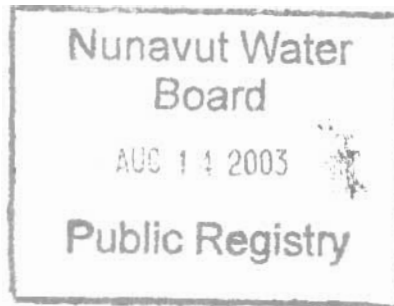


August 11, 2003

Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU X0B 1J0



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**Attn: Phyllis Beaulieu**

**Re: NWB File No. NWB2KIK0002**

Dear Phyllis:

De Beers Canada Exploration (DBCE) will be applying soon to either reactivate the above Kikerk Class B Water Licence or apply for a new one.

This letter is to advise you Rhonda Corporation applied on July 21 to have ownership of the Tree 1 claim transferred to DBCE (see attached Form 17); DBCE has been the operator for the Knife Lake Project since its inception. The claim transfer is being carried out as a condition of the joint venture agreement that exists between the DBCE and Rhonda.

I trust that the Mining Recorder's Office, Indian and Northern Affairs, will process this claim transfer as soon as they can. However, in the meantime, Shirley Standafer-Pfister of DBCE will be including the Tree 1 claim as part of the land-holding associated with the water-licence application.

If you require any further information with respect to the Tree 1 claim, please contact me.

Sincerely,  
**Rhonda Corporation**

  
Judy Stoetereau  
VP Exploration

cc:  
De Beers Canada Exploration (Shirley Standafer-Pfister)  
INAC (Spencer Dewar) - #N2001C0007