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File No: 2BE-NCB (NEW)

April 3, 2006

Mr. Jeremy Howe, Logistics Co-ordinator BHP Billiton Diamonds Inc. P.O. Box 49223 Van Stn Bentall Centre Vancouver, BC V7X 1L2

Email: Jeremy.j.howe@bhpbilliton.com

<u>Subject: New Water License Application – North Central Baffin – 2BE-NCB</u>

Dear Mr. Howe:

The Nunavut Water Board (NWB) acknowledges receipt of your new application for a warer license on March 3, 2006 for water use and waste disposal associated with exploratory drilling and camp operations for the North Central Baffin Project, in the Qikiqtani region. The application, a copy of which can be obtained from our ftp site (http://ftp.nunavut.ca in folder nwb / 2BE / 2BE-NCB) or by contacting our office, consists of the following items:

- cover email dated March 3, 2006
- water license application form, received March 29, 2006
- supplementary questionnaire, received March 3, 2006
- maps, received March 3, 2006
- summary in English and Inuktitut, received March 3, 2006
- application fee, received March 16, 2006
- spill contingency plan, received March 3, 2006
- AR Plan, received March 29, 2006

We undertook a preliminary review of your application and conclude that it meets the requirements of section 48(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* ("Act"). This said, I must inform you that the NWB reserves the right to request additional information and studies pursuant to sections 48(2) of the Act or, alternatively, issue guidelines for the provision of information pursuant to section 48(3) of the Act.

The NWB Technical Advisor assigned to your application may be in touch with you to clarify any technical details related to your application.

However, before your application can be processed further by the NWB, it is subject to sections 38(1) to 38(5) of the Act and therefore must first be reviewed by the **Nunavut Planning**Commission (NPC) to determine its conformity with an approved land use plan. By copy of this letter to the NPC, we are formally asking our sister board to undertake this determination and inform the NWB of its decision.

Pursuant to Section 13.7.3 of the Nunavut Land Claims Agreement this application is of a class that does not require a public hearing, and is therefore exempt from screening by the Nunavut Impact Review Board, as per Schedule 12-1 of the NLCA. We are consequently requesting **NPC to forward the application back to the NWB** when its determination is complete.

Finally, by copy of this letter to the distribution list and the enclosed notice of application sent to the council of the municipality or municipalities most affected by your application, we invite interested persons to make representations directly to the NWB within 30 days from the date of this letter. Please note that a spill contingency plan and an abandonment and restoration plan were also received with the application and require review. The NWB may provide additional procedural instructions once the application has been reviewed.

Sincerely,

Original signed by:

Phyllis Beaulieu Manager of Licensing

Enclosure: Notice of Application

cc: Distribution List – Qikiqtani