



APPLICATION FOR CROWN LAND

Office Use Only
Application No

Note to the Applicant

This form is the first step in your application for Federal Crown Lands

Applications are reviewed by government agencies responsible for land use, and the regulation of activity in the NWT. This form is intended to help both you and government. It is not a legal document, but a means of providing the people who have to deal with your application information needed to decide on the applicant's merit. Most importantly, in filling out the form you will better understand some of the steps that have to be taken in planning and carrying out a successful enterprise.

You are advised to read the entire application form before you fill it out. The amount of space provided for each question suggests the level of detail expected. However, you may be asked to supply further additional information. This is an application only, and in no way implies the granting of an approval to the applicant.

A. INFORMATION ON APPLICANT

Name in full		Legal Age
Address		
Telephone No Home ()	Work ()	Occupation Employer
Name of Spouse	Occupation	Employer

Information on Company, Corporation or Association

Name of Company or Association:	BHP Diamonds Incorporated	
Address	#1102, 4920 - 52nd Street, Yellowknife, NT, X1A 3T1	
Are you registered at the NWT Companies Registry?	Yes	
Telephone No (867)-669-9292	Type of Business: Mining	Date and Place of Incorporation

Name and Address of person to whom inquiries related to this application should be addressed

Name:	John Witteman, Environment Manager	Telephone No (867)-880-2232
Address	same as above	

I hereby make application to lease 1136 hectares of crown land for the Sable Open Pit Mining and Access Road area. (see attached map and project description.)

If two or more persons are applying for this land please signify the type of tenancy desired

Joint Tenancy Tenancy in Common

Definition:

Joint Tenancy - The primary purpose of Joint Tenancy is the right of survivorship, upon death of one joint tenant, their interest passes to the other joint tenant automatically, and at length to the last survivor.

Tenancy in Common - A form of ownership whereby each tenant (Owner or Lessee) holds an undivided interest in property. Upon death of one of the individuals, their property interest passes to their estate or heirs.

Purpose the land is to be used for: Mining and supporting activities (access, waste rock storage, support facilities)

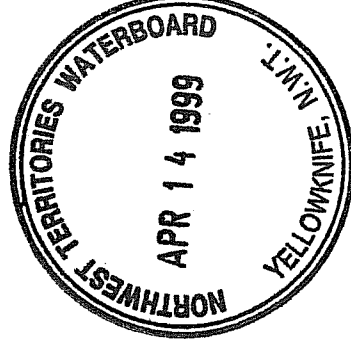
___ commercial **Industrial** ___ Residential ___ Other (specify) ___

B. COMMERCIAL/INDUSTRIAL APPLICATIONS

Commercial applications may require approvals from the GNWT (Economic Development & Tourism), prior to this Department's issuing any approvals of this application.

Type of industrial or commercial use (describe in detail)

Open pit and underground mining of kimberlite ore with process plant used for extraction of gem and industrial quality diamonds. Lease specifically required for development of Sable open pit, storage of waste rock from Sable pit and an access road to Sable and Pigeon areas.



<p>Are there any waste products produced by this use? Yes</p> <p>if Yes, describe the type of waste, the volume of waste and the disposal method(s) to be used.</p> <p>Wastes will include:</p> <p>Waste rock (granites, diabase), waste lake bottom sediments, waste tills, wastewater from pit sumps, waste oil, sewage wastes, miscellaneous rubbish (wood, paper, etc), misc. construction wastes (plastics, metal, wood, paper). No new waste streams will be developed as a result of the proposed development on the lease area.</p> <p>See attached project description for more detailed description of quantities and disposal methods.</p>
<p>Are there any hazardous materials to be stored other than consumer goods (fuel, etc.) Yes</p> <p>If yes, please list the type, estimated quantities, and storage method(s).</p> <ul style="list-style-type: none"> - Explosives (detonators and primers to be stored in magazines in accordance with the Canada Explosives Act) - All other hazardous materials stored on existing leases under previously described conditions. <p>* (Hazardous materials as defined in the Transportation of Dangerous Goods Act and Regulations or the Workplace Hazardous Material Information System).</p>
<p>C. PARCEL DESCRIPTION</p> <p>General Description of Parcel (Hilly or Flat, Tree Cover, Soil Type) (If surveyed, state lot and block or group number. If unsurveyed, state size of parcel and general area)</p> <p>Block of land encompassing proposed Sable Pit development (980 ha). Ribbon of land encompassing proposed development of Pigeon - Sable Access Road (15.6 km x 100m wide right of way = 156 ha). See attached drawing for description of lease boundaries and general topography of enclosed and adjacent lands.</p>
<p>Project Description</p> <p>Briefly describe your general purpose and goals. This is your chance to explain in your own words, your plans and objectives.</p> <p>The Sable Open Pit Mining and Access Road Land Lease will be required to develop the Sable open pit while the road will be needed to access both the Pigeon and Sable areas. Development of Sable pit will require dewatering of Sable Lake, construction of a laydown/truck line up area, construction of a fuel storage area, construction of an emergency accommodation/office/lunchroom facility, construction of a 2 bay truck shop, construction of an access road from the Pigeon area to the Sable area, stripping of lake bottom sediments, pit development and construction of waste rock storage areas.</p>
<p>Project Location</p> <p>Provide NTS map on a 1:50 000 scale indicating:</p> <ul style="list-style-type: none"> - approximate boundaries of land area under application in metres/feet - or milepost of road, if applicable - nearby water bodies - distance to nearest community <p>See the attached drawings.</p> <p>existing access if any - proposed new access routes - use of adjacent land - co-ordinates</p>
<p>Indicate approximate area of land under application, in hectares:</p> <p>Sable Open Pit Mining and Access Road – 1136 hectares</p> <p>Standard NTS Map Co-ordinates Latitude _____ Longitude _____ Map Sheet Number _____</p> <p>76 D/15</p>
<p>D. CONSTRUCTION PLANS</p> <p>Briefly describe any existing building and/or construction of facilities that you plan. Use your sketch for illustration.</p> <p>Planned: Facilities planned at the Sable site include emergency accommodation equipped with offices, washrooms, and lunchroom. These will be removable modular trailer units. Magazines for storage of detonators and other blasting supplies will be placed nearby the Sable area. Magazines will consist of removable C-cans. Sable area will also require construction of fuel storage tanks in the range of 100,000 to 150,000 litres.</p> <p>Please consult the attached project description for a more detailed examination of project specifics.</p> <p>Value of improvements already on the land : No Value</p> <p>Name of owner of improvements : <u>BHP Diamonds Inc.</u></p> <p>Describe briefly your planned construction methods and materials.</p> <p>The majority of structures will be constructed from modular and reusable construction trailer sections or "Weather Haven" type structures. Additions to these structures would be made as required with standard wood construction techniques.</p>

<p>Outline your time schedule for your construction program. Indicate approximate starting, construction stage and completion times.</p> <p>Start of Pigeon - Sable Access Road - mid 2001 to 2002. Start of Sable Facilities & Pit Pre-development work - 2003 - 2006</p> <p>Please see project timelines included in the attached project description for more detailed breakdown of schedules.</p>
<p>Describe existing and proposed methods of access and transportation for your project.</p> <p>Transportation of most construction materials will be via the existing Echo Bay Winter Road. Lighter materials may also be transported by air year round. Access within the project area is via intra-site haul roads. All personnel are transported to and from the Ekati site via charter aircraft.</p> <p>No permanent accommodation facilities will exist at the Sable site. Personnel will be bussed in and out from the main Ekati camp for each 12 hour shift.</p>
<p>E. WATER</p> <p>Do you plan to use water at your facility(s)? If so, estimate the volume to be used per day.</p> <p>Water will be used at the Sable development for potable, sewage, road watering and operations purposes. All water with the exception of road water will be hauled from the main Ekati camp. Road water will be taken from the pit sump. Wastewater generated from the use of potable and sewage water will be collected at each of the Sable site and hauled back to the main Ekati camp for treatment in the existing sewage treatment plant. Total water use at the Sable site will be less than 4000 litres per day.</p>
<p>Does your plan involve the alteration of any watercourse? (ie: construction of dams or diverting natural water flows). If so, describe the proposed changes.</p> <p>The proposed development at Sable will require the draining of Sable Lake. As Sable is a headwater lake, no watercourse diversion is required.</p>
<p>How do you plan to dispose of:</p> <p><u>Liquid Waste:</u> All sewage, waste oil, waste fuel, waste glycol, etc. will be hauled back to the main Ekati camp for proper handling, disposal or recycling as necessary. Wastewater generated from the Sable Pit sump will be used for road watering with the remainder pumped into a settling pond constructed at the Sable site. The settling pond will allow for the settling of suspended solids and aeration of any nitrogen or petroleum compounds present in the water prior to discharge to the environment.</p> <p><u>Solid Waste:</u> All solid wastes with the exception of waste rock will be hauled back to the main Ekati camp for proper handling, disposal, or recycling as necessary. Waste rock at the Sable site will be placed into engineered waste rock dumps as shown in the attached project description document.</p>
<p>If you have specific waste treatment equipment in mind, please describe it.</p> <p>No specific equipment has been designed or specified at this point in time.</p>

F. OPERATIONS

Is your use: Year Round Seasonal

If seasonal, give details:

How many year round residents will be living at the site: No residents will reside on either of the proposed lease extensions

G. RESOURCE CAPABILITY

What other general resource activities are taking place on or near your proposed project area, e.g. does the area involve a trapline or any mining activity? Is it an access point for resident anglers, hunters, campers, etc. Is there a registered mineral claim on the project area?

The operation of the Ekati Diamond Mine is ongoing south of the proposed lease. The Diavik Diamond Mine site is located approximately 42 kilometres south-southeast of the Sable pipe.

Do you see any activity listed in your answer above affecting your operation, or is your operation a conflict with them? If so, how?

There are no perceived conflicts with, or effects on or due to other local operations.

Do you plan on using your facilities for other than the applied for purpose? If yes, then briefly describe alternate use.

No.

H. FINANCIAL CONSIDERATIONS

Provide a brief description of the capital costs for your project:

Site Preparation

Construction

Provide a time framework within which these capital costs will be incurred, i.e., estimate costs per phase on your construction schedule (Section D)

Is there any additional information you wish to include? No.

I. FEES

Land Application fee (\$150.00) (except Government Agencies) \$ 150.00

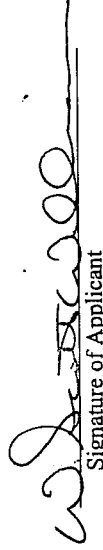
GST for all applications (\$10.50) (except "Residential") \$ 10.50

Total fees submitted with this application \$ 160.50

*make cheques or money orders payable to "Receiver General for Canada"

I hereby acknowledge and confirm that the filing of this application does not grant me any rights to take, occupy or use the land for which I have applied.

I certify that the information I have given in this application is correct to the best of my knowledge.


Signature of Applicant

16 FEB 99
Date

Signature of Joint Applicant

Date

Affix company seal if applicable

Provide a detailed site sketch of your proposed development. Exact dimensions of buildings are not necessary, but your sketch should include:

- | | |
|--|--|
| <ul style="list-style-type: none">- boundaries, approximate dimensions in metres or feet- location of proposed buildings and facilities, including waste disposal and fuel storage, docks and breakwaters, etc.- access routes, trails, paths, roads, etc. | <ul style="list-style-type: none">- water bodies to be used for transportation and/or recreation- location of water bodies, lake front, stream bank, etc.- existing facilities- scale |
|--|--|

In order to locate the parcel of land applied for on a map, it is important that the location is defined by distance measurement and possibly compass bearings in relation to some known point or land feature.

For instance, to the existing survey posts of another property in the area, highway survey monuments, the shoreline of water bodies (lakes, rivers, creeks) and kilometre posts.

See the attached drawings and project description for site sketches.



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A. INFORMATION ON APPLICANT

Name in full		Legal Age
Address		
Telephone No Home ()	Work ()	Occupation Employer
Name of Spouse		Occupation Employer

Information on Company, Corporation or Association

Name of Company or Association: BHP Diamonds Incorporated
 Address #1102, 4920 - 52nd Street, Yellowknife, NT, X1A 3T1
 Are you registered at the NWT Companies Registry? Yes
 Telephone No (867)-669-9292 Type of Business: Mining Date and Place of Incorporation

Name and Address of person to whom inquiries related to this application should be addressed

Name: John Witteman, Environment Manager Telephone No (867)-880-2232
 Address same as above

I hereby make application to lease 341 hectares of crown land for the Pigeon Open Pit Mining. (see attached map and project description.)

If two or more persons are applying for this land please signify the type of tenancy desired
 Joint Tenancy Tenancy in Common

Definition:

Joint Tenancy - The primary purpose of Joint Tenancy is the right of survivorship, upon death of one joint tenant, their interest passes to the other joint tenant automatically, and at length to the last survivor.

Tenancy in Common - A form of ownership whereby each tenant (Owner or Lessee) holds an undivided interest in property. Upon death of one of the individuals, their property interest passes to their estate or heirs.

Purpose the land is to be used for: Mining and supporting activities (access, waste rock storage, support facilities)

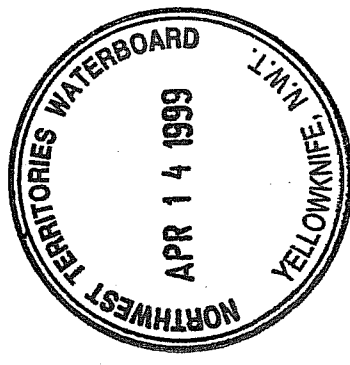
commercial Industrial Residential Other (specify) _____

B. COMMERCIAL/INDUSTRIAL APPLICATIONS

Commercial applications may require approvals from the GNWT (Economic Development & Tourism), prior to this Department's issuing any approvals of this application.

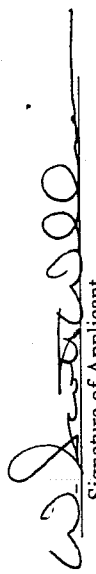
Type of industrial or commercial use (describe in detail)

Open pit and underground mining of kimberlite ore with process plant used for extraction of gem and industrial quality diamonds.
 Land lease application specifically required for development of the Pigeon open pit and storage of waste rock from the Pigeon pit.



<p>Are there any waste products produced by this use? Yes</p> <p>If Yes, describe the type of waste, the volume of waste and the disposal method(s) to be used.</p> <p>Wastes will include:</p> <p>Waste rock (granites, diabase, biotite schist, biotite gneiss), waste lake bottom sediments, waste tills, wastewater from pit sumps, waste oil, sewage wastes, miscellaneous rubbish (wood, paper, etc), misc. construction wastes (plastics, metal, wood, paper). No new waste streams will be developed as a result of the proposed development on the extended lease area.</p> <p>See attached project description for more detailed description of quantities and disposal methods.</p> <p>Are there any hazardous materials to be stored other than consumer goods (fuel, etc.) Yes</p> <p>If yes, please list the type, estimated quantities, and storage method(s).</p> <p>- Hazardous materials stored on existing leases under previously described conditions.</p> <p>*(Hazardous materials as defined in the Transportation of Dangerous Goods Act and Regulations or the Workplace Hazardous Material Information System).</p>
<p>C. PARCEL DESCRIPTION</p> <p>General Description of Parcel (Hilly or Flat, Tree Cover, Soil Type) (If surveyed, state lot and block or group number. If unsurveyed, state size of parcel and general area)</p> <p>Block of land encompassing proposed Pigeon Open Pit Mining development (341 ha). See attached drawing for description of lease boundaries and general topography of enclosed and adjacent lands.</p>
<p>Project Description</p> <p>Briefly describe your general purpose and goals. This is your chance to explain in your own words, your plans and objectives.</p> <p>The Pigeon Open Pit Mining Land Lease will be required to develop the Pigeon open pit. Development of the Pigeon pit will require construction of a retaining wall/water diversion structure, construction of a laydown/truck line up area and fuel storage area, stripping of overburden, pit development, and construction of waste rock storage areas.</p>
<p>Project Location</p> <p>Provide NTS map on a 1:50 000 scale indicating:</p> <ul style="list-style-type: none"> - approximate boundaries of land area under application in metres/feet - or milepost of road, if applicable - nearby water bodies - distance to nearest community <p>See the attached drawings.</p> <p>Indicate approximate area of land under application, in hectares:</p> <p>Pigeon Open Pit Mining – 341 hectares</p> <p>Standard NTS Map Co-ordinates Latitude _____ Longitude _____ Map Sheet Number _____</p> <p>76 D/15, 76 D/10</p>
<p>D. CONSTRUCTION PLANS</p> <p>Briefly describe any existing building and/or construction of facilities that you plan. Use your sketch for illustration.</p> <p><u>Existing:</u> A trail connecting the Long Lake Containment Area to the drilling pad at Pigeon pipe currently exists.</p> <p><u>Planned:</u> Facilities planned at the Pigeon site include emergency accommodations equipped with offices, washrooms, and lunchrooms. These will be removable modular trailer units. The Pigeon area will also require construction of fuel storage tanks in the range of 80,000 to 120,000 litres.</p> <p>Please consult the attached project description for a more detailed examination of project specifics.</p> <p>Value of improvements already on the land : <u>No Value</u></p> <p>Name of owner of improvements : <u>BHP Diamonds Inc.</u></p> <p>Describe briefly your planned construction methods and materials.</p> <p>The majority of structures will be constructed from modular and reusable construction trailer sections or "Weather Haven" type structures. Additions to these structures would be made as required with standard wood construction techniques.</p> <p>Outline your time schedule for your construction program. Indicate approximate starting, construction stage and completion times.</p> <p>Start of Pigeon Facilities & Pit Pre-development work – 2004 to 2005</p> <p>Please see project timelines included in the attached project description for more detailed breakdown of schedules.</p>

<p>Describe existing and proposed methods of access and transportation for your project.</p> <p>Transportation of most construction materials will be via the existing Echo Bay Winter Road. Lighter materials may also be transported by air year round. Access within the project area is via intra-site haul roads. All personnel are transported to and from the Ekati site via charter aircraft.</p> <p>No permanent accommodation facilities will exist at the Pigeon site. Personnel will be bussed in and out from the main Ekati camp for each 12 hour shift.</p>	<p>E. WATER</p> <p>Do you plan to use water at your facility(s)? If so, estimate the volume to be used per day.</p> <p>Water will be used at the Pigeon development for potable, sewage, road watering and operations purposes. All water with the exception of road water will be hauled from the main Ekati camp. Road water will be taken from the pit sumps. Wastewater generated from the use of potable and sewage water will be collected at the Pigeon site and hauled back to the main Ekati camp for treatment in the existing sewage treatment plant. Total water use at the Pigeon site will be less than 4000 litres per day.</p>	<p>Does your plan involve the alteration of any watercourse? (ie: construction of dams or diverting natural water flows). If so, describe the proposed changes.</p> <p>The development of the Pigeon Pit will encroach on the small pond known as Pigeon Pond. In order to divert drainage away from Pigeon pit and to stabilize the organic soils expected beneath Pigeon Pond, a retaining wall will be constructed that will also serve to divert Pigeon Stream on its way south-west toward Exeter Lake.</p>	<p>How do you plan to dispose of:</p> <p><u>Liquid Waste:</u> All sewage, waste oil, waste fuel, waste glycol, etc. will be hauled back to the main Ekati camp for proper handling, disposal or recycling as necessary. Wastewater generated from the Pigeon Pit sump will be used for road watering with the remainder being pumped into the Long Lake Containment Area.</p> <p><u>Solid Waste:</u> All solid wastes with the exception of waste rock will be hauled back to the main Ekati camp for proper handling, disposal, or recycling as necessary. Waste rock at the Pigeon site will be placed into engineered waste rock dumps as shown in the attached project description document.</p> <p>If you have specific waste treatment equipment in mind, please describe it.</p> <p>No specific equipment has been designed or specified at this point in time.</p>
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F. OPERATIONS	
Is your use:	<input checked="" type="checkbox"/> Year Round <input type="checkbox"/> Seasonal
If seasonal, give details:	
How many year round residents will be living at the site: No residents will reside on either of the proposed lease extensions	
G. RESOURCE CAPABILITY	
What other general resource activities are taking place on or near your proposed project area, e.g. does the area involve a trapline or any mining activity? Is it an access point for resident anglers, hunters, campers, etc. Is there a registered mineral claim on the project area?	
The operation of the Ekati Diamond Mine is ongoing adjacent to the proposed lease. The Diavik Diamond Mines site is located approximately 36 kilometres to the southeast of the Pigeon pipe.	
Do you see any activity listed in your answer above affecting your operation, or is your operation a conflict with them? If so, how?	
There are no perceived conflicts with, or effects on or due to other local operations.	
Do you plan on using your facilities for other than the applied for purpose? If yes, then briefly describe alternate use.	
No.	
H. FINANCIAL CONSIDERATIONS	
Provide a brief description of the capital costs for your project:	
Site Preparation	
Construction	
Provide a time framework within which these capital costs will be incurred, i.e., estimate costs per phase on your construction schedule (Section D)	
Is there any additional information you wish to include? No.	
I. FEES	
Land Application fee (\$150.00) (except Government Agencies)	\$ <u>150.00</u>
GST for all applications (\$10.50) (except "Residential")	\$ <u>10.50</u>
Total fees submitted with this application	\$ <u>160.50</u>
*make cheques or money orders payable to "Receiver General for Canada"	
I hereby acknowledge and confirm that the filing of this application does not grant me any rights to take, occupy or use the land for which I have applied.	
I certify that the information I have given in this application is correct to the best of my knowledge.	
 Signature of Applicant	<u>16 Feb 99</u> Date
_____ Signature of Joint Applicant	
_____ Date	
Affix company seal if applicable	

Provide a detailed site sketch of your proposed development. Exact dimensions of buildings are not necessary, but your sketch should include:	
<ul style="list-style-type: none">- boundaries, approximate dimensions in metres or feet- location of proposed buildings and facilities, including waste disposal and fuel storage, docks and breakwaters, etc.- access routes, trails, paths, roads, etc.	<ul style="list-style-type: none">- water bodies to be used for transportation and/or recreation- location of water bodies, lake front, stream bank, etc.- existing facilities- scale
In order to locate the parcel of land applied for on a map, it is important that the location is defined by distance measurement and possibly compass bearings in relation to some known point or land feature.	
For instance, to the existing survey posts of another property in the area, highway survey monuments, the shoreline of water bodies (lakes, rivers, creeks) and kilometre posts.	
See the attached drawings and project description for site sketches.	