

BHP Billiton Diamonds Inc.
Operator of the EKATI Diamond Mine



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SABLE PIGEON BEARTOOTH WATER LICENCE

DISCUSSION PAPER FOR PROPOSED CHANGES

BHP Billiton will be submitting an application to the Wek'eezhii Land and Water Board (WLWB) for renewal of the Sable Pigeon Beartooth Water Licence (MV2001L2-0008). This water licence regulates only the three named open pits and no processed kimberlite or camp facilities.

BHP Billiton will be requesting some changes to the Water Licence. The requested changes are intended to improve the terms and conditions of the water licence but they do not change the project itself. The requested changes all meet these fundamental requirements:

- Is the environment protected?
- Are the terms and conditions achievable?
- Are the terms and conditions clear and understandable?

This document is an initial draft of the changes that BHP Billiton is considering requesting. This document is being circulated for discussion at meetings that are to be held in February 2008 with regulatory agencies (February 11) and First Nations (February 12). The feedback from these meetings, as well as continued research by BHP Billiton, will be considered by BHP Billiton during preparation of the application to the WLWB.

Please keep in mind that the purpose of this document is to promote discussion and feedback prior to submission of the renewal application to the WLWB and will be revised in preparation for submission.

Yours Sincerely,
BHP Billiton Diamonds Inc.

A handwritten signature in blue ink, appearing to read "Eric Denholm".

For: Eric Denholm
Superintendent – Traditional Knowledge and Permitting
EKATI Diamond Mine