

WMC INTERNATIONAL LIMITED

2002 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 metres in 1991 and 1992 respectively. Cumberland took over the Rio Algom program on the western lands in 1993 and drilled 1,240 metres in 1993 and 5,548 in 1994. All the information from prospecting and drilling since 1987 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 – 2001

1995: WMC takes over 23,420 ha at Meliadine West; 7,172 metres

drilled at 33 holes and discovered Tirraganiaq and Wolf gold bearing zones, confirmed F zone

1996: 18,200 metres 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 metres drilled at 122 holes; prefeasibility study showed a combined resource of 3.29 million ounces of gold in Tirraganiaq and F zones; added 43,127 ha federal claims

1998: 36,268 metres drilled at 144 holes; resource estimate for F and Tirraganiaq zones was 6 million ounces

1999: 21,000 metres at 132 holes

2000: 10,753 metres drilled at 60 holes;

2001: no drilling was done in 2001 but prospecting showed 10 new gold bearing targets on Meliadine West lands, 8 new prospects on NTI lands, and 2 on federal lands, held by the Project; 13,298 km. of airborne surveys were flown.

2002 PROGRAM

Negotiations on the land lease for the Meliadine Camp were completed and a lease of these Inuit Owned Lands was signed with the Kivalliq Inuit Association on

June 27, 2002.

Exploration work in 2002 included 2261km of airborne surveys over 6 blocks of land around Meliadine Lake. These surveys showed new areas that have potential for additional gold deposits.

Most of the work at Meliadine in June and July focused on preparing the camp for the 2002/03 winter. All surplus diesel (37,310 litres) and helicopter fuel (55,350 litres) was removed to eliminate the risk of a spill while the camp is not occupied. Fuel drained from small tanks and partial drums was collected and removed to Rankin Inlet. Also, all hazardous goods and materials that cannot withstand freezing were removed along with all equipment of value. A quantity of foodstuffs and dry goods were donated to the Rankin Inlet Women's Shelter. Most of the metal and wood scraps from camp operations, including damaged fuel drums, were removed. The buildings at the camp have been boarded up but access is available in the ATCO trailer next to the radio tower in case of emergency. The stove in this building has a small quantity of fuel for heat in an emergency.

As in previous years, WMC enjoyed the assistance of local workers, businesses, and contractors. The expenditures for 2002 (to the end of September) are shown in the table summarizing the historical expenditures of the

Project.

The camp has been unoccupied since late July. Regular visits to the camp have been made since then and will continue throughout the winter of 2002/03. The strong wind on September 22 did damage that was repaired and the camp is ready to reopen on short notice.

PROJECT STATUS AND THE FUTURE

In 2000 WMC International decided to sell its gold assets and concentrate on its large base metal and industrial mineral assets. As a result WMC's gold mines in Australia were sold in 2001. In spring 2001 WMC's interest in Meliadine West was included in the gold assets for sale. The Meliadine West project is owned by WMC (56%), Comaplex (22%), and Cumberland (22%). To date (October 2002) WMC's share has not been sold but attempts to sell Meliadine West continue. Sales efforts target on attracting a buyer that will have the ability to develop a safe, environmentally sound and profitable mine. In the meantime WMC will undertake exploration that keeps the most prospective lands in good standing with both NTI and the Government of Canada. The Meliadine Camp has been closed in such a way that it can be reoccupied by a new operator with very little effort. The drilling equipment remains at the camp and with a supply of fuel and provisions a new exploration program can be underway quickly.

Expenditures in the Kivalliq Region by the Meliadine West Gold Project: 1995 to 2002

Activity	2002	2001	2000	1999	1998	1997	1996	1995
Local persons employed	8	12	27	26	45	30	21	6
Wages	76,941	236,406	268,256	233,303	386,265	205,000	80,000	40,000
Expediting and transport ¹	66,839	176,349	270,215	152,533	476,744	385,200	183,000	42,000
Fuel ¹	9,391	184,094	31,487	81,080	647,107	27,000	120,000	80,000
Equipment and supplies	2,328	15,153	55,740	5,609	77,484	150,000	10,000	10,000
Food and accommodation	8,850	77,582	104,302	128,388	280,366	263,000	100,000	43,000
Construction	0	45,041	51,088	29,778	82,045	0	57,000	10,000
Drilling ²	0	0	17,913	86,456	150,836	160,000	0	0
Community ³	208,254	90,259	384,597	69,303	229,948	42,000	0	0
Environment	0	0	0	16,806	16,650	0	0	0
Other	2,944	13,180	18,573	25,732	30,680	0	0	0
Total (Kivalliq)	375,547	838,064	1,202,171	828,988	2,378,125	1,232,200	550,000	225,000
Total (Program)	4,778,824	6,302,757	7,854,865	7,207,958	14,402,262	10,887,000	5,063,000	1,907,000
Cumulative (Kivalliq)	7,630,095	7,254,548	6,416,484	5,214,313	4,385,325	2,007,200	775,000	225,000
Cumulative (Program)	58,403,667	53,624,843	47,322,085	39,467,220	32,259,262	17,857,000	6,970,000	1,907,000
Local expenditure portion of total expenditure	8%	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 NTI for exploration permits.



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MELIADINE WEST GOLD PROJECT

WMC Claim Groups & Mineralized Zones

Rankin Inlet, Nunavut

