

## **Executive Summary (NWB)**

Cumberland Resources Ltd. has been operating exploration activities at the Meadowbank Gold Project, located 70 km north of Baker Lake, since 1995. The project is located on Inuit owned surface lands and as such access is subject to licensing and permit approval by the Kivalliq Inuit Association. The project has seen steady advancement with over \$17 million invested since 1995. Prefeasibility studies were completed in 2000, which focused on the economics of potential development of four closely spaced gold deposits located near Third Portage Lake. The results of this study indicated that increased resources or improved gold prices were required to advance the project.

Subsequent to the completion of the prefeasibility study a new deposit, named the Vault, was discovered approximately 5km north of the existing deposits at Meadowbank. Independent resource estimates indicate that the Vault is host to an inferred resource of 936,700 ounces gold. The addition of the Vault increases the total project resource base to over 3 million ounces gold.

Scoping level studies were initiated in the fall of 2001 to fully assess the economic impact of the new resources contained in the Vault. These studies were conducted by MRDI Canada and incorporated the results of the prefeasibility work. With the inclusion of the Vault deposit, resources on the Meadowbank Project have increased by approximately 50% since the completion of prefeasibility studies in 2000. This increased tonnage has enabled the planned mill throughput to be increased to 4700 tpd, from the originally planned 2500 tpd, and results in a significant reduction in estimated operating costs. The study contemplates similar parameters as the prefeasibility study with year round production, seasonal road and barge service with a fly-in / fly-out personnel rotation. In this scenario the increased throughput reduces total cash costs to \$US 168 per ounce from the \$US 196 per ounce in the prefeasibility and increases the projected annual production to 246,000 ounces from the 157,000 ounces originally projected. These cost reductions and increased gold production have been attained using a long-term gold price of \$US 300 per ounce. It is anticipated that activity levels on the project will increase in 2002 as the project moves towards feasibility.

The Meadowbank Project currently covers an area of approximately 28,887 Ha., located in IOL parcel BL-14. Ten Crown Mining Leases encompassing 7,370 Ha. cover the area containing four closely spaced deposits near Third Portage Lake: Third Portage, North Portage, Goose Island and the Bay Zone. These leases were grandfathered as part of the Nunavut Land Claims Agreement. The remainder of the property, including the Vault Deposit, is contained within three NTI Exploration Concessions encompassing an area 21,517 Ha. See Table 1 for detailed information on the mineral leases and exploration concessions and figure 1 for a map showing the claim boundaries.

KIA Land Use License KVL300C184 covers proposed exploration activities for the project. An application for renewal of this license for 2002 has been made to the KIA and is currently pending. All exploration activities will be supported from the current Meadowbank campsite.

Planned exploration work for 2002 includes approximately 14,000 meters of diamond drilling focused on further delineation of the Vault Deposit and potential resource additions between the North and Third Portage deposits, as well as possible exploration

drilling on other known showings to the north of Vault. A reverse circulation drill program, encompassing approximately 5000 meters, is being planned for the spring season to test the overburden and shallow bedrock in a grid pattern covering the area between the Vault and North Portage Deposits. Drill moves will be supported by a skidder and/or a small bulldozer, on the frozen active layer, during the spring program. Diamond drilling in the summer would be supported by helicopter.

Current plans also call for the installation of three or four 50,000 liter fuel vaults on the mainland near the Third Portage Deposit. Two of the tanks are currently on site but have never been installed. These tanks would be moved to the new site and installed in the same manner as the installation in 1999. The other tanks would be moved from their current location at the Meadowbank camp once they are emptied and then re-installed. All tanks would be installed to the same specifications as was adhered to in 1999. It is anticipated that the installation would take place in March for the first two tanks, and later in the spring season for the others once the fuel contained in them was used during the exploration program. The location of the proposed installation site is provided in figure 2.

Construction of a satellite camp is also being proposed for this year's program. This camp would be located near Third Portage in close proximity to the fuel vaults. The camp would be erected to provide accommodations for future construction and exploration crews on the mainland closer to the proposed Third Portage open pit and mill site. It is envisioned that these facilities would be utilized as part of the production camp when complete. Most of the tents from the present campsite would be moved to the new location and new kitchen and office buildings would be erected. The old site would continue to be utilized for handling and storage of drill core and as an equipment storage and work site for the drilling crews. It is proposed that this work would begin near the end of the winter season, prior to spring break-up, with construction continuing into the summer. The proposed campsite location is provided in figure 2.

At present Cumberland plans to re-initiate baseline environmental studies in 2002, in anticipation of the start of feasibility level work on the project. Work would most likely include water, fish and wildlife studies as well as possible archaeological investigations.

Activities at the Meadowbank project have been previously approved and regulated under a K.I.A land use permit and a Nunavut Water Board Permit. Cumberland has been fully compliant with all permits and inspections since 1995.