

# ECHO BAY MINES LTD.

1210 Manulife Place  
10180 - 101 Street  
Edmonton, Alberta T5J 3S4  
Telephone: 780-496-9002  
Telecopier: 780-424-7378

December 27 2002

Indian and Northern Affairs Canada  
DIAND Nunavut Regional Office  
Building #969, Qimugjuk, 2nd Floor  
Iqaluit, NU  
X0A 0H0

Attention: Mr. Paul Smith,  
Manager, Water Resources

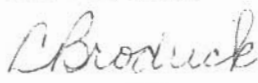
Dear Paul:

RE: **Echo Bay Mines Ltd.**  
**Water License Number NWB1LUP0008**  
**Reclamation Security - January 1, 2003**

Pursuant to the December 20, 2001 decision by the Nunavut Water Board (NWB) requiring reclamation security and our agreement with Mr. Robert Lauer and members of the Department of Indian and Northern Affairs Canada, please find enclosed security in the amount of \$3,500,000, consisting of a promissory note secured by a charge on the Lupin assets in the amount of \$2,500,000 as well as a letter of credit in the amount of \$1,000,000.

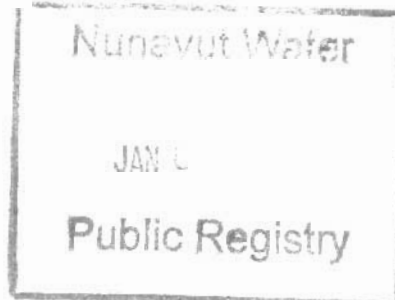
If you have any questions, please call me.

Yours very truly,

*for*   
Tom S. Q. Yip  
Vice President and Chief Financial Officer

/encl.

c.c. w/o attachment: J. McCrank, B. Burton,  
R. Lauer (INAC), ~~P.~~ di Pizzo (NWB).



Via - FEDEX

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