

WMC INTERNATIONAL LIMITED

1999 STATUS REPORT FOR THE MELIADINE WEST GOLD PROJECT

INTRODUCTION

The Meliadine West Gold Project is located in Nunavut on Inuit owned land approximately 35 km north of Rankin Inlet. The Meliadine West Project is a joint venture between the operator, WMC International Limited, and our partners Comaplex Minerals Corporation of Calgary, Alberta and Cumberland Resources Limited of Richmond, B.C. WMC has earned a 56% interest in the project by undertaking exploration expenditures and cash payments to Comaplex and Cumberland totalling \$12.5 million.

WMC International Limited is part of the WMC Group of companies wholly owned by Western Mining Corporation of Melbourne, Australia. The WMC Group is involved in mineral exploration and production around the world. WMC International Limited is the subsidiary that manages operations in North and South America. Work in the Rankin Inlet area in 1999 was conducted by two teams which concentrated on two different stages of mineral exploration. One team worked on gaining more information on the Tiriganiaq gold deposit that was found in 1996. The other team worked at finding new exploration targets like the Tiriganiaq deposit for detailed exploration in future years. The work of both teams is covered in this report. The Meliadine West Gold Project is managed out of Nepean, Ontario. The map included in this Project status report shows the overall lands in the Rankin Inlet area with mineral interests that are held by WMC.

PROJECT HISTORY

The first 26 claims (23,420 ha) of the Meliadine West Project were staked in 1990 and 1991 by Asamera Minerals Inc. A prospecting and mapping camp was established by Asamera in 1990. Rio Algom held an option and conducted airborne and ground geophysics, mapping, prospecting and diamond drilling in 1991 with 7 holes drilled on the Meliadine West ground. At

this time a significant mineralised zone known as the Pump Zone was discovered. In 1992 Rio Algom drilled a further 21 holes in a search for other prospective targets for intensive drilling. Rio Algom dropped its option and in 1993/94 Comaplex took over exploration of the Meliadine West Project and together with detailed geophysical surveys drilled 84 holes which located more gold-bearing structures and defined the F-zone as a potential ore source. In 1995 the Cumberland/ Comaplex partnership was joined by WMC who took over as operator of the Meliadine West Project. In the summer of 1995 WMC drilled 33 holes for 7172 metres. The mineralization of previous drilling was confirmed and two new targets, the Tiriganiaq and the Wolf zones were discovered.

In 1996 WMC drilled 77 holes for 18,200 metres. All previous gold bearing zones were confirmed. Also, more mineral claims were staked in 1996. The exploration area was enlarged by adding approximately 8,000 ha of federal ground and 40,000 ha of Inuit owned ground.

The 1997 exploration effort concentrated on the Tiriganiaq, F and Pump gold bearing zones with a lesser effort put into finding new sources of gold mineralization. 103 holes were drilled in these three zones for 28,992 metres while 19 holes were drilled in the outlying lands for 3828 metres.

The overall exploration area was enlarged again in 1997 by adding approximately 12,137 ha of Federal land in the Peter Lake area and 30,990 ha of Federal land north of Meliadine Lake. The total area of mineral rights in the WMC International Ltd. Meliadine exploration program is 70,229 ha of Inuit Owned subsurface ownership and 83,295 ha Federal land. In February 1998 the core area around Meliadine West was selected for a prefeasibility study to

assess the profitability of establishing a gold mine. Ore resource estimates were completed on the basis of the 1995, 1996, and 1997 drilling results. While the conclusions of this study were encouraging, it showed that more gold must be found to assure an ongoing profit in today's global gold market. The work in 1999 concentrated on improving the confidence of the drilling results from previous years. The combined gold resource in the Tiriganaiq and "F" Zones based on all the drilling done here is estimated to be over 6 million ounces.

1999 FIELD PROGRAM

The 1999 exploration program added 132 diamond drill holes with 21,000 m of core for 11,003 assay samples. Drilling focussed on the Tiriganaiq deposit with some drilling in the Wolf and F Zones. Selected assays for each zone taken from 1999 core are shown in Table 1.

Table 1. Gold assays from selected 1999 diamond drill holes at the Meliadine West Gold Project

Zone	Drill hole#	Assay & width of mineralisation
Tiriganaiq	M99-366	23.27 g/t gold over 5.23 m
F Zone	M99-450	4.88 g/t gold over 6 m

The prospecting team looking for new targets examined lands west, north and east of the Meliadine camp. Over 1,000 soil plus boulder and rock chip samples were collected for assays. Several targets found in 1999 are expected to be tested by diamond drilling in 2000.

Environmental baseline studies

Environmental studies continued in 1999 and focussed on water, fish, and wildlife. The Meliadine charr population was again studied at a fish fence during the fall migration. As in 1997, charr returning from the ocean were captured and tagged. In total, 2,619 charr have been tagged in 1997, 1998, and 1999; of that total, 535 tags have been returned by local harvesters. The farthest from Meliadine that a tagged charr has been caught is Chesterfield Inlet. In 1999 1,292 charr were captured at the fish fence; 354 of these charr had been tagged in either 1997 or 1998. Some of the fish have

been captured at the fence each year. By measuring each fish at the fish fence we get information on how much they grow each year. The search for charr spawning areas in the Meliadine River basin continued in 1999. Charr with spawning colour were caught near the western outlet of Meliadine Lake to Peter Lake. None of these charr were tagged and so it may be that they are part of a Peter Lake / Diana River charr population. Wildlife studies continue and included surveys for caribou. The five caribou cows fitted with satellite collars were monitored for the year. In 1998 the calving grounds pattern for these five caribou was three went to the Qaminirjuaq calving ground while two were north of Chesterfield Inlet for the calving period. In 1999 four of the five caribou were with the Qaminirjuaq herd for calving and one was south of Wager Bay. The caribou collar work is done in cooperation with the Government of Nunavut Department of Department of Sustainable Development.

Environmental Protection

Care and attention to environmental protection continues to be a priority with all field personnel. Special care is taken with all fuel handling procedures to prevent fuel spills. A course for fuel spill response on winter roads was held for Rankin Inlet contractors and WMC staff in April. Also, the practise of complete clean-up and spreading peat and fertilizer at drill sites continued. This practise will continue and be monitored throughout the exploration drilling phase of the project. Many of the drill sites from 1995, 1996 and 1997 were inspected and photographed to document plant recovery. These data and photographs will be compiled into a report filed with KIA. In cases where drills are set up on lake ice in winter, all the cuttings are collected and taken to the Rankin Inlet dump and so are prevented from entering waters that may be fish habitat.

LOCAL PARTICIPATION AND ECONOMIC BENEFITS

The expenditures by the Meliadine West Gold Project in the Kivalliq regional economy from 1995 to 1999 are summarised by Table 2.

Table 2.

Expenditures in the Kivalliq Region by the Meliadine West Gold Project: 1995 to 1999 ⁽¹⁾

Activity	1999	1998	1997	1996	1995
Local workers	26	45	30	21	6
Wages	233,303	386,265	205,000	80,000	40,000
Expediting and transport	141,326	476,744	385,200	183,000	42,000
Fuel ⁽²⁾	81,080	647,107	27,000	120,000	80,000
Equipment	5,609	77,484	150,000	10,000	10,000
Food & accommodation	128,388	280,366	263,000	100,000	43,000
Construction	29,778	82,045	0	57,000	10,000
Drilling ⁽³⁾	86,456	150,836	160,000	0	0
Aircraft	11,207	0	0	0	0
Community	69,303	229,948	42,000	0	0
Environment	16,806	16,650	0	0	0
Other	25,732	30,680	0	0	0
Total (Kivalliq)	828,988	2,378,126	1,232,200	550,000	225,000
Total (Program)	7,207,958	11,791,642	9,251,950	3,500,000	1,400,000
Cumulative (Kivalliq)	6,254,199	4,385,326	2,007,200	775,000	225,000
Cumulative (Program)	33,216,754	25,943,592	14,151,950	4,900,000	1,400,000

a review of historic Project costs and cost categories has resulted in changes and so the values above may vary from those reported in previous annual Project Status Reports.

includes barge services and fuel purchased from NTCL; 1998 costs include fuel purchased for the 1999 field program.

wages paid to local employees of drilling contractor.

The Meliadine West exploration program has enjoyed excellent cooperation with the community of Rankin Inlet from the beginning. A total of 26 different local workers participated in the 1999; eight from Arviat, two from Chesterfield Inlet, two from Whale Cove, and 14 from Rankin Inlet. These workers were either in employment with WMC or as drillers' helpers with the drilling contractor. The overall number in 1999 was reduced from 1998 because of a smaller budget and a shorter drilling season. During the winter WMC participated with Kivalliq Partners by coordinating a heavy equipment training program for 13 Kivalliq residents in southern Canada. Each of the course participants received a certificate for operating heavy equipment that is valid throughout Canada. WMC hopes to continue to work on mineral exploration and mining related training

initiatives with Kivalliq Partners in the future. Table 2 shows that of the \$33.2 million that WMC has spent at Meliadine West to date, \$6.25 million or 21.7% has been spent directly on services and supplies in the Kivalliq Region or with Inuit owned businesses like NTCL.

WMC International Limited invites all local businesses with services for exploration activities to advise us of the goods and services they can provide. WMC has a preference for local services and purchases provided they are competitive in price and quality. WMC International Limited has incentive to see a competitive mineral exploration service and supply sector become established in the Kivalliq Region and Nunavut and will work with the entrepreneurs in the communities where we operate.

WMC, the drilling contractor Boart Longyear and the helicopter company, Custom Helicopters sponsored a fish derby over a July weekend: Kelly Owljoot took first prize with a lake trout of 30 lbs. Bob Harron won the prize for the longest fish, a lake trout 29 inches, and Tony Manernaluk took third prize with a lake trout 27 lbs. The fish derby took fish from Meliadine Lake; most of the fish were caught near camp. WMC exploration camps follow a policy of zero tolerance for use of alcohol and non-prescription drugs by all persons while at the camp, either working there or visiting.

ADVANCED EXPLORATION

The study into the overall profitability of a gold mine at Meliadine West also showed the need to improve the information on the shape and consistency of the gold deposit in the Tiriganiaq Zone. Initially it was believed that this could best be done by advanced exploration with an underground test mine. Drilling in 1998 and 1999 provided a large volume of core that shows a consistent distribution of gold in the deposit. It remains important to expose the ore body in the course of proving the feasibility of the Project. The best way for this to be done is under review. Exposing the ore body and taking a sample for designing ore processing equipment will be part of a comprehensive Project feasibility study which may begin in 2000. This could be done only with the approval of the Kivalliq Inuit Association.

COMMUNITY CONSULTATIONS

The Nunavut Land Claim Agreement of 1993 conferred surface ownership to most of the lands on which the Meliadine West Gold Project is operating. WMC International Limited policies require that the company keep the communities in the area of its exploration work informed and involved in the program. The first consultation with KIA were initiated in April 1995 before WMC began field work at Meliadine West. The status of the Project has since been reviewed annually with public meetings in both Rankin Inlet and Chesterfield Inlet. In addition to the annual Project status meetings, meetings with Hunters and Trappers have also been held to

review environmental studies. An elder's committee has also been working to advise WMC and its consultant, Nanuk Enterprises Ltd. of Rankin Inlet, on traditional knowledge of the exploration area and surrounding lands. All reports of all studies conducted for the Project have been submitted to the Kivalliq Inuit Association Lands Administration. The Project is particularly pleased with the work of the Elders Committee and the report on traditional knowledge of the Project area that was prepared with their guidance.

The public consultations have shown both concerns of the public and strong support for the success of the exploration program. A recurring concern is the disturbance caused by helicopter traffic over camps and the community. WMC continues to encourage helicopter pilots to use routes that avoid camps and the community. Employment training is another concern and a challenge. It would be premature for WMC to undertake a major training program before feasibility of a profitable gold mine is proven. It is still very important that basic courses for mine related skills be initiated before feasibility is shown. WMC will work with agencies in the region to examine how training can be started while the Project is advancing toward and through the feasibility phase.

YEAR 2000 PROGRAM

The current review of the ore body and the overall costs of building and operating a gold mine will continue to April 2000. If this overview study shows that a gold mine can be built and operated profitably then a comprehensive Project feasibility and design study will follow. In that case the ore body will be opened with a small open pit and some diamond drilling will be done to fill in gaps in the present information on the ore body. If the overview study shows that the Project would not be feasible, diamond drilling will continue on nearby targets to find easily accessible gold that could improve the overall feasibility of the Project.

ACKNOWLEDGEMENTS

WMC International Ltd. has the good fortune to be a partner in a dynamic and cooperative joint venture. We compliment both Cumberland Resources Ltd. and Comaplex Minerals Corp. on their pioneering exploration program in the Kivalliq Region generally and at Meliadine in particular. WMC also appreciates the good working relationship between the Meliadine exploration program and the communities of Rankin Inlet and Chesterfield Inlet. The successes of the exploration program to date are

due in no small measure to the hard work of our employees from these communities and the goods and services from the Rankin Inlet business community. Finally, the work of the exploration program could not be done on Inuit Owned Land without the excellent cooperation that WMC has received from the Kivalliq Inuit Association Land Administration staff. Thank you.

December 1999



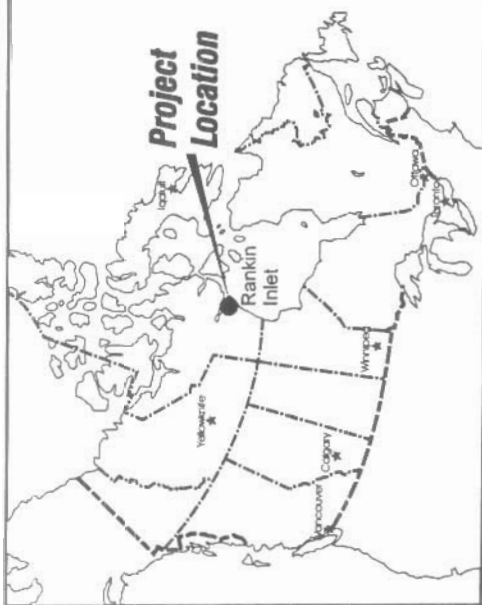
WMC International Limited

MELIADINE WEST GOLD PROJECT

WMC Claim Groups & Mineralized Zones

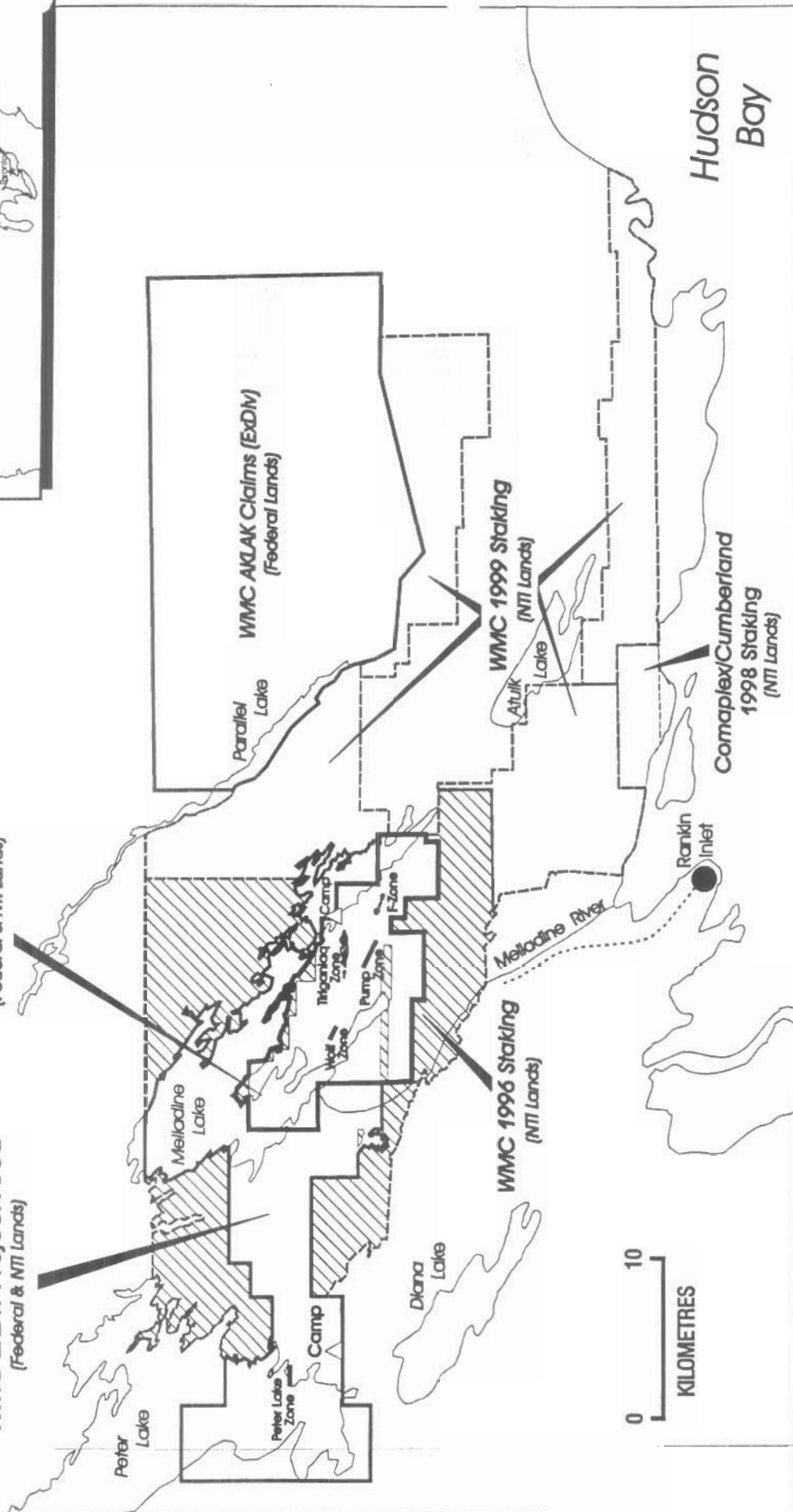
Rankin Inlet, Nunavut

Project Location



Melladine West Project Area (Federal & NTL Lands)

WMC ExDv Project Area (Federal & NTL Lands)



1999 年 6 月 1 日 注册

የሙከራ/CDመድገ ላይገኘው የCDጥጥር
1997ህዝብ ልዩ ምርጫ 12,137 ዘመናዊ
ሥራ/ፎቶ ሙዚቃ ስርዓት ላይ
30,990 ዘመናዊ ሥራ/ፎቶ ሙዚቃ
ጥጥር ስርዓት ላይ ለሰዓት
ለጥጥር ስርዓት ላይ ለሰዓት
የሙከራ/CDመድገ ለጥጥር 70,229 ዘመናዊ
ፊልም ሙዚቃ ስርዓት ላይ
83,295 ዘመናዊ ሥራ/ፎቶ ሙዚቃ
ለጥጥር ስርዓት ላይ 1998 ጥጥር ስርዓት ላይ
ጥጥር ስርዓት ላይ ለጥጥር ስርዓት ላይ
የሙከራ/CDመድገ ስርዓት ላይ
ጥጥር ስርዓት ላይ የሙከራ/CDመድገ
ጥጥር ስርዓት ላይ ለጥጥር ስርዓት ላይ

1999 ለሩሲያውያን ምርጫ ለፍርድ ቤቱ የተሰጠው የጥያቄ ቁጥር 132 መሆኑን ለማረጋገጥ የፍርድ ቤቱ የጥያቄ ቁጥር 11,003 መሆኑን አስረዳል። ለዚህም ምክንያት የፍርድ ቤቱ የጥያቄ ቁጥር 11,003 መሆኑን አስረዳል። ለዚህም ምክንያት የፍርድ ቤቱ የጥያቄ ቁጥር 11,003 መሆኑን አስረዳል።

ᐃᓂ	ΔJ ᑕᓂᑦ ᐅᔭᐅᑎᔪᑦ	ᐱᓄᑕᐅᓂᑦᐅᒥᑦᑐ ᑦᑦᓂᔪᑦᑦᑦᑐ ᐃᓂᑦᐳᐅᓂᐅᓂᑦ
ᑎᐱᑲᓂᐳᑦ	ᑕ99-366	23.27 ᑐኑᑎ ᐆᑦᑦᑦᐳᑦ 5.23 ᑦᑕᓂᑦ
/ᒥ	ᑕ99-450	4.88 ᑐኑᑎ ᐆᑦᑦᑦᐳᑦ 6 ᑦᑕᓂᑦ

[illegible][illegible]

[illegible]

ለርቢብ	1999	1998	1997	1996	1995
ወደፊት ለርቢብ	26	45	30	21	6
የወደፊት	233,303	386,266	205,000	80,000	40,000
በየቦታው ያለው	141,326	476,744	385,200	183,000	42,000
የግብርና (2)	81,080	647,107	27,000	120,000	80,000
ለርቢብ	5,609	77,484	150,000	10,000	10,000
የግብርና ልዩነት	128,388	280,366	263,000	100,000	43,000
ከወደፊት ወደፊት	29,778	82,045	0	67,000	10,000
ልዩነት (3)	86,456	150,836	160,000	በበለጠ	0
የግብርና	11,207	0	0	0	0
ወደፊት	69,303	229,948	42,000	0	0
ላይ	16,806	16,650	0	0	0
ላይ	25,732	30,680	0	0	0
በግብርና (የግብርና)	828,988	2,378,126	1,232,200	550,000	225,000
በግብርና (ለርቢብ)	7,207,958	11,791,842	9,251,950	3,500,000	1,400,000
በግብርና (የግብርና)	6,254,199	4,385,326	2,007,200	775,000	225,000
በግብርና (ለርቢብ)	33,216,754	25,943,592	14,151,850	4,900,000	1,400,000

- [illegible]

[illegible]

[illegible]

[illegible]

MELIADINE WEST GOLD PROJECT

WMC Claim Groups & Mineralized Zones

Rankin Inlet, Nunavut

WMC ExDv Project Area

(Federal & NTI Lands)

Melladine West Project Area

(Federal & NTI Lands)

WMC APLAK Claims (EXD1)

ANLAK CLAIMS (Federal Lands)

7

camp

Diana
Loka

Lake
Elkline

一、


ThyssenKrupp
Zander

8/



WMC 1996 Staking
(NTI Lands)

(NTI Lands)

WMC 1999 Staking
(NTI Lands)

(NTT Lands)

AVUK

A horizontal scale bar with a bracket underneath. The number '0' is at the left end and '10' is at the right end. Below the bracket, the word 'KILOMETRES' is written in capital letters.

Rankin
Inlet

Complex/Cumberland

1998 Staking

(NTI Lands)

Hudson
Bay

Project Location

