



#16 Yellowknife Airport
Yellowknife, NT.
X1A 3T2

April 13th, 2012

BHP Billiton Diamonds Inc.
#1102-4920 52nd Street
Yellowknife, NT
X1A 3T1

Land Use Permit# W2008D0008

Attn: Claudine Lee – Superintendent – Environment Operations

Re: Request to Construct Access Road within 10m of the Pigeon Stream Diversion

Dear Ms. Lee,

This letter is in response to the request submitted by BHP Billiton Canada on April 11th, 2012 seeking authorization to build an all weather access road within 10 meters of the Pigeon Stream Diversion structure presently being constructed.

As stated in Land Use Permit W2008D0008 for the Pigeon Pit Project under Part C 26(1)(a) Item #3:

The Permittee shall locate all lines, trails, rights-of-ways to be constructed parallel to streams a minimum of thirty (30) meters from any stream except at crossings unless otherwise authorized in writing by a land use inspector.

After close consideration of the request, at this time the AANDC Land & Water Inspector is not willing to approve construction of the access road at a minimum distance of ten meters (10) from the Pigeon Stream Diversion based on the rationale presented by BHP Billiton Canada.

As per Section 26(2) of the Mackenzie Valley Land Use Regulations I wish to remind BHP Billiton Canada that within 10 days after a receipt of a request to the Wek'èezhii Land & Water Board, the Board may opt to amend any of the conditions of a Land Use Permit on receipt of a written request from the permittee setting out:

- (a) The condition that the permittee wishes to have amended;
- (b) The nature of the proposed amendment;and
- (c) The reasons for the proposed amendment.

Trusting this is satisfactory. If you have any questions or concerns about this decision, please contact the undersigned departmental representative at (867) 669-2875.

Regards,

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

cc. Mr. Ryan Fequet – Regulatory Officer, Wek'èezhii Land & Water Board