable development back in 1975.

Moreover, the Committee felt it was important to establish a mechanism for aligning the functions of a future Sustainable Development Commissioner with the JBACE's oversight role.

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<sup>7</sup> See map on page 4.

The Québec government failed to act on the Committee's proposals when adopting the *Sustainable Development Act*.

## 7. Presence in the Territory

The JBACE hopes that holding meetings in the Territory will affirm its action on issues. For the consultations on the Sustainable Development Plan, the Committee travelled to Oujé-Bougoumou and Chibougamau to present its brief in person.

In January 2006, the JBACE held one of its meetings in Wemindji, reaffirming its engagement in the community's recycling pilot project. During the meeting, Wemindji's Local Environment Administrator and a JBACE intern gave the Band Council and Committee members a progress report on the project.

In addition, the Chairperson gave an enlightening presentation on the JBACE's role and the environmental and social impact assessment mechanisms provided for in the JBNQA. Such meetings enable a better understanding of the JBACE's role and the assessment mechanisms as well as helps the JBACE become more attuned to the communities' needs.

## CONCLUSION

The strategic directions for the coming year will require the collaboration of the JBACE's members and partners. The accomplishments achieved in 2005-2006 will help ensure a successful outcome.

The JBACE must follow up on its past actions with partners, including sustainable waste management and the recommendations regarding impact assessment and review of projects on Category I lands.

In addition, the Committee voiced its intention to propose an update of the impact assessment and review procedure as a whole. Reviewing the developments subject to and exempt from impact assessment (schedules 1 and 2 of Section 22) will be a priority in 2006-2007.





## 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, Chairperson

Diom Romeo Saganash, CRA, Vice-Chairperson

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

François Boulanger, Canadian Environmental Assessment Agency (until January 31, 2006)

Annie Déziel, Canadian Environmental Assessment Agency (since February 1, 2006)

Chantal Leblanc-Bélanger, Indian and Northern Affairs Canada

Maryse Lemire, Fisheries and Oceans Canada (since September 12, 2005)

Claude Saint-Charles, Environment Canada

Gilles H. Tremblay, Fisheries and Oceans Canada (until September 11, 2005)

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

Guy Demers, Ministère du Développement durable, de l'Environnement et des Parcs

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

Pierre Moses, James Bay Municipality

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

Willie Iserhoff, CRA

B. Secretariat

Marc Jetten, executive secretary  
Louise Bélanger, secretariat officer  
Jean-François Luc Vachon, intern  
Andrew Biron, intern

C. JBACE meetings

The JBACE held four meetings in 2005-2006:

<b>140th meeting</b>	Montréal, April 6, 2005
<b>141st meeting</b>	Québec, June 7, 2005
<b>142nd meeting</b>	Montréal, October 12, 2005
<b>143rd meeting</b>	Wemindji, January 25, 2006

## APPENDIX 2

### STRATEGIC DIRECTIONS FOR 2005-2007 AND RESULTS

<i>Issue</i>	<i>Strategic directions</i>	<i>Results</i>
<p><b>IMPACT ASSESSMENT AND REVIEW PROCEDURE</b></p>	<ul style="list-style-type: none"> <li>• Review the lists of developments automatically subject to and exempt from impact assessment, in accordance with paragraphs 22.5.1 and 22.5.2 of the JBNQA.</li> <li>• Develop a consultation framework that is better adapted to the communities within the JBNQA Territory.</li> <li>• Promote the incorporation of Aboriginal traditional knowledge into environmental and social assessment.</li> <li>• Examine current post-project follow-up mechanisms to see if they are still appropriate.</li> <li>• Foster harmonization of environmental assessment procedures, notably through implementation of the related provisions of the JBNQA.</li> </ul>	<ul style="list-style-type: none"> <li>• Slated for 2006-2007</li> <li>• Recommendation for a stronger mechanism to take community concerns into account at key project stages.</li> <li>• -</li> <li>• Recommendation that management plans include implementation mechanisms for the planned mitigation measures.</li> <li>• -</li> </ul>
<p><b>SUSTAINABLE DEVELOPMENT OF THE TERRITORY</b></p>	<ul style="list-style-type: none"> <li>• Promote integration and coordination of the various land use planning initiatives in the Territory.</li> <li>• Examine the appropriateness of considering environmental and social factors through strategic environmental assessment (SEA) of policy, plan and program proposals.</li> </ul>	<ul style="list-style-type: none"> <li>• Letter sent to the MRNF requesting a progress report on the public land use plan and similar initiatives.</li> <li>• -</li> </ul>

<i>Issue</i>	<i>Strategic directions</i>	<i>Results</i>
<p><b>SUSTAINABLE MANAGEMENT OF RESIDUAL MATERIALS</b></p>	<ul style="list-style-type: none"> <li>• Push for a regulatory framework for sustainable waste management that is adapted to the James Bay Territory.</li> <li>• Promote the establishment of recycling, recovery and re-use programs.</li> </ul>	<ul style="list-style-type: none"> <li>• Letters to MDDEP and Recyc-Québec regarding access to recycling programs.</li> <li>• Concrete support for the recycling pilot project in Wemindji.</li> <li>• Coordination between Cree First Nations and recyclers.</li> </ul>
<p><b>FOREST MANAGEMENT</b></p>	<ul style="list-style-type: none"> <li>• Clarify the exact role and mandate of the JBACE following implementation of the ANRQC.</li> <li>• Foster collaboration with the new bodies established by the ANRQC.</li> </ul>	<ul style="list-style-type: none"> <li>• Priority given to land use, traditional knowledge, biodiversity and legislative monitoring.</li> <li>• Meeting and information sharing with the Cree-Québec Forestry Board.</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 water quality standards to protect public health.</li> </ul>	<ul style="list-style-type: none"> <li>• -</li> </ul>

## APPENDIX 3

### RECOMMENDATIONS REGARDING THE IMPACT ASSESSMENT AND REVIEW PROCEDURE FOR CATEGORY I LANDS

#### A. PROJECT PLANNING AND TRANSMISSION

Recommendation 1	<p>That the Cree Regional Authority (CRA) continue to inform the local environment administrators (LEA) and local authorities regarding the correct procedure for transmitting project information between the various committees:</p> <ul style="list-style-type: none"><li>• The JBACE, in conjunction with the federal and Québec governments, will establish common directions in this regard.</li></ul>
Recommendation 2	<p>Review the project negotiation and funding processes to ensure that:</p> <ul style="list-style-type: none"><li>• they provide for environmental studies and follow-up;</li><li>• funding cycles reflect project planning and execution cycles.</li></ul>
Recommendation 3	<p>See that environmental impact statements provide for preparation of an environmental and social management plan that includes implementation and control mechanisms for each of the planned mitigation measures, as well as mechanisms for monitoring their effectiveness.</p>
Recommendation 4	<p>Regularly bring together community decision-makers, proponents and funders through seminars or special meetings to establish a common project planning and management framework that promotes integration of environmental concerns and application of the JBNQA procedures.</p>

**B. STRENGTHENING OF LOCAL AUTHORITY**

Recommendation 5	Strengthen the capacity of local environment administrators (LEA) by establishing a professional standard for this position and offering basic training to new LEAs.
Recommendation 6	Systemize the operational and technical support offered to communities by the CRA and governments.
Recommendation 7	Examine ways of equipping LEAs to assert their authority in the communities; for example by: <ul style="list-style-type: none"><li>• creating an “LEA forum”;</li><li>• preparing a code of ethics for LEAs;</li><li>• preparing operational policies for proponents;</li><li>• preparing handbooks for proponents and the public containing scoping criteria and the expected content of studies (general and/or by sector and/or according to project scope).</li></ul>

**C. REGULATORY FRAMEWORK**

Recommendation 8	Initiate a review of schedules 1 and 2, giving special attention to “municipal infrastructure” projects.
Recommendation 9	To ensure adequate natural resource and environmental management, the local governments should adopt, within a reasonable period of time, a master plan for Category I lands.

**D. COMMUNITY CONSULTATION**

<b>Recommendation 10</b>	<b>Strengthen the mechanism allowing communities, including tallymen, to express local concerns during key project stages:</b> <ul style="list-style-type: none"><li>• during the preparation of directives for the environmental impact statement (scoping/screening);</li><li>• during the impact review stage.</li></ul>
<b>Recommendation 11</b>	<b>Examine the operation and effectiveness of consultation/participation mechanisms used in past projects.</b>
<b>Recommendation 12</b>	<b>Make project and decision registries public and easily accessible.</b>



**APPENDIX 4**

**FINANCIAL STATEMENTS 2005-2006**

*[TRANSLATION]*

**JAMES BAY ADVISORY COMMITTEE ON THE ENVIRONMENT**

**FINANCIAL STATEMENTS AND  
REVIEW ENGAGEMENT REPORT**

**AS AT MARCH 31, 2006**

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Supplementary Information 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, 2006, 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 organizations, 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 8, 2006

**BALANCE SHEET**  
**AS AT MARCH 31, 2006**  
**(Unaudited)**

[TRANSLATION]

	2006	2005
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$33 657	\$42 468
Receivables (Note 4)	72 926	7 661
Prepaid expenses	1 829	2 454
	<u>108 412</u>	<u>52 583</u>
<b>INVESTMENTS</b> (Note 5)	422 116	452 062
<b>FIXED ASSETS</b> (Note 6)	9 554	11 746
	<u>540 082</u>	<u>516 391</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accruals (Note 7)	\$34 989	\$62 947
<b>MEMBERS' EQUITY</b>		
Accumulated surplus	505 093	453 444
	<u>540 082</u>	<u>516 391</u>
<b>CONTRACTUAL COMMITMENT</b> (Note 8)		

DIRECTOR'S SIGNATURE

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

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

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2006  
(Unaudited)**

*[TRANSLATION]*

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	2006	2005
<b>INCOME</b>		
Subsidy	\$251 000	\$251 000
<b>OPERATING EXPENDITURES (SCHEDULE A)</b>	204 933	185 815
	<hr/>	<hr/>
<b>SURPLUS</b>	46 067	65 185
	<hr/>	<hr/>
<b>OTHER FINANCIAL ACTIVITIES</b>		
Interest income	3 989	8 543
Other income	1 593	1 593
	<hr/>	<hr/>
	5 582	10 136
	<hr/>	<hr/>
<b>SURPLUS FOR THE YEAR</b>	\$51 649	\$75 321
	<hr/>	<hr/>

RUEL GIROUX DORION  
Chartered Accountants

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STATEMENT OF ACCUMULATED SURPLUS  
FOR THE YEAR ENDED MARCH 31, 2006  
(Unaudited)

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[TRANSLATION]

	TOTAL 2006	TOTAL 2005
ACCUMULATED SURPLUS, BEGINNING OF YEAR	\$453 444	\$378 123
ALLOCATED	--	--
SURPLUS FOR THE YEAR	51 649	75 321
ACCUMULATED SURPLUS, END OF YEAR	\$505 093	\$453 444

RUEL GIROUX DORION  
Chartered Accountants

**NOTES TO FINANCIAL STATEMENTS  
AS AT MARCH 31, 2006  
(Unaudited)**

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*[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, 2006**  
**(Unaudited)**

[TRANSLATION]

	<u>2006</u>	<u>2005</u>		
<b>4. RECEIVABLES</b>				
Subsidy receivable	\$62 750	\$ --		
Taxes	5 403	5 038		
Advance to the HFTCC	2 071	2 623		
Advance to the parties	2 702	--		
	<u>\$72 926</u>	<u>\$7 661</u>		
<b>5. INVESTMENTS</b>				
Term deposit, 1.65%, maturing in September 2006	\$ 92 000	\$ --		
Term deposit, 1.65%, maturing in September 2006	129 116	--		
Term deposit, 3.43%, maturing in August 2008	90 000	90 000		
Term deposit, 3.5%, maturing in May 2009	111 000	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>\$422 116</u>	<u>\$452 062</u>		
<b>6. FIXED ASSETS</b>				
	Cost	Accumulated depreciation	2006 Net book value	2005 Net book value
Furniture and equipment	\$11 451	\$ 5 495	\$ 5 956	\$ 4 886
Computer equipment	10 821	7 223	3 598	6 860
	<u>\$22 272</u>	<u>\$12 718</u>	<u>\$9 554</u>	<u>\$11 746</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
AS AT MARCH 31, 2006  
(Unaudited)**

[TRANSLATION]

	<u>2006</u>	<u>2005</u>
<b>7. ACCOUNTS PAYABLE AND ACCRUALS</b>		
Suppliers	\$ 983	\$ 191
Owed to the Ministère du Développement durable, de l'Environnement et des Parcs	29 134	58 268
Owed to the HFTCC	<u>4 872</u>	<u>4 488</u>
	<u>\$34 989</u>	<u>\$62 947</u>

**8. CONTRACTUAL COMMITMENT**

The governments of Canada and Québec and the Cree Regional Authority<sup>1)</sup> grant an annual subsidy of \$251 000 to the JAMES BAY ADVISORY COMMITTEE ON THE ENVIRONMENT. 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 du Développement durable, de l'Environnement et des Parcs. The JBACE is not required to cover the amount of expenditures in excess of \$30 000. During the year, COMEV incurred the following expenditures for the JBACE:

Salaries, wages, benefits	\$34 739
Translation	1 315
Food and lodging	141
Messenger services and photocopying	<u>38</u>
	<u>\$36 233</u>

<sup>1)</sup> In conformity with paragraph 10.5 of the ACNRQC:  
« For the period of April 1<sup>st</sup>, 2002 to March 31<sup>st</sup>, 2052, the Cree Regional Authority will contribute half of Québec's shares of the funding for the regular and normal secretariat services of the James Bay Advisory Committee on the Environment and of the Evaluating Committee provided for in Section 22 of the JBNQA (...) »

**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 1.65% and 3.5% (2005, 1.5% and 3.5%).

**RUEL GIROUX DORION**  
Chartered Accountants



## SCHEDULE A

NOTES TO FINANCIAL STATEMENTS  
AS AT MARCH 31, 2006  
(Unaudited)

[TRANSLATION]

	2006	2005
<b>OPERATING EXPENDITURES</b>		
Salaries, wages, benefits	\$72 214	\$69 616
Telecommunications	2 504	3 485
Rent (office space)	22 045	16 090
Travel expenses	10 826	1 119
Translation	17 751	14 680
Photocopying	4 028	4 655
Messenger services, postage	1 390	1 351
Office supplies, furniture and computer equipment	5 021	4 075
Expert opinions, meeting expenses	1 596	765
Bad debts	--	365
Insurance	415	591
Dues, fees, memberships, conferences	409	760
Professional fees	1 462	1 435
Advisory expenses	30 144	28 016
Training	1 464	1 201
Internet	484	4 356
Interest, bank charges	258	106
Amortization	2 922	3 149
	<u>          </u>	<u>          </u>
	\$174 933	\$155 815
Expenditures attributable to COMEV	30 000	30 000
	<u>          </u>	<u>          </u>
	<u>204 933</u>	<u>185 815</u>

RUEL GIROUX DORION  
Chartered Accountants

## APPENDIX 5

### COMPOSITION AND MEETINGS OF THE EVALUATING COMMITTEE (COMEV)

#### A. Composition

##### *Members appointed by Québec*

Daniel Berrouard  
Mireille Paul

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

Brian Craik  
Philip Awashish, Chairperson

##### *Members appointed by Canada*

Éric Giroux  
Jacques Grondin

#### B. Meetings

In 2005-2006, the Evaluating Committee held six meetings:

205th	Quebec City, April 28, 2005;
206th	Quebec City, June 29, 2005;
207th	Montreal, July 14, 2005;
208th	Montreal, December 14, 2005;
209th	Montreal, February 7, 2006;
210th	Montreal, March 29, 2006.

## APPENDIX 6

**TABLE OF PROJECTS SUBMITTED TO  
THE EVALUATING COMMITTEE (COMEV)  
AND THE REVIEW COMMITTEE (COMEX)<sup>8</sup>**

<i>PROJECT</i>	<i>PROPONENT</i>	<i>SUBJECT TO IMPACT ASSESSMENT</i>	<i>COMEV RECOMMENDATION</i>	<i>COMEX RECOMMENDATION</i>
Eastmain 1-A power station / Rupert diversion	Hydro-Québec	Yes	--	Pending (jointly with federal review panel)
Micro-power station	Mirage Outfitter	Yes	--	Pending
Construction and operation of a laminated beam factory in Mistissini	Cree Nation of Mistissini and Les Chantiers Chibougamau	Yes	--	Pending
Development of traditional fishing sites on the Eastmain and Eau Froide rivers	Eastmain Cree Nation	Yes	--	Pending
Installation of a temporary wharf at Old Post	Waswanipi Cree Nation	No	--	--
Development of the vanadium deposit at Lake Doré and a metallurgical complex	McKenzie Bay Resources	Yes	--	Pending
Fenelon mining project	American Bonanza Gold Corp.	Yes	--	Pending
Troilus mining project (changes to certificate of authorization)	Inmet Mining Corporation	Yes	--	Continue reflection on effluent monitoring

<sup>8</sup> No projects were submitted to the federal Review Panel (COFEX-South) in fiscal year 2005-2006.

<i>PROJECT</i>	<i>PROPONENT</i>	<i>SUBJECT TO IMPACT ASSESSMENT</i>	<i>COMEVI RECOMMENDATION</i>	<i>COMEX RECOMMENDATION</i>
Mineral exploration and development of the Foxtrot property	Ashton/SOQUEM	No	Inform tallymen and, if possible, use Cree workers	--
Mineral exploration (bulk sampling and upgrading of an existing road on the Clearwater property)	Eastmain Resources Inc.	--	Additional information requested	--
Factory hog farm	Chapais Economic Development Corporation	Yes	--	Pending
Expansion of the Chibougamau sanitary landfill	City of Chibougamau	Yes	--	Pending
Broadback access road	Abitibi-Consolidated of Canada	Yes	--	Pending
Albanel-Témiscamie-Otish park	Min. du Développement durable, de l'Environnement et des Parcs (MDDEP)	Yes	--	Pending
Creation of 8 protected areas	MDDEP	Yes	--	Pending
Contaminated soil remediation	Les Entreprises Sogersol inc.	No	Obtain the required authorizations for this type of project	--
Incinerator ash disposal site	Wemindji Cree Nation	Yes	Expand on various aspects of the impact study before sending it to COMEX	--
Eastmain River bank stabilization (2nd phase)	Eastmain Cree Nation	No	Obtain the required authorizations for this type of project	--

<i>PROJECT</i>	<i>PROPONENT</i>	<i>SUBJECT TO IMPACT ASSESSMENT</i>	<i>COME V RECOMMENDATION</i>	<i>COMEX RECOMMENDATION</i>
Control of stinging insects, Eastmain and Nemiscau camps	Société d'énergie de la Baie James (SEBJ)	No	<ul style="list-style-type: none"> <li>• Give the tallymen concerned advance notice of the spraying schedule</li> <li>• Send a copy of the spraying report to COMEV</li> </ul>	--
Control of stinging insects in Radisson (2006-2009)	GDG Environnement (for Radisson)	No	Send a copy of the project report to COMEV	--
Brisay wind energy project	Yuddin Energy Inc.	Yes	--	Pending
Chisasibi wind energy project	Yuddin Energy Inc.	Yes	--	Pending
Bank stabilization, Block D, Chisasibi	Hydro-Québec	--	Additional information requested	--
Development of high ground in Chisasibi	SEBJ	No	--	--