



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

Box 1500
YELLOWKNIFE NT X1A 2R3

August 21, 2008

DISTRIBUTION LIST

Dear Parties to the BHP Billiton Ekati Diamond Project Environmental Agreement:

On August 6, 2008, Indian and Northern Affairs Canada (INAC) received the 2007 Environmental Agreement Annual Report ("Annual Report") from BHP Diamonds Inc. (BHP). As required pursuant to Article V of the Environmental Agreement for the BHP Billiton Ekati Diamond Project, BHP distributed copies of the Annual Report directly to all Parties and the Monitoring Agency on August 13, 2008.

Section 5.1(d) of Article V of the Environmental Agreement for the BHP Billiton Ekati Diamond Project states:

Within ninety (90) days of the receipt by the Minister of the Annual Report, the Minister may advise BHP whether such Annual Report is satisfactory or whether the Minister has determined that (including based on reports from the GNWT, the Monitoring Agency and/or the Aboriginal Peoples and including whether the information provided is adequate as well as whether or not remedial actions taken or proposed in respect of impact or compliance problems are satisfactory) such Annual Report is deficient. In the event that the Minister has determined the Annual Report to be deficient, the Minister shall provide BHP with a Minister's Report.

Therefore, the Minister must advise BHP by November 4, 2008 as to whether the Annual Report is satisfactory.

Pursuant to Article V, Section 5.1(c) of the Environmental Agreement for the BHP Billiton Ekati Diamond Project states:

Within forty-five (45) days of the receipt by the Government of the Northwest Territories (GNWT), the Monitoring Agency, and the Aboriginal Peoples of the Annual Report, the GNWT, the Monitoring Agency and the Aboriginal Peoples may advise the Minister whether such Annual Report is unsatisfactory; including whether the information provided is adequate as well as whether or not remedial actions taken or proposed in respect of impact or compliance problems are satisfactory.

Assuming that the other parties received their reports at approximately the same time as INAC, INAC requests that all Parties and the Monitoring Agency forward their

comments on the Annual Report, indicating whether the report is satisfactory or unsatisfactory, by the week of September 22, 2008.

Comments can be sent to:

Lionel Marcinkoski
Environmental Scientist
PO Box 1500
Yellowknife, NT
X1A 2R3
Fax (867) 669-2701
E-mail marcinkoski@inac.gc.ca

In the event that a Party or the Monitoring Agency determines the Annual Report to be deficient, a rationale must be provided.

If you have not received the Annual Report or require additional copies, please contact BHPBilliton at Laura Tyler, Manager Environment, Community, Communications and Planning, 867-669-9292, Extension 6156.

If you have any questions about this process, including the deadlines, please contact Mr. Marcinkoski at the address noted above.

Sincerely,



for / David Livingstone
Director, Renewable Resources and Environment

c.c.: Ricus Grimbeek, President & C.O.O., BHPBilliton Ekati Diamond Mine Inc.
David Searle C.M., Q.C. Fasken Martineau DuMoulin LLP, Barristers and Solicitors, Suite 2100,, 1075 West Georgia Street Vancouver, BC V6E 3G2
Trish Merrithew-Mercredi, Regional Director General, NT Region

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Zabey Nevitt, Executive Director, Wek'eezhii Land and Water Board