

BHP Billiton Diamonds Inc.
Operator of the EKATI Diamond Mine



BHP Billiton Diamonds Inc.
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bhpbilliton.com

File 4.1.8.13

HAND DELIVERED

Sept 29, 2006

Dr Bill Ross, Chair
Independent Environmental Monitoring Agency
P.O. Box 1192
Yellowknife, NT, X1A 2N8

Dear Bill:

Re: Fiscal Year 2006-2007 – Second Semi-Annual Installment – Operating Costs

Please find enclosed a cheque in the amount of \$272,792.50 representing the second semi-annual installment payment to cover the Agency's operating costs for FY2006-7. These funds are paid pursuant to section 4.6(a) of the Environmental Agreement between BHP Billiton, the Government of Canada and the Government of the Northwest Territories and the Mediation Resolution Agreement dated January 17, 2006.

The amount of this cheque was determined as follows:

Core Budget for 2006-7 (half year)	\$287,560.00 ¹
Less: Contributions Repayable from IEMA FY2005-2006	
Audited Statements	- 18,564.00 ²
Contributed Services (Oct 2006 - March 2007)	
Office Rent & Parking (estimate)	- 12,900.00 ³
Photocopier Rent	- 464.00 ⁴
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Second Instalment Payment	\$ 255,632.00

If you have any questions or concerns please do not hesitate to contact me at 669-6116.

Sincerely,
BHP Billiton Diamonds Inc.



Jane M. Howe
Chief Environmental Officer
Permitting and Traditional Knowledge

Encl.

Footnotes:

- ¹ As defined in the Mediation Resolution Agreement the Agency's Core Budget for 2006-7 shall be \$575,120. This equates to \$287,560 for the six month period covered by this payment.
- ² Contributions repayable to BHP Billiton from IEMA Audited Financial Statements for 2004-5, confirmed by email from Janet Toner, MacKay dated September 27, 2006 is \$18,564.
- ³ Current office rent including parking is \$2,150 per month x 6 months = \$12,900. The current lease agreement between Bromley & Son and BHP Billiton expired at the end of 2005. The agreement has not yet been renegotiated. An adjustment may be required to the next semi-annual instalment.
- ⁴ Photocopier lease agreement was renegotiated in late July 2006 and a new Xerox copier was provided to IEMA. The annual lease cost is now \$928.00. 50% of this prepaid expense is \$464.