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Your file - Votre référence

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July 4, 2006

Mr. Sean Brennan
President and Chief Operating Officer
EKATI Diamond Mine
BHPBilliton Diamonds Inc.
#1102 4920-52nd. Street
YELLOWKNIFE NT X1A 3T1

Dear Mr. Brennan:

Re: Submission of BHPBilliton, 2003-2005 Environmental Impact Report as per Article V Reporting Requirements, Section 5.2.

Thank you for your letter of May 16, 2006, with the attached Environmental Impact Report 2006 reviewing the company's environmental performance over the last three years, for the Ekati Diamond Mine.

As BHPBilliton (BHPB) is aware Sections 5.2 (c), (d), and (e) of the Environmental Agreement require a response from the Minister as to whether the Environmental Impact Report (EIR) is unsatisfactory or satisfactory. This includes whether the information provided is adequate and whether or not remedial actions taken or proposed in respect of impact or compliance problems are satisfactory or deficient.

Indian and Northern Affairs Canada (INAC) has received responses from the Independent Environmental Monitoring Agency (IEMA) and Aboriginal signatories to the Environmental Agreement advising that they consider the Environmental Impact Report to be satisfactory. Some deficiencies have been noted and these will be forwarded to BHPBilliton with the Minister's Report.

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The Government of the Northwest Territories - Environment and Natural Resources (GNWT- ENR) has advised INAC, via the attached letter, that it considers the EIR to be unsatisfactory with respect to air quality and wildlife. Regrettably, GNWT-ENR has been unable to provide a detailed description of these concerns within the time line set out in the environmental agreement.

We are confident the GNWT-ENR will provide its detailed comments in a timely manner and both INAC and GNWT-ENR recognize that further dialogue is needed.

As a first step, I suggest that GNWT-ENR, INAC , BHPB and IEMA meet at a mutually convenient time to discuss the EIR. INAC staff are available in July. Please contact Lionel Marcinkoski at 669-2591 with your availability.

Sincerely,



Bob Overvold
Regional Director General
Northwest Territories

Encl: GNWT-ENR letter June 29, 2006

c.c David Livingstone, Director Renewable Resources and Environment
Dr. Bill Ross, Chair Independent Environment Monitoring Agency
R.P. Bailey, Deputy Minister, GNWT-ENR
David Scott, Manager, Engineering-BHPB
Stephen Harbicht, Head, Environmental Assessment, Environment Canada
Dorothy Majewski, Manager Habitant, Department of Fisheries and Ocean