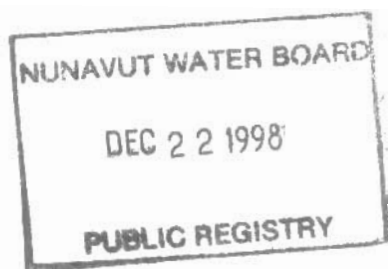


December 18, 1998

Mr. Philippe di Pizzo
Executive Director
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NT X0E 1J0



GROUP PROJECTS

Dear Mr. di Pizzo:

Please accept the enclosed Nunavut Water Board (NWB) Water Licence Application Form on behalf of WMC International Ltd. for the 1999 and 2000 Meliadine West Project gold exploration program. This application is for a renewal of the water license required for water useage associated with the Meliadine Lake exploration camp and the diamond drilling work conducted on Inuit Owned Land. Enclosed are the 1995 through 1997 Project Status reports (in English and Inuktitut). The 1998 Project Status Report is currently being translated and will be forwarded upon completion in early January, 1999.

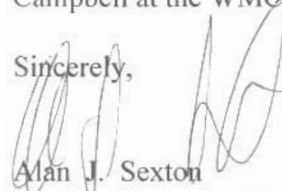
This application is for a renewal of existing permit NWB2MEL which will expire on December 31, 1998. In order to avoid any interruption in permitted water use, WMC would also like to request an extension to this existing permit to cover the period between January 1st, 1999 and the issuance of a new permit. Although the diamond drilling program will not commence prior to March 31st, 1999, the camp will be occupied by two to three people acting as watchmen for the period January 1st to March 31st, 1999.

Please note that the single issue to be addressed after Mr. Paul Smiths June 7th, 1998 inspection of the Meliadine Lake camp was an amendment to the existing permit under the NWT Waters Act allowing WMC to dispose of the sewage wastes of more than 50 people. This has been rectified in the attached renewal application where the number of persons in the camp during the peak period has been increased to 45-60 from the 45 noted in the existing permit.

Enclosed is a cheque in the amount of \$30.00 for Permit Application Fee.

Your comments and questions are always welcome. Please do not hesitate to call either myself or Joe Campbell at the WMC International Ltd. office at 613-727-3937 or Ben Hubert at 403-256-0017.

Sincerely,


Alan J. Sexton
District Geologist, Wesmeg

cc. J. Campbell, B. Hubert, S. Deveau, K. Steeves and J. Bernard

Attachments: 1999 / 2000 Water Licence Application Form
Exploration/Remote Camp Supplementary Questionnaire
Fuel Spill Contingency Plan
Environmental Management System

WMC International Limited
Group Projects
Wesmeg

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*A member of the WMC Limited
group of companies*