

June 6, 2006

Mr. Martin Lenters  
HSEC Advisor  
BHP Billiton  
P.O. Box 49223  
Van Stn Bentall Centre  
Vancouver, BC V7X 1I2

Dear Martin,

**RE: Inuit Owned Land License KTL305C012,  
Polar Bear Compensation**

Further to your facsimile letter of March 17, 2006 received March 27, 2006, this is to inform BHP Billiton that the Kitikmeot Inuit Association did receive the polar bear compensation in the amount of Twenty Thousand (\$20K) Dollars. The polar bear compensation payment is related to the loss of a polar bear from the Kugaaruk HTO total allowable quota. The polar bear destroyed was at the BHP Billiton Amarak exploration camp near Kugaaruk, NU.

The compensation payment will be hand to the Kugaaruk HTO by the Kitikmeot Inuit Association during the KIA board meeting at Kugaaruk, NU during the month of June 2006.

Thank you. If you require further clarification or have questions relating to the polar bear compensation payment, I can be contacted by telephone at (867) 982-3310 or email.

Sincerely,  
KITIKMEOT INUIT ASSOCIATION

Jack Kaniak  
Manager, KIA Lands