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Box 1500
YELLOWKNIFE NT X1A 2R3

Your file - Votre référence

September 25, 2007

Our file - Notre référence

Mr. Ricus Grimbeek
President and Chief Operating Officer
BHPBilliton, Ekati Diamond Inc.
#1103 4920-52nd Street
YELLOWKNIFE NT S1A 3T1

Dear Mr. Grimbeek:

**RE: Progress on the Independent Environmental Monitoring Agency
(IEMA) Mediation issue of the Separate Fund**

During the 3rd Environmental Agreement Implementation Meeting on May 24, 2007 the parties to the Environmental Agreement agreed to resolve the matter of dispute, the allocation of expenses to the Separate Fund, by advancing it to Article 14.0 Dispute Resolution. All parties accepted INAC's recommendation and it was agreed that Mr. W. Tilleman would be contracted to resolve this dispute, pursuant to the Environmental Agreement.

Mr. Tilleman was contacted and a preliminary Service Contract proposal, with an estimated maximum amount of \$38,000 was presented for the parties' consideration. This estimate was forwarded to BHPBilliton and GNWT-ENR for comments and approval on July 30, 2007. The GNWT accepted the estimate and BHPB (Laura Tyler) indicated uncertainty with the cost and mediation process. BHPB stated they would be contacting Mr. W. Tilleman regarding the detailed cost of mediation and advising the parties of this meeting.

To date, no response has been received on this matter and we request your immediate attention on this mediation issue of the Separate Fund.

If you have any questions about this process, please call me at 669-2647, or in my absence contact Lionel Marcinkoski at 669-2591, or email marcinkoski@inac.gc.ca.

Canada

Sincerely,



David Livingstone
Director, Renewable Resources and Environment

c.c.: Bob Bailey, Deputy Minister, Environment and Natural Resources,
Government of the Northwest Territories
Trish Merrithew-Mercredi, Regional Director General, NT Region
Bill Ross, Independent Environmental Monitoring Agency
William A. Tilleman, Professional Corporation
Laura Tyler, Manager, BHPBilliton
Gavin More, Manager, GNWT-ENR
Teresa Joudrie, Manager, Environment and Conservation INAC