

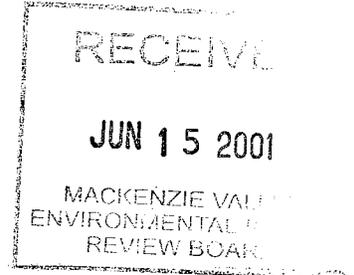
Minister of Indian Affairs
and Northern Development



Ministre des Affaires
indiennes et du Nord canadien

Ottawa, Canada K1A 0H4

JUN 5 2001
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Mr. J.D. Excell
President
EKATI Diamond Mine
BHP Diamonds Inc.
1102, 4920 - 52nd Street
YELLOWKNIFE NT X1A 3T1

Dear Mr. Excell: --

Thank you for your letter of March 2, 2001, regarding the Mackenzie Valley Environmental Impact Review Board's (MVEIRB) Report of Environmental Assessment on the Proposed Development of Sable, Pigeon and Beartooth Kimberlite Pipes dated February 7, 2001.

As you are aware, the responsible Ministers and I must consider the report of an environmental assessment and may agree where a recommendation is made under subparagraph 128 (1)(b)(ii) of the *Mackenzie Valley Resource Management Act*:

- (i) to adopt the recommendation or refer it back to the MVEIRB for further consideration, or
- (ii) after consulting the MVEIRB, to adopt the recommendation with modifications or reject it and order an environmental impact review of the proposal.

The responsible Ministers and I have reviewed the MVEIRB report. I have enclosed for your information, a copy of my April 12, 2001 letter to Mr. Gordon Lennie, Chair of the MVEIRB advising him of our decision. You will note that I also enclosed a copy of your March 2, 2001 letter for the board's information.

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With respect to your concerns regarding the environmental assessment process, initiatives are under way to improve the northern regulatory environment. The collective efforts of the relevant boards, government, industry and other interested parties will be required to resolve the issues. I encourage you to continue to work constructively with all parties to find the necessary solutions.

Again, thank you for writing.

Yours sincerely,

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
ROBERT D. NAULT

Robert D. Nault, P.C., M.P.

Encl.

c.c.: The Honourable David Anderson, P.C., M.P.
The Honourable Herb Dhaliwal, P.C., M.P.
The Honourable Joseph L. Handley, M.L.A.
Mr. Gordon Lennie