



MAY 07 1999

BHP Diamonds Inc.

May 7, 1999

Ms. Heidi Klein  
Executive Director  
Mackenzie Valley Environmental Impact Review Board  
5102-50th Ave.  
P.O. Box 938  
Yellowknife NT X1A 2N7

**Re: Distribution of the Sable, Pigeon and Beartooth Project Description to the Aboriginal Groups that have Impact and Benefit Agreements with BHP**

Dear Ms. Klein:

Enclosed are copies of correspondence with Dogrib Treaty 11, Akaitcho Treaty 8, the Inuit of Kugluktuk and the North Slave Metis Alliance. According to the terms of our agreements with these groups we must consult with them regarding our programmes.

To fulfill our requirements under the Environmental Agreement, we have copied this correspondence to the Independent Environmental Monitoring Agency.

Sincerely yours,

Scott Williams  
Manager, Environment and Resource Development

cc. Jim Excell, Graham Nicholls



BHP Diamonds Inc.

May 7, 1999

Darrell Beaulieu  
Treaty 8 Coordinator  
Treaty 8 IBA Implementation Office  
Box 300  
Yellowknife NT X1A 2N3

**Re: Project Description – Proposed Development of Sable, Pigeon and Beartooth Kimberlite Pipes**

Dear Darrell:

Enclosed is the project description that has been prepared for environmental screening by the Mackenzie Valley Environmental Impact Review Board. I have sent copies of this to your Chiefs and Lands and Environment Committees.

We understand that the Independent Monitoring Agency has already indicated to the MVEIRB that they wish to intervene in the process. Their participation will insure that the terms of the Environmental Agreement are properly considered in the assessment and that independent technical assessments of the scientific documents are available to the Aboriginal groups that initialed the Environmental Agreement.

BHP would like to make arrangements through you, to meet with the Yellowknives in N'dilo and Dettah and Chipewyan of Lutsel K'e to explain this initiative. The company is open to individual meetings in all of the communities if you feel this would be of benefit to the Akaitcho Treaty 8.

The new pipes are in the existing BHP Claim Block and were covered by baseline studies conducted for the 1995 EIS prepared by BHP for the EARP review. During the EARP process, BHP made it clear that as new discoveries were made additional resources would be added to EKATI™'s ore reserves. Since mid-1996, BHP has been assembling additional baseline information and effects monitoring data that will be needed for the review of this extension of the EKATI™ mine plan.

Evaluations completed after the EARP review suggest, given current market condition that the Leslie Kimberlite Pipe is only marginally economical. The loss of Leslie dropped the projected life of mine from the 25 years discussed in the original EIS, to 17 if you include Sable as part of the resource. Pigeon and Beartooth together provide about a year's

worth of production. Without Sable, the EKATI™ Diamond Mine will run out of ore in about 2013. When the development of these pits is approved, the EKATI™ Diamond Mine will have a mine life of about 18 years.

BHP believes that continuing exploration will prove more pipes on the claim block to be economically viable and further extend the life of the EKATI™ Diamond Mine beyond the original 25 years suggested in the EIS.

Expanding the EKATI™ Diamond Mine ore reserves will allow BHP to continue to provide the suite of benefits outlined for the Yellowknives and Chipewyan of Akaitcho Treaty 8 in their 1996 Impact and Benefit Agreement. BHP's efforts to extend the life of the EKATI™ Diamond Mine helps to provide jobs security, ongoing business opportunities, scholarships and the payments provided by your agreement.

If Akaitcho Treaty 8 would like to meet with BHP regarding the Sable, Pigeon and Beartooth Proposal, please contact Chris Hanks at 669-6145. He will make arrangements for you to meet with the appropriate people from BHP.

Sincerely yours,



Scott Williams  
Manager, Environment and Resource Development

cc. Chief Jonas Sangris, Chief Fred Sangris, Chief Florence Catholique, Rachael Crapeau, Lucy Sanderson, Jim Excell, Graham Nicholls, Jerry Bair, MVEIRB, Independent Environmental Monitoring Agency

Encl.



**BHP Diamonds Inc.**

May 7, 1999

Jimmy Miyok  
BHP - IBA Representative  
Hamlet of Kugluktuk  
Kugluktuk NT X0E 0E0

**Re: Project Description – Proposed Development of Sable, Pigeon and Beartooth Kimberlite Pipes**

Dear Jimmy:

Enclosed is the project description that has been prepared for environmental screening by the Mackenzie Valley Environmental Impact Review Board. I have sent a copy of this package to the KIA.

We understand that the Independent Monitoring Agency has already indicated to the MVEIRB that they wish to intervene in the process. Their participation will insure that the terms of the Environmental Agreement are properly considered in the assessment and that independent technical assessments of the scientific documents are available to the Aboriginal groups that initialed the Environmental Agreement.

BHP would like to make arrangements through you, to meet with the people of Kugluktuk and the Inuit beneficiaries of KIA to explain this initiative. The company is open to individual meetings in the community of Kugluktuk and with KIA if you feel this would be of benefit to the people.

The new pipes are in the existing BHP Claim Block and were covered by baseline studies conducted for the 1995 EIS prepared by BHP for the EARP review. During the EARP process, BHP made it clear that as new discoveries were made additional resources would be added to EKATI™'s ore reserves. Since mid-1996, BHP has been assembling additional baseline information and effects monitoring data that will be needed for the review of this extension of the EKATI™ mine plan.

Evaluations completed after the EARP review suggest, given current market condition that the Leslie Kimberlite Pipe is only marginally economical. The loss of Leslie dropped the projected life of mine from the 25 years discussed in the original EIS, to 17 if you include Sable as part of the resource. Pigeon and Beartooth together provide about a year's

worth of production. Without Sable, the EKATI™ Diamond Mine will run out of ore in about 2013. When the development of these pits is approved, the EKATI™ Diamond Mine will have a mine life of about 18 years.

BHP believes that continuing exploration will prove more pipes on the claim block to be economically viable and further extend the life of the EKATI™ Diamond Mine beyond the original 25 years suggested in the EIS.

Expanding the EKATI™ Diamond Mine ore reserves will allow BHP to continue to provide the suite of benefits outlined for the Inuit in their 1999 Impact and Benefit Agreement. BHP's efforts to extend the life of the EKATI™ Diamond Mine helps to provide jobs security, ongoing business opportunities, scholarships and the payments provided by your agreement.

If the people of Kugluktuk and the KIA would like to meet with BHP regarding the Sable, Pigeon and Beartooth Proposal, please contact Chris Hanks at 669-6145. He will make arrangements for you to meet with the appropriate people from BHP.

Sincerely yours,



Scott Williams  
Manager, Environment and Resource Development

cc. Charlie Evalik, Jim Excell, Graham Nicholls, Jerry Bair,  
MVEIRB, and Independent Environmental Monitoring Agency

Encl.



**BHP Diamonds Inc.**

May 7, 1999

Clem Paul  
President  
North Slave Metis Alliance  
Box 340  
Yellowknife NT X1A 2N3

**Re: Project Description – Proposed Development of Sable, Pigeon and Beartooth Kimberlite Pipes**

Dear Clem:

Enclosed is the project description that has been prepared for environmental screening by the Mackenzie Valley Environmental Impact Review Board.

We understand that the Independent Monitoring Agency has already indicated to the MVEIRB that they wish to intervene in the process. Their participation will insure that the terms of the Environmental Agreement are properly considered in the assessment and that independent technical assessments of the scientific documents are available to the Aboriginal groups that initialed the Environmental Agreement.

BHP would like to make arrangements through you, to meet with the Metis in the North Slave Metis to explain this initiative. The company is open to individual meetings in the communities of Yellowknife and Rae/Edzo if you feel this would be of benefit to the Metis.

The new pipes are in the existing BHP Claim Block and were covered by baseline studies conducted for the 1995 EIS prepared by BHP for the EARP review. During the EARP process, BHP made it clear that as new discoveries were made additional resources would be added to EKATI™'s ore reserves. Since mid-1996, BHP has been assembling additional baseline information and effects monitoring data that will be needed for the review of this extension of the EKATI™ mine plan.

Evaluations completed after the EARP review suggest, given current market condition that the Leslie Kimberlite Pipe is only marginally economical. The loss of Leslie dropped the projected life of mine from the 25 years discussed in the original EIS, to 17 if you include Sable as part of the resource. Pigeon and Beartooth together provide about a year's worth of production. Without Sable, the EKATI™ Diamond Mine will run out of ore in about

2013. When the development of these pits is approved, the EKATI™ Diamond Mine will have a mine life of about 18 years.

BHP believes that continuing exploration will prove more pipes on the claim block to be economically viable and further extend the life of the EKATI™ Diamond Mine beyond the original 25 years suggested in the EIS.

Expanding the EKATI™ Diamond Mine ore reserves will allow BHP to continue to provide the suite of benefits outlined for the Metis in their 1998 Impact and Benefit Agreement. BHP's efforts to extend the life of the EKATI™ Diamond Mine helps to provide jobs security, ongoing business opportunities, scholarships and the payments provided by your agreement.

If the Metis would like to meet with BHP regarding the Sable, Pigeon and Beartooth Proposal, please contact Chris Hanks at 669-6145. He will make arrangements for you to meet with the appropriate people from BHP.

Sincerely yours,



Scott Williams  
Manager, Environment and Resource Development

cc. Jim Excell, Graham Nicholls, Jerry Bair,  
MVEIRB, and Independent Environmental Monitoring Agency

Encl.



**BHP Diamonds Inc.**

May 7, 1999

Violet Camsell-Blondin  
BHP IBA Representative  
Dogrib Treaty 11 Council  
Box 24  
Rae/Edzo NT X0E 0G0

**Re: Project Description – Proposed Development of Sable, Pigeon and Beartooth Kimberlite Pipes**

Dear Violet:

Enclosed is the project description that has been prepared for environmental screening by the Mackenzie Valley Environmental Impact Review Board. I have sent copies to each of your Chiefs.

We understand that the Independent Monitoring Agency has already indicated to the MVEIRB that they wish to intervene in the process. Their participation will insure that the terms of the Environmental Agreement are properly considered in the assessment and that independent technical assessments of the scientific documents are available to the Aboriginal groups that initialed the Environmental Agreement.

BHP would like to make arrangements through you, to meet with the Dogrib to explain this initiative. The company is open to individual meetings in all of the communities if you feel this would be of benefit to the Dogrib.

The new pipes are in the existing BHP Claim Block and were covered by baseline studies conducted for the 1995 EIS prepared by BHP for the EARP review. During the EARP process, BHP made it clear that as new discoveries were made additional resources would be added to EKATI™'s ore reserves. Since mid-1996, BHP has been assembling additional baseline information and effects monitoring data that will be needed for the review of this extension of the EKATI™ mine plan.

Evaluations completed after the EARP review suggest, given current market condition that the Leslie Kimberlite Pipe is only marginally economical. The loss of Leslie dropped the projected life of mine from the 25 years discussed in the original EIS, to 17 if you include Sable as part of the resource. Pigeon and Beartooth together provide about a year's



worth of production. Without Sable, the EKATI™ Diamond Mine will run out of ore in about 2013. When the development of these pits is approved, the EKATI™ Diamond Mine will have a mine life of about 18 years.

BHP believes that continuing exploration will prove more pipes on the claim block to be economically viable and further extend the life of the EKATI™ Diamond Mine beyond the original 25 years suggested in the EIS.

Expanding the EKATI™ Diamond Mine ore reserves will allow BHP to continue to provide the suite of benefits outlined for the Dogrib Treaty 11 in their 1996 Impact and Benefit Agreement. BHP's efforts to extend the life of the EKATI™ Diamond Mine helps to provide jobs security, ongoing business opportunities, scholarships and the payments provided by your agreement.

If the Dogrib would like to meet with BHP regarding the Sable, Pigeon and Beartooth Proposal, please contact Chris Hanks at 669-6145. He will make arrangements for you to meet with the appropriate people from BHP.

Sincerely yours,



Scott Williams  
Manager, Environment and Resource Development

cc. Grand Chief Joe Rabesca, Chief Isadore Zoe, Chief Joseph Judas,  
Chief Henry Gon, Jim Excell, Graham Nicholls, Jerry Bair, MVEIRB,  
Independent Environmental Monitoring Agency

Encl.