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September 12, 2006

File: MV2003L2-0013

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Mr. David Scott
Manager, Environment and Technical Services
BHP Billiton Diamonds Inc.
#1102, 4920-52nd Street
YELLOWKNIFE, NT X1A 3T1

Dear Mr. Scott:

March 2006 WPKMP Approval

The Wek'eezhii Land and Water Board (the Board or WLWB) met on September 11, 2006 to discuss the March 2006 Wastewater and Processed Kimberlite Management Plan (WPKMP). The Board approves the March 2006 WPKMP however the Board requests that BHPB fulfill the following requirements in the next revision of the WPKMP which is due by March 31, 2008:

- a) Revise the wording in the "Objectives" section to reflect that "exceed licence criteria" means "better than the licence criteria" as per comment EC-5 in BHPB's WPKMP-Comment/Response Table July 14, 2006.
- b) Include the Life of Mine Plan.
- Any assumptions used to make management decisions shall be summarized and supported by evidence (historical experience, monitoring results, etc).
- d) Uncertainties and information gaps, and the work being undertaken to resolve these, are to be summarized.
- e) Confirm elevation data for water levels in Cell E as per comment IEMA-17 in BHPB's WPKMP—Comment/Response Table — July 14, 2006.

In addition to these requirements, BHPB shall provide updates on research plans for effluent treatment options and the results of that research in the Annual Reports for the water licenses. Also, the Board expects BHPB to fulfill its commitment to avoid deposition in Cell D of the LLCF for as long as possible unless otherwise approved by the Board.

Many of the comments received from Reviewers on the WPKMP focused on closure issues. During the licensing renewal the Mackenzie Valley Land and Water Board deliberated on the inclusion of closure issues in the WPKMP. It was decided that "The purpose of the WPKMP is to identify and describe sources of waste, including processed kimberlite, and the management and disposal of those wastes; reclamation of the LLCF will be discussed in the Closure and Reclamation Plan required under part J." [Page 14, Reasons for Decision, MV2003L2-0013] The WLWB stands by this decision and does not require the WPKMP to include discussions on closure issues.

If you have any questions regarding this letter, contact Sarah Baines at (867) 766-7457 or email sbaines@mvlwb.com.

Yours sincerely,

From-MVLWB

Violet Camsell-Blondin

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Chair

Brent Murphy, BHPB, (Fax: 867-880-4012) Copied to:

BHPB Distribution List of Reviewers