

Nov 9, 2006
Indian and Northern Affairs
Nunavut Land Administration
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Attn: Spencer Dewar



BHP Billiton Diamonds Inc
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Re: Final Plan N2003C0006 – Qilalugaq Project

The above-captioned permit was extended to March 31st 2007 to allow the completion of camp and equipment demobilisation and cleanup of all worksites. That objective was finalised by the end of August with the shipping of the camp from Repulse Bay to Churchill. The project site is now ready for final inspection.

Synopsis

Exploration activities on the project had ceased by the end of May 2005. That summer the camp was torn down and packaged for removal. In April of 2006, the crated camp, fuel drums and equipment were hauled by freight sleigh to Repulse Bay Hamlet where they were mustered for later removal by seallift. The campsite and all drill sites were inspected in August, 2006 to ensure that they were clean and, where necessary, rehabilitated. Later that month a Desgagner Transarctik ship loaded the mustered materials and transferred them to Churchill, MB.

The project has recently been optioned by Stornoway Diamonds.

Garbage

The Repulse Bay hamlet granted permission to deposit non hazardous waste at the local dump. At the request of the mayor, some of the materials considered to be of value by local people were separated out and saved for their use.

Fuel and Empty Barrels

Left-over drummed diesel fuel was sold to the hamlet at a discounted rate. Empty drums were shipped to the Churchill Marine Tank Farm whence they had originally been purchased.

Septic Sludge

Septic sludge resulting from the cleaning of the camp sewage treatment plant in 2005 had been disposed of in the Repulse Bay sewage site by permission of the hamlet. No further preparation was required for the purposes of shipment of the facility.

2004 Kimberlite Cuttings Sump Spill Site

This spill was mitigated with extensive work in the year in which it occurred. A full report was submitted at that time to INAC and NWB. The measures have been monitored since that time and appear to be thoroughly effective. The water of the receiving lake remains completely clear and plants have begun to repopulate the cuttings.



Cuttings spill site August 2006

Drill Core

All drill core has been stacked to the north of the campsite.

Drill Locations

Drill collars for the entire program are reiterated below.

2004 RC drill co-ordinates

LAT			LONG		
degrees	min	sec	degrees	min	sec
66	35	24	86	7	36
66	35	24	86	7	39
66	35	25	86	7	35
66	35	25	86	7	55
66	35	27	86	7	57
66	35	32	86	8	5
66	35	33	86	8	1
66	35	26	86	7	55
66	35	26	86	7	59
66	35	24	86	7	54
66	35	32	86	8	4
66	35	30	86	8	5
66	35	28	86	8	3
66	35	25	86	7	37
66	35	26	86	7	38
66	35	25	86	7	37
66	35	24	86	7	38

2004 Diamond drill co-ordinates

LAT			LONG		
Degrees	Min	Sec	Degrees	Min	Sec
66	41	44	86	16	17
66	41	40	86	16	23
66	43	33	86	15	9
66	31	16	86	55	47
66	35	1	86	4	19
66	33	49	86	8	17
66	36	3	86	15	24
66	36	19	86	8	27
66	35	39	86	7	51
66	38	27	86	12	41
66	39	32	86	14	1
66	37	14	86	16	42
66	31	32	86	5	24
66	33	46	86	5	3
66	34	44	86	20	39
66	39	31	86	14	2

2005 Diamond drill co-ordinates

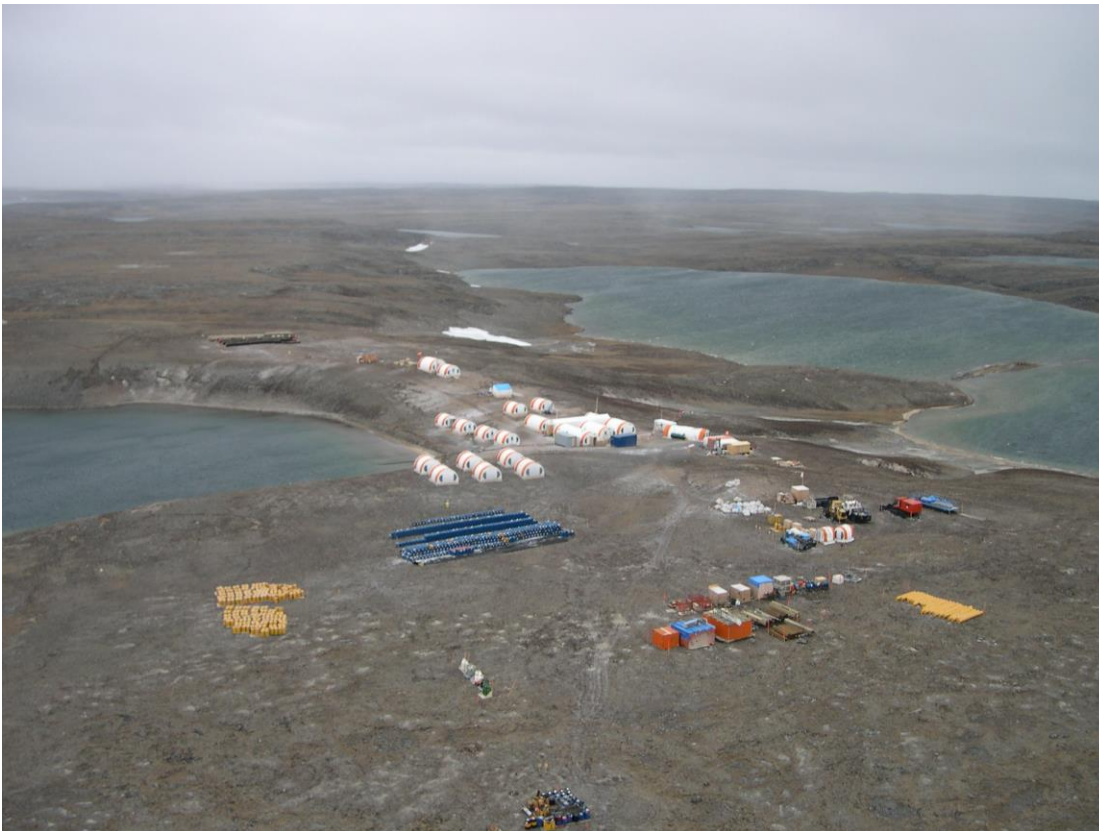
Lat Long

66°33'30.2" N	85°54'46.5" W
66°33'40.7" N	85°57'39.6" W
66°34'41.7" N	86°4'11.9" W
66°34'49.4" N	86°4'33.7" W
66°37'37.29" N	86°9'54.3" W
66°40'44.8" N	86°12'28.1" W
66°41'10.3" N	86°11'49.3" W
66°42'13.5" N	86°13'41.8" W
66°42'13.2" N	86°14'4.8" W

Other Permits Relating to this Project

Kivalliq Class B Land licence KVL204C24

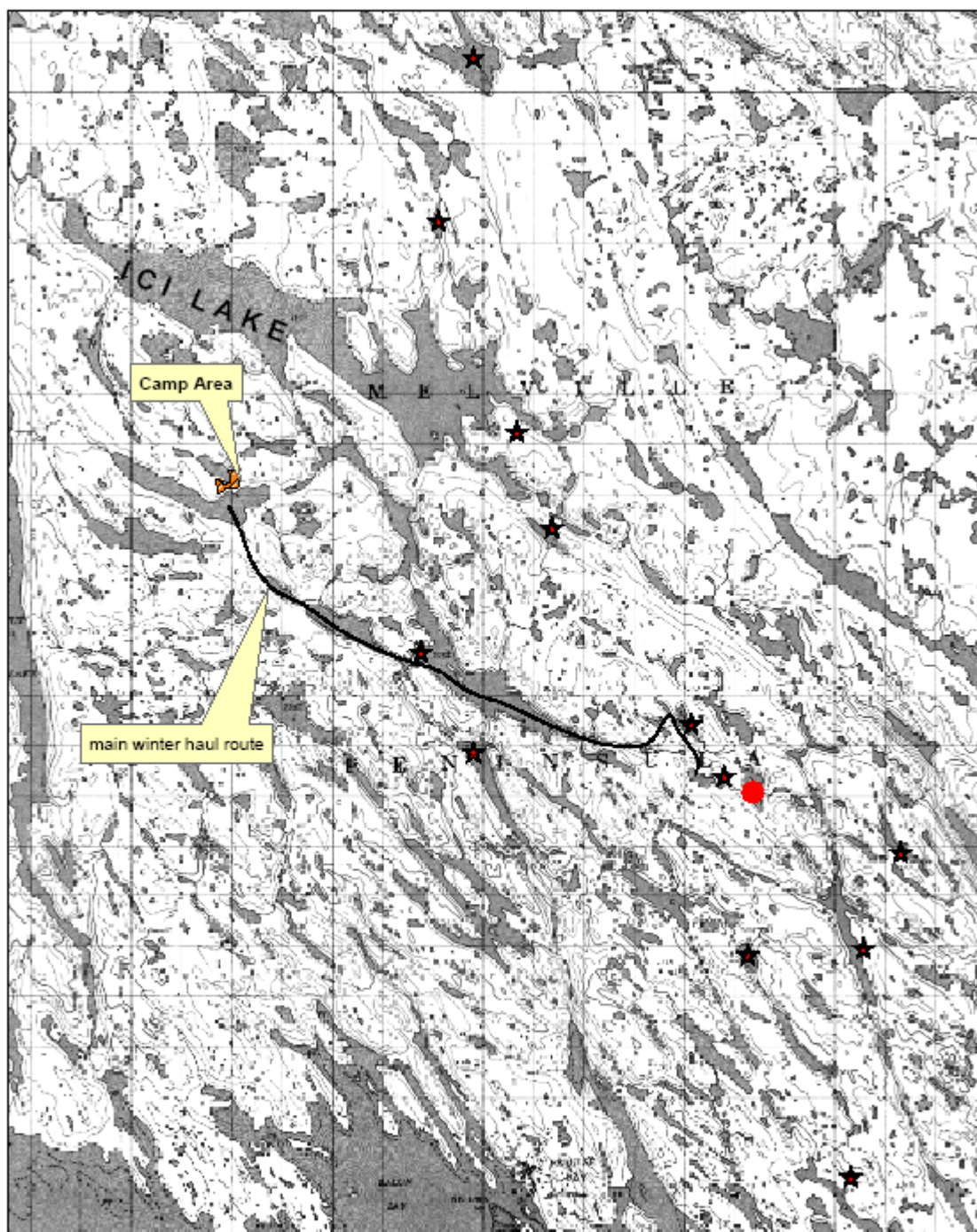
Nunavut Water Licence NWB2REP0305



Camp during full operations 2004



Campsite Aug 2006



BHP Billiton Qilalugaq Project

0.3 0.5 1.5 2.25 3 Kilometers

- RC Drilling area
- ★ Diamond Drill sites