

June 9, 2006

Ms. Kate Kempton  
Olthuis Kleer Townshend  
229 College St., Suite 312  
Toronto, ON  
M5T 1R4

Re: Wuskwatim Project Development Agreement

Dear Ms. Kempton;

You have requested that we perform a financial review of the Wuskwatim Project Development Agreement and the potential economic implications to the Nisichawayasihk Cree Nation. In this regard you have provided us with a copy of the Wuskwatim Project Development Agreement between the Nisichawayasihk Cree Nation and Manitoba Hydro and others as recorded on a compact disc dated March 2006.

We regret to inform you that we are unable to complete a financial review of this nature since the detailed financial assumptions required to undertake this task are not included in the information contained on the CD.

In order to complete a detailed financial review of the Business and the potential income and return to the First Nation on its proposed investment in the Limited Partnership we would require the First Nation's and Manitoba Hydro's detailed assumptions and projected cash flows including the following:

1. projected capital costs
2. projected net energy available for sale
3. projected revenue assumptions
4. projected operation, maintenance and management costs
5. projected interest costs
6. projected exchange rates
7. projected partnership net income each year over the life of the project
8. capital to be invested by the First Nation and how it is to be financed
9. projected interest rates on borrowings by the First Nation

In our experience, information of this nature is normally provided to the Band's financial advisors so that the First Nation can independently assess the potential risks and rewards under different scenarios. Based upon Question 20, in the PDA Guidebook it appears that this exercise has already been undertaken by the First Nation:

**Q20 WHAT ASSUMPTIONS WERE INCLUDED TO COME UP WITH NUMBERS AND ESTIMATES USED IN THE PDA, (FOR EXAMPLE, EXPORT RATES, NATURAL GAS RATES, KYOTO)?**

**A** *NCN had independent experts look at a range of possible scenarios (such as higher gas rates, stable natural gas rates, more use of coal power, more use of wind power, etc.). Under all reasonable scenarios, Wuskwatim's returns and potential returns, with the attached guarantees, makes the project an acceptable opportunity.*

We trust that this is satisfactory. If we can be of further assistance please do not hesitate to contact us.

Yours very truly,

A handwritten signature in blue ink, appearing to read "Eric Coombs", with a long, sweeping horizontal line extending to the right.

Eric L. Coombs, F.C.A.