

**Mackenzie Valley Land
& Water Board**

File _____

JUN - 3 2005

Application # MV2001L2-002

Copied To LA

3 June 2005

Ms. Lisa Hurley
Mackenzie Valley Land and Water Board
7th Floor – 4910, 50th Avenue
Yellowknife, NT.
X1A 2P6

DELIVERED BY HAND

Dear Lisa;

Re: Water Licence # MV2001L2-002 Snap Lake Project Irrevocable Letter of Credit.

Please find enclosed the original Letter of Credit in the amount of CAD 10,083,478 pursuant to Part C, Item 1 of the above Water Licence. This follows the provision of the Letter of Credit electronically on 31 May 2005. Please note that this is the first anniversary payment i.e. the second payment.

As per our discussions, it is my understanding that you will forward to the appropriate departments within DIAND.

Please contact the undersigned at 766-7322 if you have any questions.

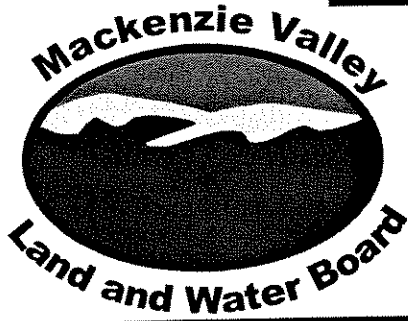
Sincerely,



Dr. Robin Johnstone
Manager, Environmental Affairs- NWT Projects

Copied to: Regional Director General, DIAND-NT Region





Mackenzie Valley Land and Water Board
7th Floor - 4910 50th Avenue
P.O. Box 2130
YELLOWKNIFE NT X1A 2P6
Phone (867) 669-0506
FAX (867) 873-6610

FOR OFFICE USE ONLY

Cheques are to be made payable to "Receiver General of Canada"

Proponent Name: De Beers Canada

Application Number LUP: _____ WL: MV200/L2-0002

Security Deposit Amount: \$10,083,478.⁰⁰ Receipt Number: _____

Paid by Cheque #: LOC

J. Ward
Signature

June 2/06
Date