



#4700, 888 – 3rd Street S.W., Calgary, AB T2P 5C5
Phone (403) 290-3600 Fax (403) 262-7994
www.mgmenergy.com

August 14, 2014

Inuvialuit Water Board
P.O. Box 2531
125 Mackenzie Road
Suite 302, Professional Building
Inuvik, NT X0E 0T0



Attention: Mardy Semmler, Executive Director

**RE: Expiry of Water Licence N7L1-1797
MGM COP Umiak N-16 well
Our File: S11190**

The above mentioned Water Licence will expire on December 31, 2014.

MGM Energy Corp. ("MGM") has no intention to renew or amend the term of Licence. Upon the expiry of this Water Licence, MGM would appreciate return of our Irrevocable Standby Letter of Credit numbered BMT019484005 in the amount of \$425,000.00 dated October 31, 2007.

Please note our new address of 4700, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5 and our main phone number is (403) 290-3600.

If there are any questions, please do not hesitate to contact Terence Hughes at (403) 206-3859 or email him at terence.hughes@paramountres.com.

Yours truly

MGM ENERGY CORP.

Warne Rhoades
Senior Land Administrator

c.c. MGM Energy Corp. – Attention: Lloyd Doyle, Terence Hughes