



#16 Yellowknife Airport

Yellowknife, NT.

X1A 3T2

March 30th, 2012

BHP Billiton Diamonds Inc.

Water Licence File# W2009L2-0001

#1102-4920 52nd Street

Yellowknife, NT

X1A 3T1

Attn: Mr. Richard Morland – Manager Health, Safety, Environment & Community (Acting)

Re: Notification of requirement to conduct daily inspections / monitoring of the LLCF;

Recommendation to temporarily cease deposition of Fine Processed Kimberlite into Cell B.

Dear Mr. Morland,

As follow up to our conversation this morning, this notification is to reaffirm the requirement at this time for BHP Billiton Diamonds Inc. to conduct daily inspections and monitoring of the entire Long Lake Containment Facility (LLCF). As seasonal spring freshet is about to start occur on site over the coming weeks it is requested that daily inspections of the LLCF are implemented at this time as per Part G condition 10(a)(vii) of Water Licence W2009L2-0001:

“Weekly inspections of the Long Lake Containment Facility shall be carried out in consultation with a Professional Engineer and records of these inspections shall be kept for review.

The Licensee shall perform more frequent inspections at the request of an Inspector”

Effective immediately, it is therefore requested that daily inspections of the entire Long Lake Containment Facility be implemented at a frequency of once per day, with particular attention placed on Cell B until such time that spring snow and ice melt has concluded. It is requested that this stringent inspection and monitoring protocol be maintained until June 30th, 2012. Please be advised that a record or log of LLCF inspections conducted must be maintained by BHP Billiton Diamonds Inc. and the AANDC Land & Water Inspector reserves the right to review this information on request.

During a recent AANDC aerial inspection conducted over the Ekati mine site on March 22nd, 2012 it was observed that the Cell B access road was blocked from heavy snow drifting. (See attached photos) BHP Billiton Canada is reminded that immediately after such severe weather events cease, there remains a requirement for LLCF inspections to resume in a timely manner. (Even if that requires use of a snowmobile to complete inspection activities until site access roads can be cleared)

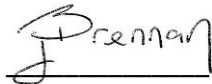
Likewise, at this time it is recommended that deposition of Fine Processed Kimberlite into Cell B of the LLCF be temporarily ceased with all Fine Processed Kimberlite diverted into either Cell A or Cell C until such a time that spring freshet has concluded. The aerial inspection recently conducted by AANDC over the Ekati mine site on March 22nd, 2012 revealed that deposition of Fine Processed Kimberlite into Cell B is rapidly reaching the maximum holding capacity for this particular Cell. (See attached photos)

There are concerns as previously identified in the September 21st, 2011 AANDC Inspection Report that there may be potential for the single culvert under Dyke B to plug as Fine Processed Kimberlite encroaches in on this small drainage culvert. During spring freshet it is conceivable that this culvert could block with ice impeding proper drainage. Once spring freshet concludes for the season BHP Billiton Diamonds may be in a better position to assess the remaining holding capacity of Cell B for further continued deposition of Fine Processed Kimberlite.

Canada

Trusting this is satisfactory. If you have any questions or concerns about this notification, please contact the undersigned departmental representative at (867) 669-2875. Thank you for your continued cooperation.

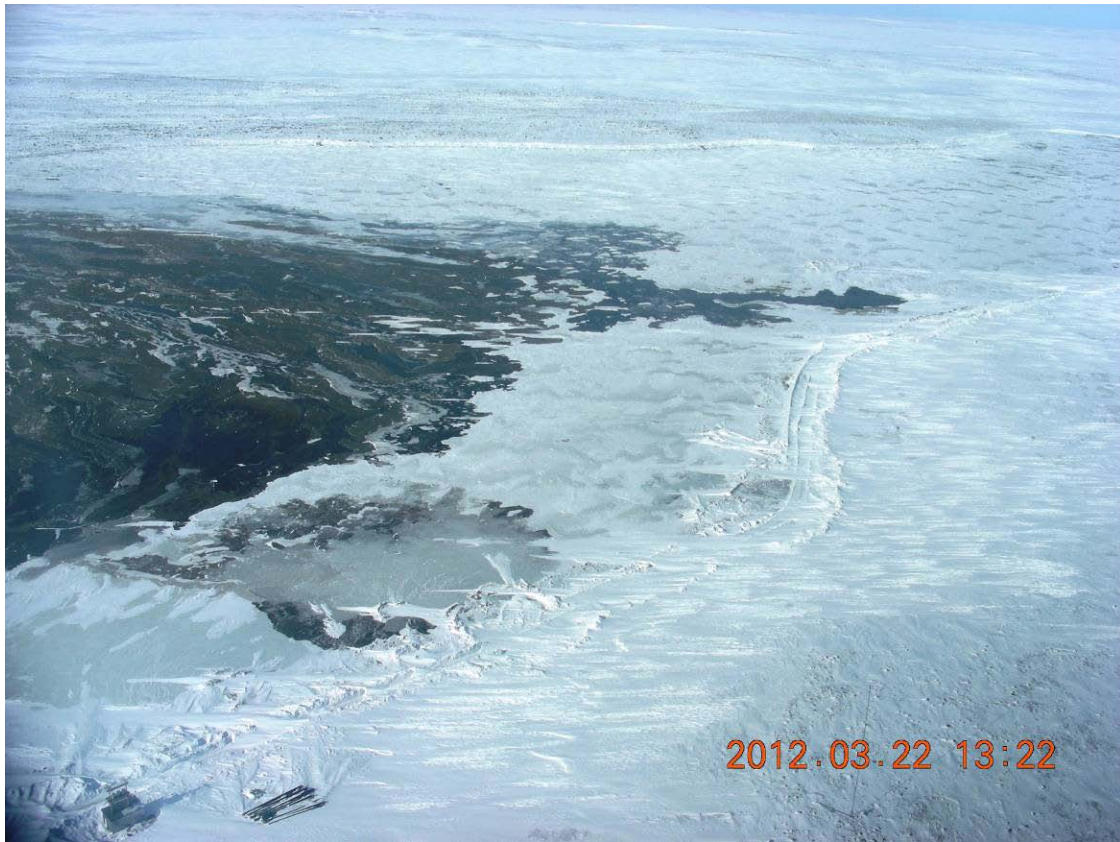
Regards,



Jason Brennan
Resource Management Officer III
South Mackenzie District
Aboriginal Affairs & Northern Development

cc. Kevin O'Reilly – Executive Director, Independent Environmental Monitoring Agency
Ms. Claudine Lee – Environment of Superintendent Operations, Ekati Diamond Mine

Mr. Scott Stewart, District Manager, AANDC South Mackenzie District
Mr. Ryan Fequet – Regulatory Officer, Wek'eezhi Land & Water Board



Cell A – East Access Road blocked due to snow drifts on March 22nd, 2012



Cell A – East Access Road blocked due to snow drifts on March 22nd, 2012



View of Cell A – Looking South (Recent FPK Deposition area is the darker area)



Cell B – Kimberlite Deposition up against Dyke B



Cell B new jetty – It appears Cell B is nearing its maximum hold capacity.
Only a small area of exposed tundra remains uncovered in Cell B.