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August 3, 2006

Mr. David Scott
Manager, Environment & Technical Services
BHP Billiton Diamonds Inc.
#1102, 4920-52nd Street
Yellowknife NT X1A 3T1

Dear Mr. Scott:

Use of chloride in the Process Plant to settle Fox fine clays

The Wek'èezhii Land and Water Board (the Board) reviewed the information BHP Billiton Diamonds Inc (BHPB) provided on April 24, 2006 and July 21, 2006 regarding the permanent use of chloride in the process plant to settle Fox fine clays.

The Board is of the opinion that making a decision on the permanent use of chloride in the process plant is inappropriate until the Adaptive Management Plan is approved. The Adaptive Management Plan will identify an appropriate chloride threshold for the receiving environment and will identify mitigative measures for dealing with elevated levels of chloride.

However, the Board recognizes that the volume of chloride being added is small, and that chloride concentrations will not reach significant levels for a number of years. Therefore, the Board approves the use of chloride in the process plant for a period of one year, to August 31, 2007. The Board will again consider the permanent use of chloride prior to this date upon approval of the Adaptive Management Plan.

If you have any questions regarding this letter, please contact Sarah Baines, Technical Coordinator, at (867) 766-7457.

Sincerely,

Violet Camsell-Blondin

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Interim Chair