

P.O. Box 119 GJOA HAVEN, NU X0B 1J0

TEL: (867) 360-6338 FAX: (867) 360-6369 DUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

File No: NWB2REP0305

July 23, 2004

Ken Black Environmental and Community Advisor BHP Billiton World Exploration Inc. 1400-1111 West Georgia Street Vancouver, BC V6E 4M3

E-mail: Ken.P.Black@bhpbilliton.com

RE: Amendment 2 to NWB2REP0305

Dear Mr. Black:

Please find attached Amendment 2 to License No. NWB2REP0305 issued to BHP Billiton World Exploration Inc. by the Nunavut Water Board (Motion #: 2003-24) pursuant to its authority under Article 13 of the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada and the Nunavut Waters and Nunavut Surface Rights Tribunal Act. The terms and conditions of the original Licence related to water use and waste disposal remain an integral part of this approval.

Philippe di Pizzo

Executive Director

Enclosure: Licence No. NWB2REP0305-Amendment 1

cc: Elizabeth Sherlock, DIAND Igaluit

Constantine Bodykevich, DIAND Inspector Tongola Sandy, Kivalliq Inuit Association

Josee Gallipeau, Nunavut Wildlife Management Board

Colette Meloche, Environment Canada Earle Baddaloo, Government of Nunavut

Tania Gordanier, Department of Fisheries and Oceans

LICENCE AMENDMENT No. 2

Licensee:

BHP Billiton World Exploration Inc.

License No: License Issued: NWB2REP0305 May 12, 2003 Type "B"

Effective Date:

July 23, 2004

Pursuant to its authority under Article 13 of the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada and the Nunavut Waters and the Nunavut Surface Rights Tribunal Act, the Nunavut Water Board hereby grants the following license amendment.

The License issued on May 12, 2003, and which was previously amended on April 3, 2004, shall be further amended to include the following terms and conditions to allow BHP Billiton World Exploration Inc. to alter the discharge location of treated sewage effluent from that previously approved by the Nunavut Water Board, and to increase the allowable water usage for drilling operations on the Qilalugaq project site (66°38'57" N; 88°22'3"W).

PART C: CONDITIONS FOR THE USE AND PROTECTION OF WATER

Amend Item 1

The Licensee shall obtain water for drilling operations using the Water Supply Facilities, up to a maximum of 60 cubic metres *per* day. The Licensee shall obtain water for camp operations from the un-named water supply lake adjacent to the camp, to a maximum of 10 cubic metres *per* day.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

Amend Item 4

The Licensee shall discharge treated effluent to the area described in the amendment application filed with the Nunavut Water Board on June 8, 2004 and illustrated on the BHP Billiton Repulse Bay Project site map, unless otherwise approved by the Board.

All terms and conditions of the License NWB2REP0305 dated May 12th, 2003, and which was previously amended on April 3, 2004, still apply.

This License Amendment issued and recorded at Gjoa Haven on July 23th, 2004.

Approved by,

Philippe di Pizzo Executive Director