

BHP Billiton Diamonds Inc.
Operator of the EKATI Diamond Mine



BHP Billiton Diamonds Inc.
#1102 4920-52nd Street
Yellowknife NT Canada X1A 3T1
Tel 867 669 9292 Fax 867 669 9293
bhpbilliton.com

For Distribution

August 28, 2006

RE: EKATI Diamond Mine Interim Closure and Reclamation Plan – Closure Options Evaluation.

BHP Billiton would like to thank the following Communities and Regulatory stakeholders for their participation in the evaluation of closure options for the EKATI Diamond Mine Interim Closure and Reclamation Plan (Closure Plan):

- The Communities of Kugluktuk, North Slave Metis Alliance (NSMA), Lutsel K'e,
- Indian and Northern Affairs Canada (INAC), the Government of the Northwest Territories (GNWT), Fisheries and Oceans (DFO), and Environment Canada (EC),
- Independent Environmental Monitoring Agency (IEMA).

BHP Billiton Diamonds Inc (BHP Billiton) is required by the Wek'eezhii Land and Water Board (WLWB) to submit an Interim Closure and Reclamation Plan (Closure Plan) by January 15, 2007. To ensure that the Interim Closure Plan is completed within a reasonable time frame BHP Billiton has outlined to stakeholders and Regulators the tasks and schedules that the company intends to follow to meet the WLWB requirement. BHP Billiton also fully supports and commends the WLWB for providing certainty of this process and timeline for the Closure Plan delivery.

To meet the submission requirement, and to ensure that Community and Regulatory stakeholders' needs and concerns have been taken into account when planning for closure of the EKATI Diamond Mine, BHP Billiton has, over the last 10 months requested stakeholder participation in the following areas:

- Identification of suggestions and concerns for reclaiming and closing the major mine components at EKATI (open pits, waste rock storage areas and the Long Lake Containment Facility [LLCF]),
- Presentations which provide Community and Regulatory updates to the closure planning process, identified closure options for the major mine components, together with identified high level risks for closure options,
- Mine site tour to view the major mine components and discuss closure planning in the physical setting,
- Evaluation of closure options through listing of pros and cons, group discussions of options, technical discussions, group and individual ranking of options, and identification of variations to those options provided by BHP Billiton.

The Evaluation Workshop, held July 18-21, 2006, was the culmination of the evaluation of options for closing the major components of the mine. BHP Billiton appreciates the input from Communities and Regulators in making the workshop a success, and in helping meet the following objectives:

- Ensure that Communities and Regulatory stakeholders understand the risks, net environmental impacts to whole ecosystems, and benefits of each of the closure options,
- Provide Communities, Regulatory and IEMA with the opportunity to evaluate closure options,

- Enable BHP Billiton to use results of the workshop to inform and assist the company in developing the closure plan for the major mine components.

BHP Billiton will continue to move forward and will now write the Closure Plan, based on the Terms of Reference developed by the WLWB Working Group in March 23, 2006, with input from the results of the options evaluation process. We would like at this time to extend a future invitation to Communities and Regulatory to attend a presentation in Yellowknife in December 2006 at which BHP Billiton will present the Closure Plan that will be submitted to the WLWB in January 2007. To ensure consistency of information flow, while at the same time continue to build Community capacity related to closure planning we are requesting that the same representatives who participated in the options evaluation presentations, minesite tour and workshop in June and July 2006 attend the December presentation.

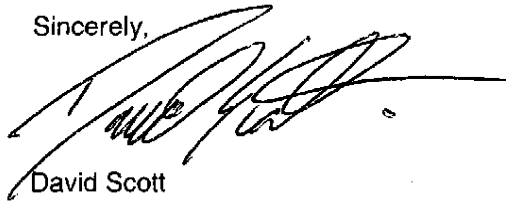
The continuance of representation is in keeping with BHP Billiton's commitment at the IEMA AGM November, 2005 to build Community capacity. We believe this will be achieved by using selective/dedicated groups of individuals from the communities in workshops and meetings. Capacity building assists Community input by developing technical, environmental and closure planning skills and aims to promote meaningful participation. This provides mutual benefits both within the communities and the company.

Although the Tlicho Government declined participation in the evaluation process and responses to invitations were not received from the Yellowknives Dene, BHP Billiton would also like to extend an invitation to these communities to also attend the December presentation. Invitation dates and agenda will be sent closer to the presentation date.

Once again BHP Billiton thanks you for your participation in the above evaluation process. We have included with this letter a CD with summaries of the EKATI Minesite tour presentations and the Options Evaluation Workshop.

Should you wish to discuss with BHP Billiton contents of the attached CD material, and/or future work on the Closure Plan please contact myself, or Helen Butler (867) 669-6104.

Sincerely,



David Scott
Manager Environment and Technical Services
EKATI Diamond Mine.