

CUMBERLAND
RESOURCES LTD.

Suite 950 – 505 Burrard Street
Box 72, One Bentall Centre
Vancouver, B.C. V7X 1M4

Tel: 604.608.2557

Fax: 604.608.2559

info@cumberlandresources.com

www.cumberlandresources.com

December 17, 2004

Ms. Rita Becker
Licensing Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

Dear Ms. Becker:

At the end of each year we summarize our activities at the Meadowbank Gold Project, located north of Baker Lake. The resulting report is a non-technical overview of the year's events and accomplishments.

I am pleased to forward you a copy of this report and I hope it provides you with useful information on this project.

Yours sincerely,

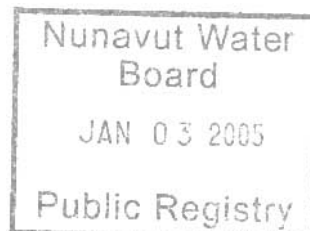
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Kerry M. Curtis, B.Sc., P. Geo.
President and CEO

KMC/bg

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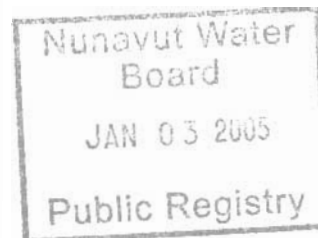
**2004 YEAR END REPORT
MEADOWBANK EXPLORATION PROJECT**

DECEMBER, 2004

KIA FILE: KVL304C05
NWB FILE: NWB2MEA0204

DISTRIBUTION:

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Suite 950 - 505 Burrard Street
Vancouver, British Columbia
Tel. (604) 608-2557

Gordon Davidson, P. Geol., Project Manager, Exploration
Roger March, P.Geo., Senior Project Geologist

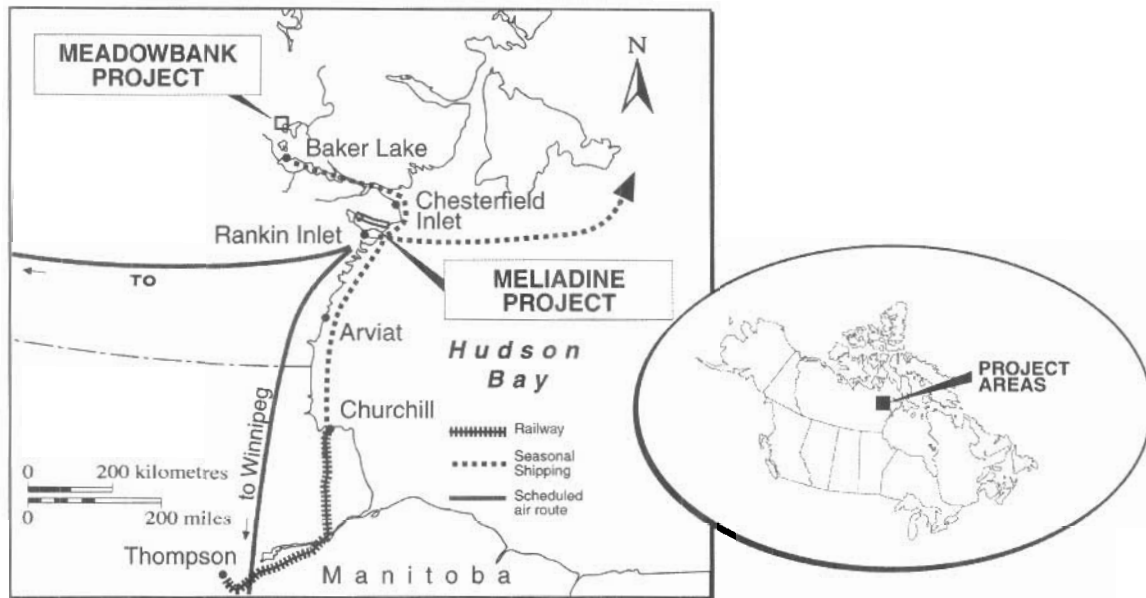


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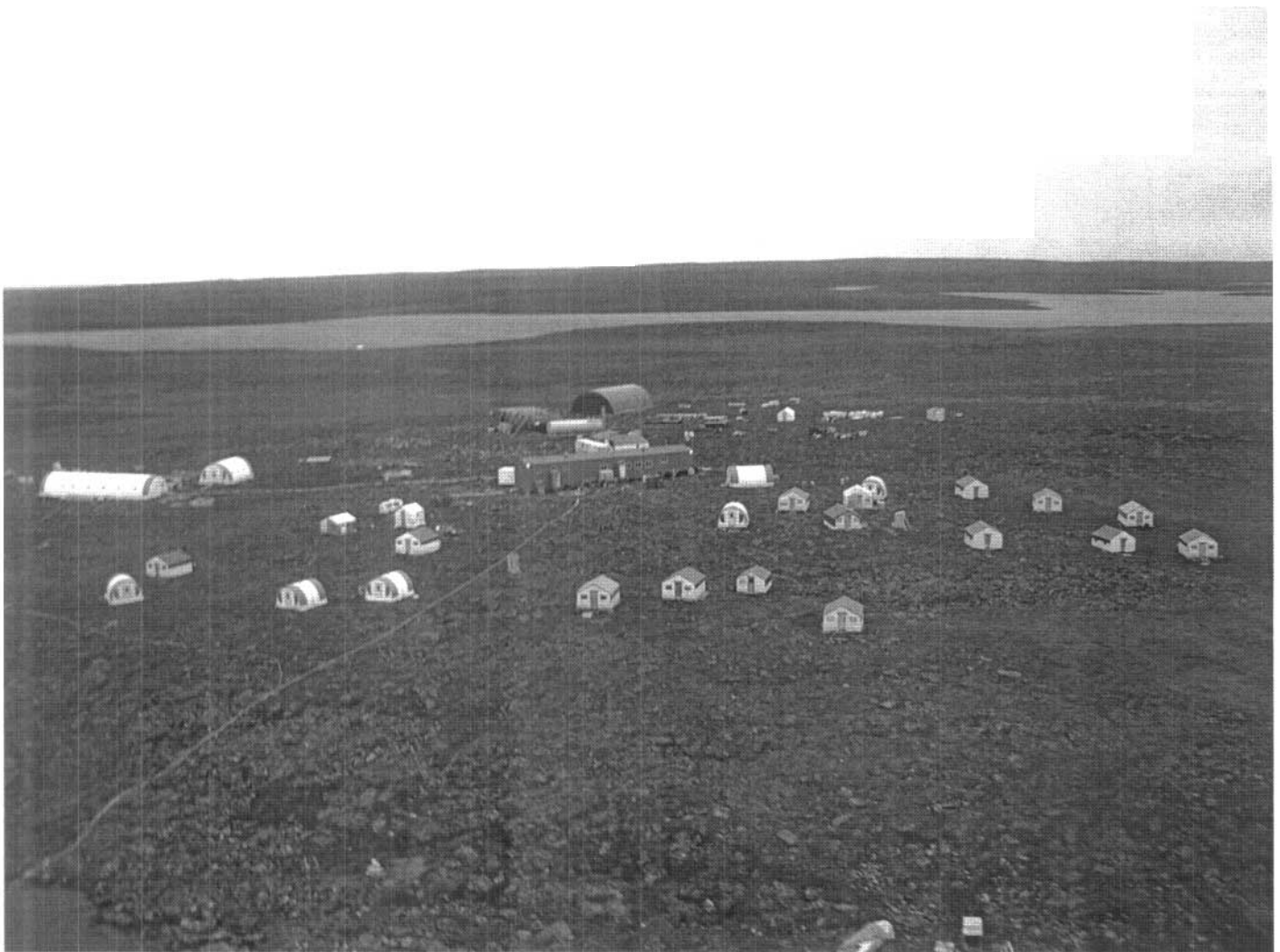


Figure 1

Meadowbank North Camp – September, 2004

Executive Summary

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 (IOL BL-14) and as such access is subject to licensing and permit approval by the Kivalliq Inuit Association and the Nunavut Water Board. The project has seen steady advancement with over \$39 million invested since 1995. A feasibility study is currently underway to assess the economics of gold production from the Meadowbank site. This study should be completed in the first quarter of 2005.

The 2004 exploration program included over 18,000m of diamond drilling, geological mapping, prospecting, and till sampling. Diamond drilling was targeted on the Vault, Goose Island, and PDF Deposits, as well as, exploration drilling at the Jim Zone, Crown and Marge Bay prospects. These targets are located on a combination of NTI exploration concessions, acquired in late 1999, and grandfathered crown mining leases.

Cumberland conducted a wide variety of baseline environmental studies during 2004, including fish and aquatics, wildlife, vegetation and terrestrial habitats, hydrology and acid rock drainage. These studies were necessary to add to our baseline information about the project and to gather further information required to complete the Draft Environmental Impact Statement (DEIS). The DEIS should be submitted to NIRB by year-end, 2004. This extensive report will summarize the potential impacts and the steps required to ensure the water and wildlife stay healthy and the people benefit from development at Meadowbank.

Health and safety programs for the Meadowbank project were maintained during the 2004 field season in recognition of both increased activity levels and an increase in the personnel required on the project. The project maintained an excellent safety record during activities in 2004. The rare incidents were limited to minor cuts and bruises and treated by on site first-aid attendants. It is a credit to the dedication of all the employees and contractors onsite that there were no lost-time accidents in 2004.

Total expenditures (including exploration, engineering and environmental studies) on the Meadowbank project for 2004 approximated \$9 million of which about \$2.2 million (approx. 25%) was expended directly in Baker Lake and/or Kivalliq. Local employment levels averaged 25-40% of total on-site personnel and included more than 30 individuals during the 2004 season. Local employees were dominantly residents of Baker Lake; however some employees were also hired from Chesterfield Inlet.

Over the past 9 years significant improvements to camp facilities and transportation systems have been completed. Fuel storage systems include both 50,000-l and 75,000-l double walled tanks and transportation systems have been upgraded to bulk transportation systems eliminating the use of barrels for both diesel and jet fuel. In addition, two diesel-fired refuse incinerators have been installed on site.

In the spring of 2004 a Community Liaison Office was opened in Baker Lake and Mr. Michael Haqpi, a local Baker Lake resident, was hired as Community Liaison Officer. Mr. Haqpi's role as Community Liaison Officer is to disseminate information on the Meadowbank Project to the local community, as well as to provide a presence in Baker Lake for residents to ask questions and/or voice any concerns they may have about the project.

Continued exploration is planned for the Meadowbank site in 2005. Planned work will consist of diamond drilling and further geological mapping and prospecting.

2004 Year End Report Meadowbank Gold Project

Introduction

The Meadowbank Gold project is located 70km north of the Hamlet of Baker Lake, Nunavut. Exploration since 1995 has included over 105,000 m of definition and exploratory drilling. Project expenditures have exceeded \$39 million during this time and include \$9 million expended in 2004 making the project one of the largest gold exploration initiatives in Canada.

Resource estimates completed in late 2004 indicated that the project contained a total resource of 3.8 million ounces gold, making it one of the largest undeveloped gold projects in Canada. A feasibility study, which will provide an accurate basis for financing and construction of the project is in the final stages of preparation, and should be ready during the first quarter of 2005.

Exploration initiatives on the property during 2004 consisted of approximately 18,200m of exploration and in-fill diamond drilling in the areas of the Vault, Goose Island and PDF deposits, as well as drilling at the Jim Zone, Crown and Marge Bay prospects. The bulk of the diamond drill program consisted of in-fill drilling designed to further define and expand the Vault and Goose Island Deposits. Exploration drilling focused on expansion of the PDF Deposit, in addition to an initial drill test of the Jim Zone, Crown and Marge Bay prospects, situated north and northeast of Vault. During the summer months a program of geological mapping and prospecting was undertaken to continue to evaluate targets generated from the 2003 RC drill program and to facilitate continued exploration efforts outside of the known deposits at Meadowbank. A small till sampling program, along with geological mapping, was also completed in the area surrounding the Ukalik showing in the northern sector of the property.

Remediation of the old south camp continued through 2004. During the spring season, additional buildings and sleeper tents were transferred from the south camp to the north camp, and the two remaining 50,000-litre double walled diesel fuel vaults were moved to the north camp.

Fuel Transport

Diesel fuel transportation from Baker Lake to the site is via bulk tanker, designed for Delta transport, locally owned and operated by Peter's Expediting Ltd. of Baker Lake. The winter haulage route has been successfully used for fuel and bulk supply transport, without incident, over the past nine years. Cumberland's Fuel Transport and Storage Management Plan govern all fuel transportation activities.

Between early March and mid May 2004 a total of 380,000 litres of bulk diesel fuel and 75,000 liters of Jet-A were delivered to the Meadowbank camp. 210,000 litres of the diesel fuel along with the Jet-A was transported overland to the camp from Baker Lake, while the remaining 170,000 litres of diesel was delivered to the campsite by Hercules aircraft.

Reclamation

Remediation of the south camp at Meadowbank has been ongoing since the spring of 2003 when the move to the north camp began. Prior to spring breakup of that year, several of the sleeper and storage tents were moved across on the lake ice from the south camp to the north camp to provide accommodations for crews in the north camp.

Reclamation activities at the south camp continued through 2004. During the spring season the old kitchen and dry buildings, workshop and the remaining sleeper tents were transferred from the south camp to the north camp. At present, three building structures remain in the south camp: the generator shed, the driller's shop and the core shack. It is currently planned that the driller's shop, along with the drill equipment, and generator shed will be moved over to the north camp in the spring of 2005. The core shack will remain intact at the south camp to facilitate processing of core samples from the core racks stored at the site, as well as, to provide a refuge station in the event of an emergency. The footprints left from the tents and buildings that have been removed are re-vegetating naturally.

Also during the spring of 2004, the remaining two 50,000-litre double walled bulk diesel storage tanks were moved from the south camp to the north camp as part of the ongoing reclamation of the site. One of these tanks was installed near the location of the proposed tank farm for the development of the project, located approximately 500 metres southeast of the north camp. This tank was installed using the same procedures as used successfully in the installation of the existing tanks currently installed at the site. The second tank was moved to the north camp but was not installed. The tank is currently empty of fuel and will remain so until an optimal location for the tank can be determined based on ongoing exploration work at the site.

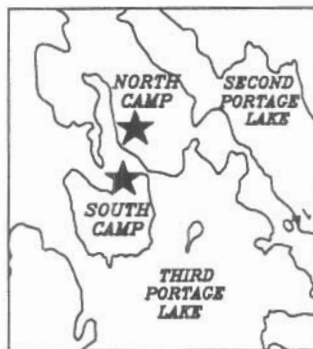
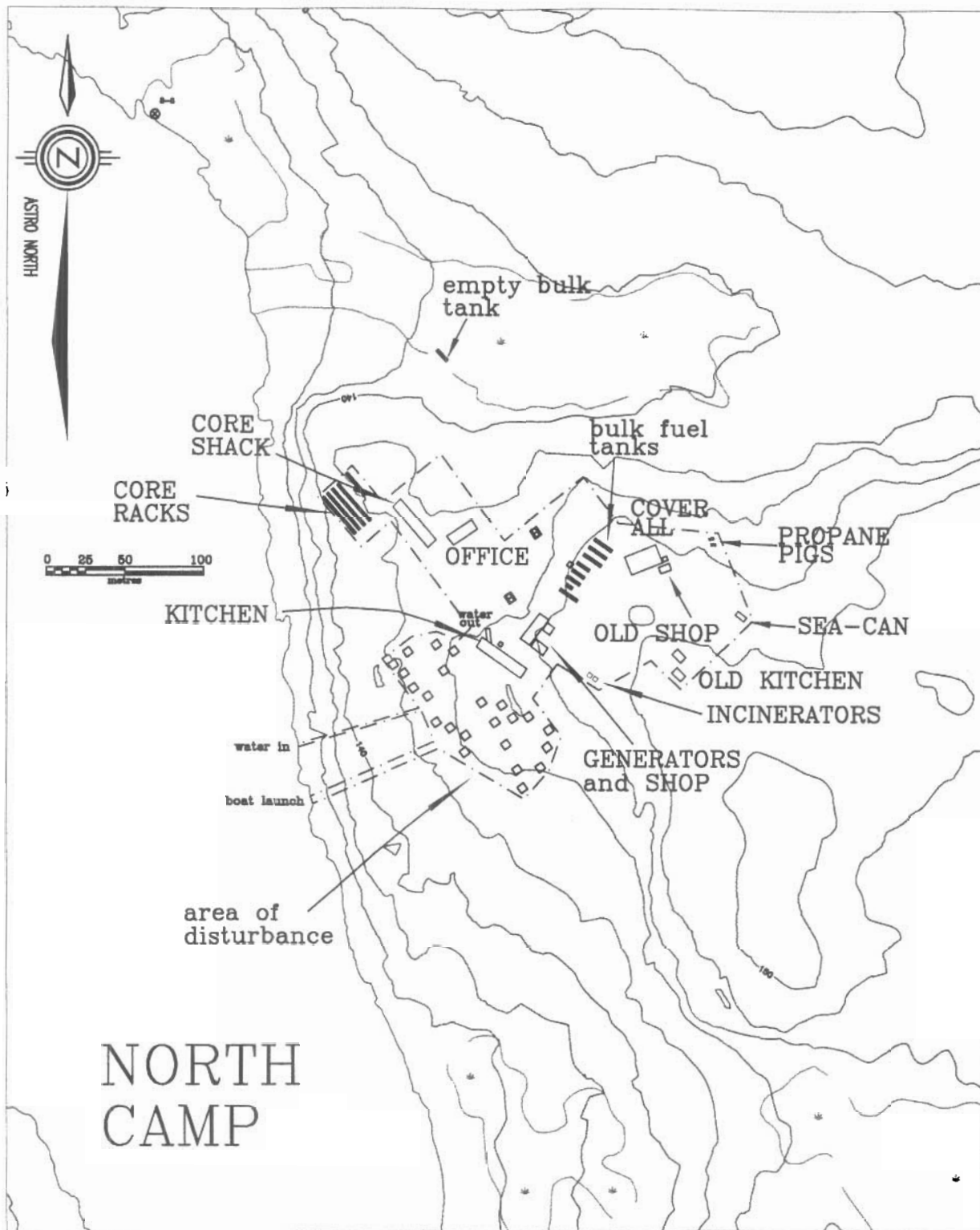
Plan maps showing the location and current layout of both the north and south camps are provided on pages 7 and 8 of this report.

2004 Exploration Program

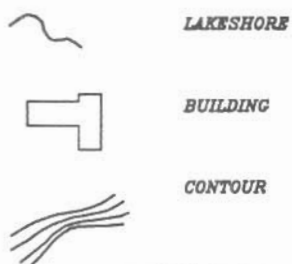
Approximately \$9.0 million was expended on exploration, engineering and environmental studies during 2004. Exploration initiatives consisted of approximately 18,200 metres of exploration and infill diamond drilling and a program of geological mapping, prospecting and till sampling.

The diamond drill program was conducted between April 2nd and August 30th, 2004. Boart Longyear of Saskatoon, Saskatchewan was contracted to provide drilling services. Drilling during the spring program consisted of 14,734 metres, focused on further delineation and expansion of the Vault and Goose Island Deposits; along with exploration drilling at the Crown Prospect, located three kilometers northeast of Vault.

The summer drill program consisted 3,485 metres of exploration drilling focused on the PDF and Vault Deposit areas, as well as, an initial drill test of the Jim Zone Prospect discovered in 2003. A small program of geological mapping, prospecting and till sampling was also conducted in conjunction with the summer drill program, mainly focused on the newly discovered Ukalik showing in the northern sector of the property. During the summer a high-resolution aeromagnetic survey



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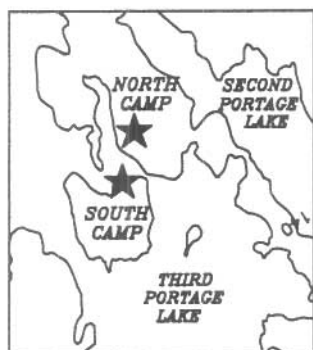
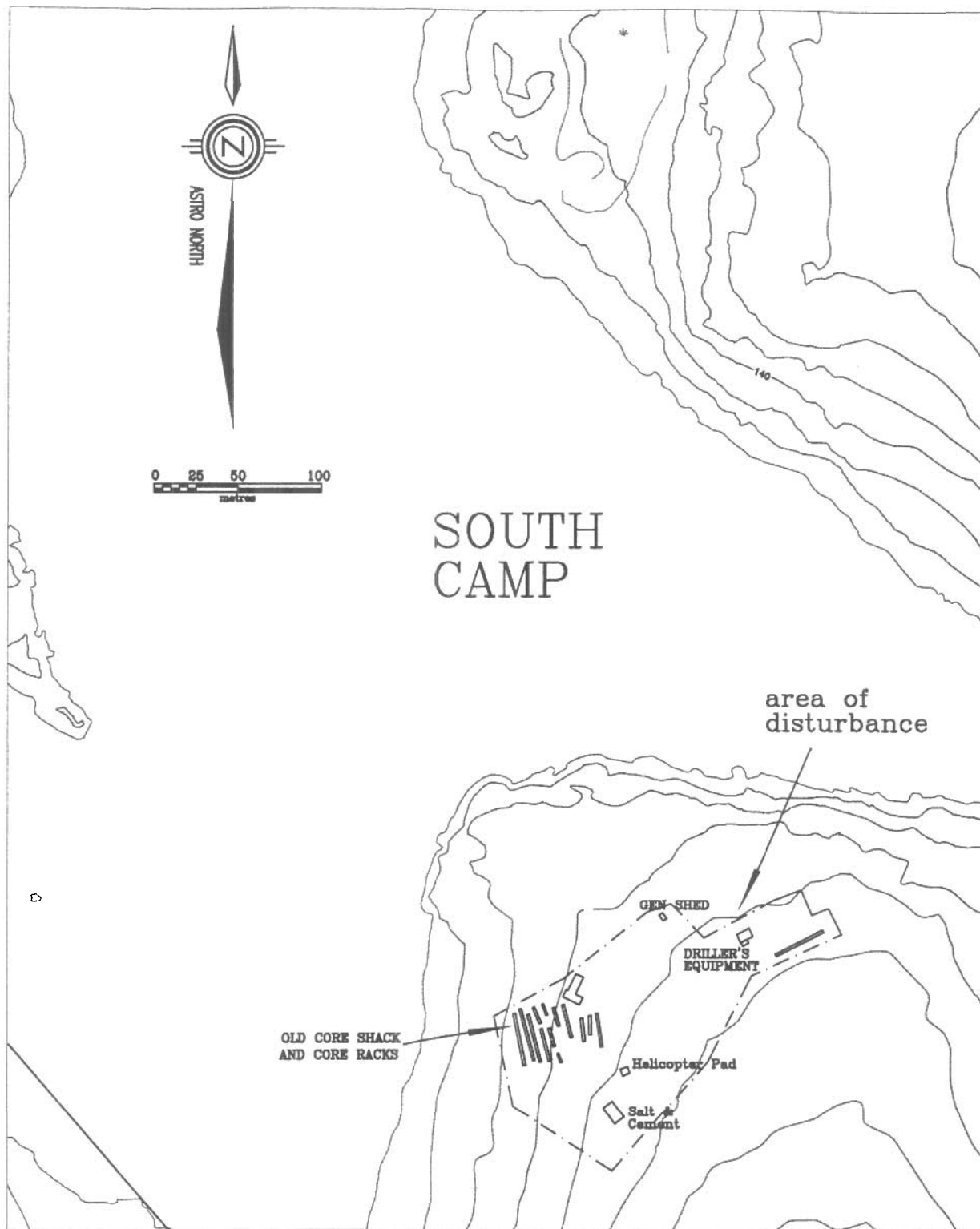


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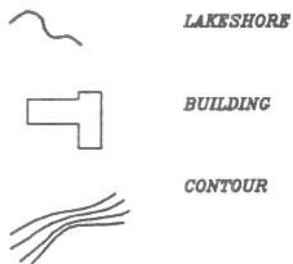
MEADOWBANK PROJECT
Nunavut

PRESENT NORTH CAMP LOCATION

Scale: as shown	N.T.S. 66A,H	Date: Dec 10/04
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MEADOWBANK PROJECT
Nunavut

PRESENT SOUTH CAMP LOCATION

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N.T.S. 66A,H

Date:

Dec 10/04

Revised by: JT Kellner

Lo.L. BL-14

Map No.

Filename: camp_04

Datum: NAD83Z14

was also completed, covering 1,656 line kilometers in the northern portion of the Meadowbank property.

Continued exploration work is planned for the Meadowbank site in 2005, consisting of further diamond drilling, geological mapping, prospecting and geophysics. Work will focus on expansion of the existing deposits and continue the search for additional deposits along the 25 kilometre long Meadowbank Trend.

Economic Studies

In December 2002, Cumberland announced the beginning of a feasibility study which will assess the economic viability of production at the Meadowbank Project. This study is being conducted by AMEC, an international engineering and construction firm, and will incorporate all data gathered to date on the project, including the drilling completed in 2004.

The feasibility study will contemplate staged production from three open pits along the Meadowbank Trend. Two of the pits, Portage and Goose Island, are located in the vicinity of Second – Third Portage Lakes, while the Vault pit is located approximately five kilometres to the north. The Portage Pit encompasses the North Portage, Third Portage and Bay Zone Deposits, while the Goose Island and Vault Pits encompass only single deposits. Production at the site would be entirely from open pits, although there may be potential for some underground extraction at Goose Island and Vault once open pit mining in these deposits has been completed.

The feasibility study will assess the viability of year round production at the site. A seasonal barge service would transport required fuel and supplies into Baker Lake during the summer months, and a haulage route would be used to transport supplies the 70-km to the site from Baker Lake during the winter. Mine staff would be rotated on a two week in / two week out basis with crew changes utilizing aircraft flying directly into an airstrip at the site. All ore would be processed at mill facilities to be built on site, with gold dore bars flown out with the crew rotations, for final processing.

It is currently anticipated that the feasibility study should be completed in the first quarter of 2005.

Safety

Health and safety programs for the Meadowbank project were upgraded during the 2004 field season in recognition of both increased activity levels and an increase in the personnel required on the project. The project maintained an excellent safety record during activities in 2004. The rare incidents were limited to minor cuts and bruises and treated by on site first-aid attendants. It is credit to the dedication of all the employees and contractors onsite that there were no lost-time accidents in 2004.

Local Employment

The number of local employees varied throughout the season, but generally 8 to 15 Inuk would be working in the camp at any given time. There were a total of 30 local employees that were hired by Cumberland Resources in 2004. Duties ranged from cook's helper to geological and survey

technicians to environmental technicians to heavy equipment (D-6) operators and construction labourers and tradesmen. See table below for cumulative local employment and expenditures on the Meadowbank Gold Project from 1995 to present.

Meadowbank Gold Project, Cumulative Local Expenditures

Activity	2004	1995 - 2003
Local Persons Employed	30	3 - 33
Wages	\$ 200,346	\$ 912,633
Expediting and Transport	\$ 1,385,305	\$ 2,267,165
Fuel	\$ 394,315	\$ 1,511,784
Equipment	\$ 7,370	\$ 337,563
Food and Accomodation	\$ 208,502	\$ 1,060,835
Construction		\$ 22,500
Drilling	\$ -	\$ 313,783
Aircraft		\$ 152,483
Community		\$ -
Environment		\$ 227,743
Other	\$ 81,325	\$ 126,514
Total (Kivalliq)	\$ 2,277,162	\$ 6,932,993
Total (Program)	\$ 8,869,827	\$ 30,477,369
Cumulative(Kivalliq)	\$ 9,210,155	
Cumulative(Program)	\$ 39,347,196	

Environmental Programs

Fisheries and Aquatics

Principal Researchers: Randy Baker, Azimuth Consulting Group

Survey Periods: May, June, 2004

Summary of Work Completed:

May

Water quality samples were collected from below the ice at 14 stations in the sample lakes. Andrew Chan (AMEC Environmental) conducted the sampling during hydrological studies (e.g., snow surveys). Water samples were submitted to a laboratory for analysis.

June

One set of hoop nets was set up in the drainage channel between Second and Third Portage Lake.

Wildlife

Principal Researchers: Martin Gebauer, Gebauer & Associates Ltd.

Survey Periods: March 25 to April 5, May 25-30, June 16-27, 2004

Summary of Work Completed:

March/April

Aerial surveys were conducted along all 11 transects within the Regional Study Area (RSA) (i.e., 50 km radius square around proposed mine site) and along the proposed access road. Within the Local Study Area (LSA), high point to high point surveys were conducted using snowmobiles. Wildlife sign along the transects was noted.

Numerous caribou and several herds of musk ox were observed within the RSA.

May

Nunavut Bird Checklist Survey Forms (CWS, Environment Canada) were completed for each day within the project area. Checklist surveys involved a day tally of all birds observed within a 10 km² area and an indication whether breeding occurs.

June

Breeding bird surveys were conducted using the PRISM method recently developed by the Canadian Wildlife Service, Environment Canada (PRISM – Program for Regional and International Shorebird Monitoring). Although developed primarily for shorebird monitoring, the methodology is also effective for monitoring breeding land birds. Twenty-six 400m x 400m plots were surveyed within the LSA

Nunavut Bird Checklist Survey Forms (CWS, Environment Canada) were also completed for each day within the project area.

A limited number of shoreline surveys were conducted since ice was still prevalent on all large water bodies. Shoreline surveys involved walking the shorelines of larger lakes and tallying all birds and breeding activity observed within 50 m of the transect line.

A reconnaissance of the proposed fuel depot and marshalling area east of the Hamlet of Baker Lake was also conducted.

Summer/Fall Survey

Periodic ground wildlife surveys around proposed mine site by Tom Mannik and Jacob Ikinilik.

Vegetation and Terrestrial Habitats

Principal Researchers: Martin Gebauer, Gebauer & Associates Ltd.

May Survey Period: May, 2004

Summary of Work Completed:

Phenology studies were initiated on five plots established in 2002 (i.e., sedge, birch seep, snow bank, heath tundra on crest of ridge, and lichen rock community with heath mats), and

one established during the current field session (i.e., avens). A number of people who will be available to assist with the phenology studies were trained, including Tom Mannik, Victor Ututnaq, Sandra Ookowt, Isaac Arng'naaq, Hugh Haqpi, and Lisa Holleman. Phenology studies will be conducted on a weekly basis throughout the growing season. Biweekly surveys will be conducted during July, the most active growing period.

Summer/Fall Survey

Phenology observations were recorded on at least a once weekly basis until the end of the growing season.

Hydrology

Principal Researchers: Neil van der Gugten and Andrew Chan, AMEC Earth and Environment

Survey Periods: May 1-11, 2004 and June 11-24, 2004

Summary of June Work Completed:

May

Snow surveys and pre-runoff lake ice/water level measurements were taken to provide data on pre-runoff conditions to allow evaluation of the snow water equivalent and the initial levels and storage volumes of the monitored lakes, and computation of runoff parameters.

June

The hydrometric monitoring program for 2004 was initiated (startup). Discharge measurements were taken at four automatic recording hydrometric monitoring stations at: 1) Third Portage Lake outlet (one station; three outlet channels); 2) Second Portage Lake outlet; 3) Drilltrail Lake outlet; and 4) Turn Lake outlet.

Summer/Fall Survey (Mid – July)

Ongoing discharge measurements at monitoring stations.

Community Consultation

In early 2004 a community Liaison Office was opened in Baker Lake and Mr. Michael Haqpi, a local Baker Lake resident, was hired as Community Liaison Officer. Mr. Haqpi's role as Community Liaison Officer is to disseminate information on the Meadowbank Project to the local community, as well as, to provide a presence in Baker Lake for residents to ask questions and/or voice any concerns they may have about the project. The Baker Lake office also contains a Resource Centre which provides information about mineral exploration and mining and mining related activities. The office produces a quarterly newsletter which provides updates on activities at the Meadowbank site and general information on exploration, mining and mine processes. The Baker Lake office also provides information on possible employment opportunities at the site, both present and future, and collects resumes from those people who may be interested in obtaining employment at the site. Mr. Haqpi can be contacted by phone: 867-793-4610, fax: 867-793-4611 or email: michael.haqpi@nv.sympatico.ca

Planned Project Activities for 2005

Continued exploration is planned for the Meadowbank site in 2005. It is anticipated that exploration work will consist of a two phased program of diamond drilling, in conjunction with further geological mapping, prospecting and geophysics. Work will focus on expansion of the existing deposits, along with continued exploration to develop new targets along the Meadowbank Trend. Continuation of the collection of environmental baseline data for the project area is also planned.

Work at the site is planned to start in late March and continue through September.

Questions may be directed to Cumberland's office in Vancouver by telephone (604) 608-2557 or fax (604) 608-2559.

2004 KEY PERSONNEL AND CONTACT INFORMATION:

Kerry Curtis, President and CEO

Contact: Vancouver Ph: 604-608-2557 Fax: 604-608-2559 Email: kcurtis@cumberlandresources.com

Brad Thiele, Vice President Meadowbank Development

Contact: Vancouver Ph: 604-608-2557 Fax: 604-608-2559 Email: bthiele@cumberlandresources.com

Craig Goodings, Manager, Environmental & Regulatory Affairs

Contact: Vancouver Ph: 604-608-2557 Fax: 604-608-2559 Email: cgoodings@cumberlandresources.com

Gordon Davidson, Project Manager, Exploration

Contact: Vancouver Ph: 604-608-2557 Fax: 604-608-2559 Email: gdavidson@cumberlandresources.com
Camp Phone numbers to be determined when camp opens

Roger March, Senior Project Geologist

Contact: Vancouver Ph: 604-608-2557 Fax: 604-608-2559 Email: rmarch@cumberlandresources.com
Camp Phone numbers to be determined when camp opens

Jeff Kellner, Camp Manager

Contact: Vancouver Ph: 604-608-2557 Fax: 604-608-2559 Email: jkellner@cumberlandresources.com
Camp Phone numbers to be determined when camp opens