

RHONDA CORPORATION

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19 March, 2001

By Email and Mail

Rita Becker
Lands Administrator
Nunavut Water Board
Box 119
Gjoa Haven, NT XOB IJO

RE: CLAIM OWNERSHIP POSITION OF DE BEERS CANADA EXPLORATION -- LICENCE #NWB2KIK0002

Please accept this letter – which is intended to support De Beers Canada Exploration's (DBCE's) amendment of the above water licence – as verification of the degree of DBCE impending ownership in the *Tree 1* mineral claim.

DBCE became the Designated Operator of the Kikerk Lake (Kikkiktalik)/Knife Lake Project in spring, 2000, performed work on that project within the *Tree 1* mineral claim in 2000 and will become 51% owner of this claim between mid- and late May, 2001, due to conduct of *Option 1* of the project. *Option 1*, which will consist of approximately one month of core drilling in and beside Knife Lake commencing in April, 2001, will result in DBCE expenditures in excess of \$250 000. As stated in the Option Agreement between Rhonda and DBCE (a copy of which the Board already possesses), DBCE may earn 51% of the *Tree 1* claimholding by completing a total expenditure of \$250 000 in 2001. The option for further increases in ownership beyond 51% also exists within the Option Agreement.

An amendment to Nunavut Water Licence #NWB2KIK0002 is being submitted to the Board directly by DBCE.

Thank you for the opportunity to provide this verification of ownership. Together with DBCE, Rhonda looks forward to the acceptance of this letter and to the prompt and favourable review of the DBCE water licence amendment.

(signed)
Judy Stoeterau
Vice-President Exploration
Rhonda Corporation