



Public Service Alliance of Canada
Alliance de la Fonction publique du Canada



May 2, 2006

MEDIA RELEASE

For Immediate Release

BHP Billiton missed January 31, 2006 deadline to post \$56 million security deposit for Ekati diamond mine water license to be held by Indian and Northern Affairs Canada, union for striking workers discovers; \$56 million still not guaranteed by BHP

Yellowknife – Ekati diamond mine owner BHP Billiton missed a January 31, 2006 deadline to post a \$56 million security deposit with Indian and Northern Affairs Canada for reclamation of the mine – a condition required to obtain its water license, the union representing striking workers at Ekati has discovered.

And the Public Service Alliance of Canada says BHP Billiton has still not come up with the required letters of credit for the \$56 million, raising serious questions about how the company can continue to operate without meeting environmental requirements.

Jean-François Des Lauriers, PSAC Executive Vice-President-North, said today a spokesperson for the Mackenzie Valley Land and Water Board confirmed May 1 that BHP Billiton has still not provided the \$56 million security guarantee required as part of the potential cost of mine reclamation.

“It is shocking that BHP Billiton continues to operate the Ekati diamond mine without meeting the terms of its water license that clearly stated an additional security deposit of \$56 million be posted by January 31, 2006,” Des Lauriers said. “Why is a giant company with annual profits of \$7.5 billion not meeting its environmental obligations to the northern communities where it operates? Why can’t they post the required security?”

Des Lauriers said that in an April 7, 2006 letter to the Mackenzie Valley Land and Water Board, BHP Billiton Diamonds Vice-President Finance Tim Holt wrote that: “...we anticipate having the letters of credit issued shortly.” [URL: <http://www.mvlwb.com/pdf/2003Water/MV2003L2-0013/MV2003L2-0013-Ltr-StatusofCredit-Apr06.pdf>]

But Des Lauriers says Mackenzie Valley Land and Water Board representative Sarah Baines confirmed May 1 that BHP Billiton has still not posted its security deposit.

“BHP Billiton is now three months in arrears for posting the significant \$56 million security deposit required by Indian and Northern Affairs Canada – why is the Ekati diamond mine not meeting its serious environmental commitments?” Des Lauriers asked.

Todd Parsons, President of the Union of Northern Workers component of PSAC, which represents Diamond Workers UNW Local X3050, said the Ekati mine should not be allowed to repeatedly miss deadlines for reclamation guarantees.

“Last month we discovered production at the Ekati diamond mine had dropped 36% in its last quarterly report to March 31 after BHP Billiton claimed it was at full production. This month we discover that BHP Billiton hasn’t posted its required \$56 million security deposit,” Parsons said. “I think shareholders and northerners should be very concerned about what is really going on with the Ekati mine, because BHP Billiton is simply not telling the whole story.”

Ekati produces 6 per cent of the world’s diamond supply by value or 4 per cent by weight and yields 3 to 5 million carats annually. It is located 300 km northeast of Yellowknife and 200 km south of the Arctic Circle.

For more information: Nancy Debrececi PSAC at (867) 873-5670 or cell (867) 445-7141 or Bill Tieleman, West Star Communications – 604-844-7827 or cell 778-896-0964
Websites: www.unw.ca & www.psacnorth.com