

BHP Billiton Canada Inc.
Operator of the EKATI Diamond Mine



BHP Billiton Canada Inc.
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December 20, 2011

Tracy Covey
Resource Management Officer III
Aboriginal Affairs and Northern Development Canada
140 Bristol Avenue
Yellowknife, NT, CA, X1A 3T2

Attention: Tracy Covey

Subject: Commencement of Panda Diversion Channel Slope Enhancement Project Phase II

This letter is intended to provide notice of BHP Billiton Canada Inc.'s (BHP Billiton) intent to commence work on the Panda Diversion Channel (PDC) Slope Enhancement Project Phase II in early January 2012. As required under Part H Item 1 of the EKATI Water Licence (W2009L2-0001), BHP Billiton provided notification to the Wek'èezhii Land and Water Board and the Inspector regarding the rationale, engineering design and planned mitigation measures for the PDC Slope Enhancement Project. Fisheries and Oceans Canada has also been previously notified of this project.

Phase II of the Panda Diversion Channel Slope Enhancement Project is intended to be completed during the 2012 winter construction season following the successful completion of Phase I last winter season. To help ensure project success, construction activities were scheduled over two winter periods to ensure work could be completed safely and properly in the allotted construction timeframe.

Phase II will focus on addressing wall stability in the steeper rock wall *canyon* section and help ensure the long-term usability by aquatic species. BHP Billiton will begin with the construction of a frozen ice and snow pad designed to provide physical protection to fish habitat features in the stream bed. The project will proceed from the northern end of the construction area and provide a bench to help prevent material from entering the stream bed. As detailed in BHP Billiton's prior notification to the board, significant measures are being undertaken to protect fish habitat during the construction process and where possible to minimize residual sand and soil generated from construction activities.

BHP Billiton will use lessons learned from the Phase I construction and provide post-construction monitoring results to the Wek'èezhìi Land and Water Board, AANDC Inspector and to Fisheries and Oceans Canada.

We trust this letter provides you with the required notification of the intent to commence construction activities on the Panda Diversion Channel Slope Enhancement Project Phase II.

Please contact the undersigned at 880-2232 if you have any questions.

Yours Sincerely,

BHP Billiton Canada Inc.

A handwritten signature in black ink, appearing to read 'Keith McLean', written in a cursive style.

Keith McLean
Superintendent – Environmental Operations

cc: Ryan Fequet - Wek'èezhìi Land and Water Board
Bruce Hanna – Fisheries and Oceans Canada
Jason Brennan – Aboriginal Affairs and Northern Development Canada
Bill Ross - Independent Environmental Monitoring Agency