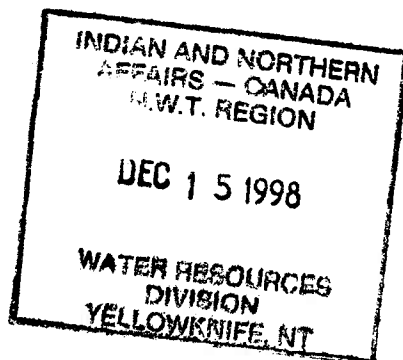




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BHP Diamonds Inc.  
BHP World Minerals



Our File: 4.8.6.2

Your File:

20 November 1998

Mr. Gordon Wray  
Chairman  
Northwest Territories Water Board  
P.O. Box 1500  
Yellowknife, NWT, X1A 2R3

**Re: Type 'B' Water Licence Application:  
Beartooth and Sable Kimberlite Pipes**

Dear Mr. Wray:

BHP is requesting a type 'B' water licence to allow BHP access to ore resources when they are needed. Kimberlite pipes for which we hold mineral leases tend to be relatively small. To supply the Ekati process plant with a steady supply of kimberlite, several pipes have to be mined simultaneously. Sable pipe along with Beartooth pipe are an integral part of our mine plan and are to be mined in conjunction with Koala and Misery.

We have included a project description prepared for this water licence application. BHP tried to be thorough and hopefully it contains the information necessary for the Board to act on our request.

Also, please find enclosed:

- Schedule III – Application for Licence, Amendment of Licence or Renewal of Licence;