

17 March, 1999

Mr. Philippe di Pizzo
Executive Director
Nunavut Water Board
PO 119
Gjoa Haven, Nunavut

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EXPLORATION

by fax with original by mail

Dear Philippe,

This letter is further to our telephone conversation of this afternoon regarding disposal of diamond drill cuttings in the WMC International drilling program at Meladine West. It has been WMC practise to remove drill cuttings from drilling fluid by passing the return water through a centrifuge while drilling from lake ice platforms in spring. These cuttings are collected in 45 gallon barrels and removed to the municipal dump at Rankin Inlet. The summer land based drilling program, all on Inuit Owned Land, discharges fluid and cuttings to sumps where the cuttings settle out and the water drains. Our application of December 18, 1998 did not make the distinction regarding the collection of cuttings when drilling from ice as opposed to drilling from land, nor does the NWB permit (No.NWB2MEL9901) issued 3 March, 1999. As it is written, the permit would require WMC International Limited to remove all the cuttings from all drilling. This would be a very onerous requirement and we request that this aspect of the permit - Section 3.5 - be reviewed and hopefully amended to reflect past practise.

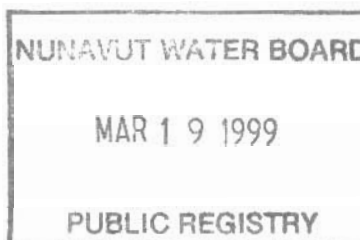
Present plans would see WMC commence with drilling at Meladine West in mid-April. As in previous years, initial activities will include drilling from lake ice platforms.

Please accept our regrets for being the source of this misunderstanding and thank you for the follow-up effort that is requested.

Yours truly,

Ben Hubert
Coordinator (consultant)
Environment and Community Relations

cc. Ryan St. John, KIA Lands
Dr. Joe Ahmad, NIRB
Alan Sexton, WMC International Limited



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