

WMC INTERNATIONAL LIMITED

2001 STATUS REPORT FOR THE MELIADINE WEST GOLD PROJECT

BACKGROUND

Gold was found in drill core taken by geologists looking for nickel north of the Meliadine River in the early 1970's. This information led Comaplex geologists back to the area in 1987 when they found a strong gold showing and staked the first claims of the overall Meliadine gold project. More prospecting and claim staking followed in 1989. Initial diamond drilling in the Meliadine area was completed by Asamera in 1990. Rio Algom joined the exploration effort in 1991 by taking over exploration on the western portion of the Meliadine exploration lands and drilled 728 and 2,559 meters in 1991 and 1992 respectively. Cumberland took over the Rio Algom program on the western lands in 1993 and drilled 1,240 meters in 1993 and 5,548 in 1994. All the information from prospecting and drilling since 1987 combined, showed that Meliadine lands had a significant potential for several large gold deposits. WMC International Limited examined all the available information and took over the western lands in 1995 and has been active every year since as shown by the data in Table 1 below.

EXPLORATION BY WMC: 1995 - 2000

- 1995: WMC takes over 23,420 ha at Meliadine West; 7,172 meters drilled at 33 holes and discovered Tiriganiaq and Wolf gold bearing zones, confirmed F zone
- 1996: 18,200 meters drilled at 77 holes; enlarged all known gold bearing zones; added 8,000 ha federal claims and 40,000 ha Inuit Owned claims
- 1997: 32,820 meters drilled at 122 holes; prefeasibility study showed a combined resource of 3.29 million ounces of gold in Tiriganiaq and F zones; added 43,127 ha federal claims
- 1998: 36,268 meters drilled at 144 holes; resource estimate for F and Tiriganiaq zones was 6 million ounces
- 1999: 21,000 meters at 132 holes
- 2000: 10,753 meters drilled at 60 holes; resource estimate revised to 4.1million ounces; prefeasibility study and resource estimate updated to show 4.6 million ounces of gold at Meliadine West

2001 EXPLORATION PROGRAM

The 2001 field program started in early May and ran through to the end of September. The 450 person days in the field in 2001 concentrated on the lands in the agreement between WMC and NTI. No drilling was done in 2001 but prospecting showed 10 new areas of gold mineralization on Meliadine West lands, 8 on NTI ground and 2 on federal ground. In addition to the prospecting, 13,298 kilometres of airborne magnetic survey was flown in May and June. A grid with 28 km of line was put in over which both electro-magnetic and ground magnetic surveys were completed in September. Analyses and assays were completed on 658 rock samples, and 34 soil samples. Gold values in these analyses ranged from 1 gram to 256 grams per tonne.

ENVIRONMENTAL PROGRAM

The Meliadine West Gold Project environmental work had two major elements, the first was to keep the environmental effects of the exploration program to a minimum, and the second was to prepare for the day when a gold mine would go into operation. During the exploration program there was an ongoing effort to prevent terrain disturbance and contamination of water bodies from exploration activities. During the drilling phase, drilling wastes were contained to settle the solids before the water

flowed over the tundra; while drilling in winter from lakes, all drilling solids were collected and disposed in the Rankin Inlet land fill. On completing drill sites on land, each site was cleaned up and treated with peat and fertilizer to speed revegetation. A photographic record of each drill site at least one year after completion has been assembled.

Environmental studies in the Project area focused on climate, permafrost, water flow, vegetation, fish, and wildlife. Permafrost measurements showed that the ground is frozen to 450 m below the surface. Fish studies showed that the larger lakes in the study area supported fish populations, and also that many of the smaller lakes and ponds are too shallow to support fish over winter because they freeze to the bottom. The fish study also monitored charr movements by way of radio-telemetry and found that migration between Meliadine and Hudson Bay is by way of both the Meliadine River and the Diana River via Peter Lake. Preliminary data on charr distribution during the late fall spawning season, show that spawning may occur at several locations in Meliadine Lake. The wildlife study also used telemetry which showed that caribou found in the Project area in the fall of 1997 included caribou cows that migrated to several different locations for calving in the spring of 1998 including the Qaminirjuaq calving grounds and also two locations north of Chesterfield Inlet. Copies of all reports produced by environmental studies have been provided to the Lands Administration, Kivalliq Inuit Association.

Studies in the Project area also included Traditional Knowledge of the Inuit elders and an examination of the lands over, and adjacent to, the Tiriganiaq zone for archaeological remains of traditional land use by Inuit. The traditional knowledge study showed that the Project area was lightly used but was an important thoroughfare for travels to more remote locations. It also showed the numerous family cabin locations in the general area of Meliadine and Peter Lakes. The archaeological survey showed numerous sites with heritage remains. On examination by elders, it was determined that the sites over the Tiriganiaq zone were recent and not significant for heritage purposes, but that the sites near Meliadine Lake were very old, were very important, and should not be disturbed.

COMMUNITY CONSULTATION

Community consultation by WMC on the Meliadine West Gold Project started in 1995 before the exploration program and continued regularly to review progress in exploration as well as the results of environmental studies. While these meetings in Rankin Inlet and Chesterfield Inlet were intended to provide information to the residents, they were also a tremendous source of encouragement to the Project Team in the support and cooperation that was expressed by residents. In the course of the Project, WMC also received outstanding cooperation from the Kivalliq Inuit Association, who owns the land on which much of the exploration program was conducted from 1995 - 2001.

LOCAL EMPLOYMENT AND CONTRACTING

Over the years the Meliadine West Gold Project has been fortunate in getting safe, diligent, and reliable workers from the local and regional labour force. Since 1995, the Project has had workers from Arviat (10), Baker Lake (1), Chesterfield Inlet (4), Rankin Inlet (57), and Whale Cove (2). Also, we have received goods and contract services from businesses in the local and regional business community as shown on the list attached. Table 1 shows the expenditures for goods and services received during the years of the Project; the lists following this status report enumerate the workers and businesses that have helped the Project team in its work. Thank you!!

THE FUTURE

In 2000 WMC International decided to sell its gold business assets, and concentrate on its large base metal and industrial mineral assets. As a result WMC's major gold producing gold mines in Australia were recently sold. In May 2001 its interest in Meliadine West was included in the gold assets for sale.

At present the Meliadine West project is owned by WMC (56%), Comaplex (22%), and Cumberland (22%). To date (October 2001) WMC's share has not been sold but attempts by WMC to sell Meliadine West will continue to attract a buyer that will have the ability to develop a safe, environmentally sound and profitable mine. In the meantime WMC will carry on with an exploration program that keeps the lands in good standing with both NTI and the Government of Canada.

The Project Team, on behalf of WMC, want to thank the Kivalliq Inuit Association and the Communities of Rankin Inlet and Chesterfield Inlet and all the workers and businesses that worked with us since 1995, for the help and support the Project has received to date. Working together, we have made a significant contribution to long term mineral development in the Kivalliq region. Although work will continue at a reduced scale and level of annual expenditures for the foreseeable future, it remains our firm belief that the Meliadine area will become a sustainable mining development area. Thank you!!

Expenditures in the Kivalliq Region by the Meliadine West Gold Project: 1995 to 2001

Activity	2001	2000	1999	1998	1997	1996	1995
Local persons employed	12	27	26	45	30	21	6
Wages	236,406	268,256	233,303	386,265	205,000	80,000	40,000
Expediting and transport ¹	176,349	270,215	152,533	476,744	385,200	183,000	42,000
Fuel ¹	184,094	31,487	81,080	647,107	27,000	120,000	80,000
Equipment and supplies	15,153	55,740	5,609	77,484	150,000	10,000	10,000
Food and accommodation	77,582	104,302	128,388	280,366	263,000	100,000	43,000
Construction	45,041	51,088	29,778	82,045	0	57,000	10,000
Drilling ²	0	17,913	86,456	150,836	160,000	0	0
Community ³	90,259	384,597	69,303	229,948	42,000	0	0
Environment	0	0	16,806	16,650	0	0	0
Other	13,180	18,573	25,732	30,680	0	0	0
Total (Kivalliq)	838,064	1,202,171	828,988	2,378,125	1,232,200	550,000	225,000
Total (Program)	6,302,757	7,854,865	7,207,958	14,402,262	10,887,000	5,063,000	1,907,000
Cumulative (Kivalliq)	7,254,548	6,416,484	5,214,313	4,385,325	2,007,200	775,000	225,000
Cumulative (Program)	53,624,842	47,322,085	39,467,220	32,259,262	17,857,000	6,970,000	1,907,000
Local expenditure portion of total expenditure	13%	15%	12%	17%	11%	11%	12%

Note:

1. includes barge services and fuel purchased from NTCL; 1998 costs include fuel purchased for 1999.
2. wages paid to local employees of the drilling contractor.
3. Community activity includes payments to KIA and NTI for land use and exploration permits.

RANKIN INLET BUSINESSES AND AGENCIES PROVIDING GOODS AND SERVICES TO THE MELIADINE WEST GOLD PROJECT, 1995-2001

Expediting and transport

M&T Enterprises
Kowmuk Taxi
Y&C Enterprises
Canadian North
Skyward Aviation
Qamutik Travel

Fuel

Government of Nunavut - petroleum products division

Equipment

Umingmak Supplies
Tittaq
Sakku Computers and Electronics
Keewatin Safety and Mechanical
Kissarvik co-op

Food and accommodation

Sinitarvik Hotel
Ilagiiktut Ltd

Construction

Kakivak Construction
Keewatin Plumbing
Keewatin Safety

Community services

Nanuk Enterprises Inc.
Outcrop
Nunavut Tungavik Incorporated (NTI)
Kivalliq Inuit Association

Environment services

Nanuk enterprises
Outcrop

Other

Northwestel Inc.
NT Power
Municipality of Rankin Inlet
Keewatin Regional Science Fair
Kivalliq Inuit Association
Nunavut Arctic College
Wildlife Officers, Dept. of Sustainable Development

Interpreters and translation

Andre Tautu
Jean Kusugak
Theresie Tungilik

LOCAL EMPLOYEES: 1995 - 2001

Arviat

Daniel Alariak
Peter Alariak
John Alikaut
David Illungiyak
Samson Iuuniryuk
Steven Makpah
Rene Okatsiak
Japheth Owingayak
Kelly Owljoot
William Ubluriak

Baker Lake

Ovid Kinnowatner

Chesterfield Inlet

Charlie Amauyak
Richard Issaluk
Pio Kopak
Lorraine Kukkiak

Whale Cove

Andy Tugak
Gunner Tugak

Rankin Inlet

Willy Adams
Michael Aksadjuak
Roger Aksadjuak
Andrew Alikashuak
Darcy Anawak
John Anawak
Jonah Anawak
Moses Angoshadluk
Johnny Angutetuak
Jay Camphaug
Irene Duncan
Ted Ernerk
Francis Ford
Savik Ford
Dustin Fredlund
Henry Innuksuk

Mark Innuksuk
Luke Issaluk
Larry Ittinuar
Mark Ittinuar
Saudlo Josephie
Tommy Kabvitok
Shiela Kadjuk
Joeffrey Kaludjak
Arsene Kaput
Jason MacKenzie
David Makkigak
Paul Makkigak
Dennis Manernaluk
Tony Manernaluk
Steve Netser
Margret Neukatsik
Matthew Noah
Anthony Okpatauyak
Richard Pankia
Timothy Pankia
Billy Partridge

Catherine Pilakapsi
Edmond Pilakapsi
Jason Pilakapsi
David Pissuk
Emilia Ramey
David Sateana
Sandy Sateana
Nicholas Sikkuark
Dale Smutylo
David Tattuinee
Melinda Tautu
Gabriel Tiktak
William Tootoo
Sam Tutanuak
Willy Twyee
Arsene Ussak
Larry Ussak Sr
Adrian Van Eindhoven
Tony Van Eindhoven
Larry White



WMC International Limited

MELIADINE WEST GOLD PROJECT

WMC Claim Groups & Mineralized Zones

Rankin Inlet, Nunavut

