

Mackenzie Valley Land and Water Board
7th Floor - 4910 50th Avenue
P.O. Box 2130
YELLOWKNIFE NT X1A 2P6
Phone (867) 669-0506
FAX (867) 873-6610

Reg

April 30, 2001

File: MV2001L2-0004

Mr. Derek Chubb
BHP Diamonds Inc.
#1102 4920 - 52nd Street
YELLOWKNIFE NT X1A 3T1

Dear Mr. Chubb:

BHP Diamonds Inc., MV2001L2-0004
Sable Road Construction, Ekati Minesite

This acknowledges receipt of your Water License application on April 26, 2001. The Mackenzie Valley Land and Water Board and staff will be processing your application as per the Mackenzie Valley Resource Management Act (MVRMA) and the Northwest Territories Waters Act.

Within forty-two (42) days of the date of this letter, the Mackenzie Valley Land and Water Board will take one of the following actions:

1. issue a Type B license, subject to any conditions included pursuant to Section 15 of the Northwest Territories Waters Act;
2. order, pursuant to subsection 24(1) of the MVRMA and/or Section 21 of the Northwest Territories Waters Act, that a hearing be held or further studies or investigations be made respecting the waters proposed to be used in the aforementioned operation;
3. refer the application to the Mackenzie Valley Environmental Impact Review Board for an environmental assessment pursuant to subsection 125(1) of the MVRMA; or
4. where a requirement set out in section 61 or 62 of the MVRMA has not been met, refuse to issue a permit.

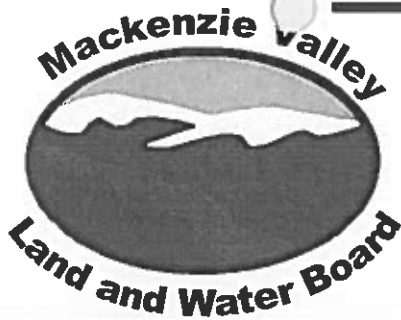
If you have any questions, contact me at (867) 669-0506 or email laurie@mvlwb.com.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Laurie Bruno".

Laurie Bruno
Regulatory Officer

Copied to: Ed Hornby, South Mackenzie District, DIAND
David Milburn, Water Resources Division, DIAND



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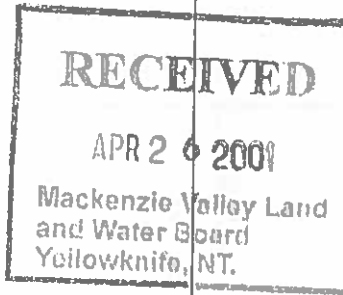
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**APPLICATION FOR WATER LICENCE, AMENDMENT OF LICENCE,
 OR RENEWAL OF LICENCE**

Application/License No:
 (amendment or renewal only)

MV2001/L2-0004

<p>1. Name and Mailing Address of Applicant</p> <p>BHP Diamonds Inc. #1102, 4920 – 52nd Street Yellowknife, NT X1A 3T1</p> <p>Attention: Derek Chubb Permitting Coordinator</p> <p>Telephone: 867-669-6142 Fax: 867-669-9293</p>	<p>2. Address of Head Office in Canada if Incorporate</p> <p>BHP Diamonds Inc. #1102, 4920 – 52nd Street Yellowknife, NT X1A 3T1</p> <p>Telephone: 867-669-9292 Fax: 867-669-9293</p>
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3. Location of Undertaking (describe and attach a map, indicating watercourses and location of any proposed waste deposits).

See attached Design Brief showing road route. Road route is from 7 180 000N, 518 520E to 7 191 550N, 522 268E

4. Description of Undertaking (describe and attach plans)

The construction of an all weather road from the existing development area at the EKATI™ Diamond Mine to the Pigeon and Sable kimberlite pipes. Details on the route and conceptual design of the undertaking are provided in the attached Design Brief.

5. Type of Undertaking.

- | | |
|-----------------------------|-------------------------------|
| 1. Industrial _____ | 5. Agriculture _____ |
| 2. Mining and Milling _____ | 6. Conservation _____ |
| 3. Municipal _____ | 7. Recreation _____ |
| 4. Power _____ | 8. Miscellaneous <u> X </u> |

6. Water Use

To obtain water	<u> X </u>	Flood control	<u> </u>
To cross a watercourse	<u> X </u>	To divert water	<u> </u>
To modify the bed or bank of a watercourse	<u> </u>	To alter the flow of, or store water	<u> </u>

Other (describe): _____

7. Quantity of water involved (litres per second, litres per day or cubic meter per year, including both quantity to be used and quality to be returned to source.)

Water will be withdrawn from Falcon Lake for the purposes of road watering. Estimated maximum use of 100,000 m³/yr.

8. Waste deposited (quantity, quality, treatment and disposal)

None

9. Other persons or properties affected by this Undertaking (give name, mailing address and location. Attach a list if necessary.)

None

10. Predicted environmental impacts of Undertaking and proposed mitigation.

An environmental assessment conducted by the Mackenzie Valley Environmental Impact Review Board (MVEIRB) determined that the potential effects of the Sable Road will not cause a significant adverse impact on the environment. A summary of potential effects and associated mitigation measures are provided in Section 4.0 of the Environmental Assessment Report.

Potential water related effects are limited to stream crossings and the extraction of water for use in dust suppression.

Potential water related effects due to stream crossings are:

- **Effects to fish/aquatic habitat due to stream crossings**
Culverts will be designed and installed, as appropriate, and in a manner as to not restrict fish passage. BHP will work with the Federal Department of Fisheries and Oceans (DFO) to ensure that the means that streams will be crossed meet the intentions of the Fisheries Act. Field surveys to date have identified a total of three (3) locations that the road crosses streams that may be frequented by fish. BHP intends to conduct further field surveys during the spring/summer of 2001 to confirm the number of stream crossings that may be frequented by fish and to complete final design of the associated culverts.
- **The introduction of sediment at stream crossings**
Culverts will be installed using best construction techniques to minimize any sediment release to stream. This includes, as appropriate – timing construction to avoid high flows, the use of sediment curtains downstream of the work, armouring of stream banks, and the use of screened material for road backfill BHP will work with DFO to ensure that proposed construction techniques are mutually acceptable.
- **Water ponding alongside the roadway**
Culverts will be installed as appropriate to ensure that surface drainage is not impeded and result in excess ponding. Experience at EKATI™ to date has shown that road construction using run-of-mine rock does not, in general, impede water flow. These materials are sufficiently coarse and free of fines that they are pervious to water. Field surveys have identified a total of 7 locations that culverts may need to be installed (3 of these are crossings are those that will also need to be designed and installed in a manner as to not restrict fish passage).

Due to its' size, the volume of water to be extracted from Falcon Lake for the purposes of dust suppression is not considered significant and as such is not expected to result in any adverse effects. The water intake line will be designed and installed with a mesh screen that is sized in accordance with guidelines established by the federal Department of Fisheries and Oceans.

11. Contractors and sub-contractors (names, addresses and functions). Attach a list if necessary.

Current plans are for the Sable Road to be constructed using BHP Diamonds Inc. own fleet of equipment and site personnel.

12. Studies undertaken to date. Attach a list if necessary.

- Environmental Assessment of the Sable, Pigeon, and Beartooth developments, which included the Sable Road
- Site surveys of the proposed Sable Road route to identify potential environmental effects, including the locations of all water crossings.

13. Proposed time schedule.

Start date: June 2001 _____ Completion date: December 2037 _____

Name (print): Derek Chubb _____

Signature:  _____

Title (print): Permitting Coordinator _____

Date: April 25, 2001 _____

FOR OFFICE USE ONLY

Application Fee Amount: \$ _____ **Receipt No:** _____

Water Use Deposit Amount: \$ _____ **Receipt No:** _____



BHP DIAMONDS INC.
 General Account
 1102 - 4920 - 52nd Street
 Yellowknife, NWT X1A 3T1

0087

April 26, 2001

PAY Thirty dollars
 TO

Receiver General for Canada

\$ 30.00

BHP DIAMONDS INC.

ROYAL BANK OF CANADA
 Yellowknife Branch
 1 - 4920 - 52nd St.
 Yellowknife, NT X1A 3T1

PER Jim Bull

PER W. [Signature]

⑈0000087⑈ ⑆09879⑈003⑆ 100⑈604⑈8⑈



Indian and Northern Affairs Canada / Affaires indiennes et du Nord Canada

GENERAL RECEIPT / RÉCÉPISSÉ GÉNÉRAL

C 120321

Branch - Direction: MVUB

Date: <u>April 26/01</u>	Nature and no. of remittance - Forme et n° de la remise: <u>CHK# 0087</u>	Invoice no. - N° de facture: <u>April 26/01</u>	Location - Endroit: <u>YK</u>
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Received the sum of - Reçu la somme de: Thirty ~~100~~ Dollars \$ 30.00

From - De: BHP Diamonds Inc.
1102 - 4920 - 52nd Street
Yellowknife, NT X1A 3T1

For - Pour: New Water License App
MVA00112-0004
Backen

Authorized officer - Fonctionnaire autorisé