



WATER REGISTER NO.: N7L3-1603

June 17, 1992

*Rec'd June 19/92
Binder
1603-6
Yvette
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Mr. Steve McAlpine
Project Manager
Homestake Mineral Development Company
#1000, 700 West Pender St.
Vancouver, BC V6C 1G8

Dear Mr. McAlpine:

RE: WATER REGISTER NO.: N7L3-1603 - SECURITY DEPOSIT

Pursuant to Section 13.(3) of the Northern Inland Waters Act and Section 13 of the Northern Inland Waters Regulations, the Board requires that Homestake Mineral Development Company furnish a Security Deposit in the amount of \$100,000.00. The Security Deposit shall be maintained until such a time as the Board is satisfied that the Licensee has complied with all conditions of the Licence and the final Abandonment and Restoration Plan. The term of Security Deposit should be until at least two years beyond the expiry date of the Licence. Attached is a guide for filing a Security Deposit.

If you require further assistance, please do not hesitate to contact this office. If your inquiry is of a technical nature, please feel free to contact Mr. John Witteman of the Water Resources Division at (403) 920-8240.

Sincerely,

Dave Nickerson

Dave Nickerson
Chairman
N.W.T. Water Board

Attachment

1000: YK DISTRICT.

NORTHWEST TERRITORIES WATER BOARD
PROCEDURES FOR FURNISHING A SECURITY DEPOSIT
FOR A LICENCE ISSUED UNDER THE NORTHERN INLAND WATERS ACT

1. The Security Deposit may be in the form of:
 - (a) A promissory note guaranteed by a chartered bank in Canada payable to the Receiver General for Canada;
 - (b) a certified cheque drawn on a chartered bank in Canada payable to the Receiver General for Canada;
 - (c) a performance bond issued by a surety approved by the Treasury Board for the purposes of the Government Contract Regulations; or
 - (d) any combination of the securities described in paragraphs (a) to (c).

A list of surety companies approved by the Treasury Board may be obtained by phoning or writing the Administrator (see item 5 below).

2. A promissory note is the more common form of deposit. However, in the event a certified cheque is forwarded as security and is deposited into the Consolidated Revenue Fund, interest will be paid at a rate of interest at 2%.
3. The Security Deposit is to be filed at Yellowknife within thirty (30) days of issuance of the Licence, or as prescribed in the Licence.
4. The Security Deposit shall cover the period commencing on the effective date of the Licence up to and including two (2) years following the expiry date of the Licence.
5. The Security Deposit along with the legal conditions pertaining to the deposit shall be forwarded to:

Administrator, Water Resources Division
Northern Affairs Program
Department of Indian Affairs and Northern Development
P.O. Box 1500
YELLOWKNIFE, NT X1A 2R3
Phone No.: (403) 920-8247

6. The Security Deposit will be placed with the Security Deposit Division, Department of Supply and Services and the Administrator will advise the Licensee of such action.