

**BHP Billiton Diamonds Inc.**  
Operator of the EKATI Diamond Mine



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November 28, 2007

File: 4.6.6.1

Wek'èezhii Land and Water Board (WLWB)  
#1, 4905 – 48<sup>th</sup> Street  
Yellowknife, NT  
X1A 3S3

Attention: Ms. Violet Camsell-Blondin  
Chair

Dear Ms. Camsell-Blondin:

**Re: Panda/Koala Waste Rock Storage Area Expansion**

BHP Billiton Diamonds Inc., (BHP Billiton) provides the attached response to comments on the proposed change to the *Waste Rock and Ore Storage Management Plan* (WROMP). BHP Billiton has proposed a small expansion to the Panda/Koala Waste Rock Storage Area (WRSA) of about 2% to accommodate the remaining waste rock to be excavated from Beartooth pit.

We note that only two responses were received on this proposal, from the Independent Environmental Monitoring Agency (IEMA) and Indian and Northern Affairs Canada (INAC). Both parties state that they are not opposed to BHP Billiton's proposal, provided that there are valid reasons against adding additional height to the WRSA. The concept of increasing the height of the WRSA is not being considered by BHP Billiton for two reasons: 1) the 50 m height limitation, and 2) the safety of jet aircraft carrying passengers landing at the EKATI airstrip on a regular basis.

Firstly, the 50 m height limitation is very important to BHP Billiton. Notwithstanding INAC's comment regarding the written records of past regulatory proceedings, BHP Billiton considers this a firm, and reasonable, commitment made to the First Nations. This limitation is documented in the approved WROMP.

Secondly, the safety of employees and visitors who travel to the EKATI mine site on jet aircraft is paramount to BHP Billiton. BHP Billiton has safely managed the EKATI airstrip, and has worked closely with NavCan and Canadian North Airlines to do so, for nearly 10 years. During this time period, there was substantial discussion over design height limitations for the Fox rock piles as well, which is incorporated into their design.

BHP Billiton has been informed that any increase in the height of the WRSA should be avoided as this could further restrict the jet's landing abilities (pers. comm. M.Pelzer). As a result, BHP Billiton has not considered this option further.

In their comments, INAC questions whether there would be any safety implications related to increasing the height of the WRSA. They base their question on an unreferenced communication with NavCan. INAC does not indicate who the contacted individual was at NavCan, what information they were provided, or what their qualifications are to comment on this issue. This is disturbing in the sense that BHP Billiton can not respond to the comment in the absence of this information. However, regardless of the question from INAC, BHP Billiton assures the WLWB that increasing the height of the WRSA is not a viable option in this case.

Further, this issue also has immediate implications for general operations at the EKATI mine. During the fall of 2007, EKATI has had a high number of no-fly days related to weather when no one was able to fly to or from the site. This causes a disruption to employee's and visitor's personal lives and also to EKATI's operating schedules and budgets. Some no-fly days are anticipated and there are contingency plans in place to address these. However, an increase in the number of no-fly days that could result from steeper take-off and landing angles would have a direct negative effect on EKATI's operating schedule and budgets.

BHP Billiton has requested approval for the small increase to the footprint of the WRSA because this is the best way to manage the operation. This approach preserves past commitments, continues all environmental protection measures, and does not infringe on employee and visitor safety. As regards environmental protection, the WLWB is reminded that the proposed expansion to the WRSA is completely within the drainage of the Long Lake Containment Facility, as was confirmed in the field with the Water Inspector.

BHP Billiton is committed to providing long-term and lasting value to all of the parties and communities that are involved with the EKATI mine. This small change to the WRSA is part of the process wherein BHP Billiton is attempting to balance all of the needs of an operating mine to ensure a strong future for EKATI.

If you have any questions, please contact the undersigned at (867) 669-6116.

Yours sincerely,  
**BHP Billiton Diamonds Inc.**



Eric Denholm  
Superintendent – Traditional Knowledge and Permitting

Attachment: response table

c.c.: Mr. Jason Brennan, DIAND

COMMENT TABLE – BHPB’s Proposed Modification to the Panda/Koala Waste Rock Storage Area Expansion (PWRSA)

November 28<sup>th</sup>, 2007

Tracking Number	Reviewer	Comment ID	Topic	Review Comment	DDMI Response / Proposed Revision
<b>A: Independent Environmental Monitoring Agency (IEMA) Comments</b>					
1	Independent Environmental Monitoring Agency (IEMA)	IEMA - 1	Height Restrictions	<p>According to Table 7-2 (page 108) the final elevation is 50m consisting of three 15m lifts with a final capping of an additional 5-10m layer. An additional 5m dump could accommodate approximately 13.6 cubic meters of waste rock. This should be more than sufficient to store the 5 million tonnes of additional waste rock to be produced from the Beartooth Pit.</p> <p>Given that the additional Beartooth waste rock could be accommodated with a relatively minor increase in height to the Panda/Koala dump, the agency has a moderate preference for this option rather than an expansion to the dump footprint.</p>	See the covering letter.
	Independent Environmental Monitoring Agency	IEMA - 2	Separating the Rock	If the additional waste rock is placed in an accessible manner, it could be available for future use in construction of the Sable Road or wildlife access ramps at closure.	It is possible that the waste rock could be accessed for future use in the proposed location.
<b>B: GNWT - Environment &amp; Natural Resources (ENR) Comments</b>					
	GNWT - ENR	ENR - 1		No comments to provide at this time.	
<b>C: Indian Northern Affairs Canada (INAC)</b>					
2	Indian Northern Affairs Canada	INAC- 1	Height Restrictions	Two reasons were stated for not placing the waste rock on the existing pile	See the covering letter.

	(INAC)			<ol style="list-style-type: none"> <li>1. NavCan restrictions in the height of structures in the direct vicinity of the airstrip</li> <li>2. The 50m height restriction from the original EIS review (1995)</li> </ol> <p>In respect to the first item, a representative indicated that NavCan was not aware of specific height restrictions at the EKATI mine and any changes to the height of surrounding structures at the site would simply need to be approved by the third party designer which initially designed the take-off and landing procedures for the mine.</p> <p>Regarding the second item, a raise of a few meters is unlikely to affect the visual, aesthetic and or wildlife considerations mentioned in the letter and is preferable to an increased foot print of 13ha.</p>	
3	Indian Northern Affairs Canada	INAC - 2	Height Restrictions	<p>As a point of clarification, the reference to the maximum height of 50m for the WRSA was not found in the original EARP (1996) or in the Sable, Pigeon, Beartooth Environmental Assessment (2001). References were found in the original EIS (1995) in volume 2, Section 2.2.1 Regional Terrain Conditions and Volume 4, Section 2.6.2 Wind Regime Modification. It is possible that the restriction is also discussed in later documents.</p>	See the covering letter.
4	Indian Northern Affairs Canada	INAC - 3	Separating the Rock	<p>INAC considers the additional clean granite to be of high value for reclamation purposes including progressive reclamation</p>	It is possible that the waste rock could be accessed for future use in the proposed

				<p>of the WRSA or as part of the source material used for the road to Sable.</p> <p>INAC encourages BHP to view the additional rock as a 'clean granite' stockpile and not as an expansion to the existing WRSA.</p>	<p>location.</p>
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