

WMC INTERNATIONAL LIMITED

1997 STATUS REPORT FOR THE MELIADINE WEST GOLD PROJECT

INTRODUCTION

The Meliadine West Gold Project is located in Nunavut on Inuit owned land approximately 25km 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 spending \$12.5 million in exploration expenditures and cash payments to Comaplex and Cumberland.

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 and energy exploration and production around the world. WMC International Limited is the subsidiary that manages operations in North and South America. The head office for exploration in North America is in Denver, USA with the Canadian operations based out of Nepean, Ontario.

PROJECT HISTORY

The Meliadine West Gold Project is located in a belt of magnetic bedrock extending some 75km inland from the shore of Hudson Bay 25km north of Rankin Inlet. Gold mineralization has generally been found in a specific rock type known as iron formation near an extensive regional structure called the Pyke Fault.

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 Fox 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 8000 ha of federal ground and 40,000 ha of Inuit owned ground.

The 1997 exploration effort concentrated on the Fox, 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 in the WMC International Ltd. Meliadine exploration program is 63,420 ha under Inuit Owned Land and 51,127 under Federal land.

DRILLING RESULTS AND ASSAYS

The best sections from the Fox, F and Pump zones by WMC in 1997 are shown in Table 1. Additional gold bearing zones have been identified in the Wolf, Sik-Sik, and Peter Lake zones. The best results from these targets are shown in Table 2.

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

ZONE	HOLE	ASSAY
Fox	M97-140	29.94 m @ 13.37 g/t
F	M97-165	4.88 m @ 11.17 g/t
Pump	M97-122	5.97 m @ 9.64 g/t

Table 2. Gold assays from selected diamond drill holes in the Meliadine West Gold Project.

ZONE	HOLE	ASSAY
Wolf	M97-104	2.34 m@ 16.68 g/t
Peter Lake	FW97-04	2.50 m @ 5.0 g/t
Sik Sik	MS97-02	5.4 m @ 1.4 g/t

LOCAL PARTICIPATION AND ECONOMIC BENEFITS

The Meliadine West exploration program has enjoyed excellent cooperation with the community of Rankin Inlet from the beginning. WMC feels very fortunate to find an acceptable level of service available in the Rankin Inlet business community and good skills and attitudes in the

local labour force. A total of 30 different local workers participated in the 1997 drilling program either in employment with WMC or as driller's helpers with the drilling contractor; 9 more than in 1996. WMC participated in two separate training initiatives during the 1996 - 97 winter season. 8 men were sent to North Bay to take training as a drillers' helpers. WMC also participated in the Kivalliq community mobilisation program and hired 3 graduates of that mineral exploration pre-employment training program. It is expected that both programs will continue in the winter of 1997 - 98 and that WMC will participate.

The expenditures by the Meliadine West Gold Project into the regional and territorial economy from 1995 to the present is summarised by Table 3.

Table 3. Expenditures by the Meliadine West Gold Project for 1995 to 1997.

Activity	1997 Expenditure				1996 Expenditure				1995 Expenditure			
	Kivalliq	NWT	Outside	Total	Kivalliq	NWT	Outside	Total	Kivalliq	NWT	Outside	Total
Wages,	325,000	-	711,000	1,036,000	80,000				40,000			
Expediting & transport	385,000	225,000	356,250	966,450	183,000				42,000			
Fuel	27,000	74,000	343,000	444,000	120,000				80,000			
Equipment	-	24,000	51,500	75,500	10,000				10,000			
Food & accommodation	413,000	1,000	297,000	711,000	100,000				43,000			
Construction	-	-	380,000	380,000	57,000				10,000			
Drilling	-	-	3,607,000	3,607,000								
Aircraft	-	94,000	1,473,000	1,567,000								
Community	42,000	-	54,000	96,000								
Environment	-	4,000	365,000	369,000								
Totals	1,192,200	422,000	7,637,750	9,251,950	550,000	110,000	2,840,000	3,500,000	225,000	100,000	1,075,000	1,400,000
Change:	642,200	312,000	4,797,750	5,751,950	325,000	10,000	1,765,000	2,100,000				

COMMUNITY CONSULTATIONS

There has been a long history of informal consultations between the Comaplex/Cumberland partnership and the local community at Rankin Inlet. The Nunavut Land Claim Agreement of 1993 conferred surface ownership to most of the lands on which the Meliadine West Exploration Program is operating. In recognition that the lands affected by the exploration program at Meliadine are Inuit owned lands, formal consultations were initiated by the joint venture partners and Inuit interests in April, 1995. Nunavut Tungavik Incorporated, the Inuit subsurface rights manager, the Kivalliq Inuit Association,

the regional manger of Inuit lands and Sakku Investments Corp., the regional Inuit development corporation, met with Cumberland Resources Ltd., Comaplex Minerals Corp., and WMC International Ltd. The status of the overall Meliadine exploration program was reviewed along with plans for the 1995 program. Concerns for land management and wildlife issues were raised which were addressed in the 1995 environmental program.

The second such meeting was held in January 1996. The status of the Project was reviewed in meetings with the Community Land and Resource Committees at both

Rankin Inlet and Chesterfield Inlet in April 1996. The 1997 program was reviewed with CLARC s in both Rankin Inlet and Chesterfield Inlet in December 1996. Further meetings were held in both communities in May 1997 to review the 1997 environmental studies that were planned for the summer of 1997. The preliminary results of a Kivalliq Region population and labour force study were reviewed with the Kivalliq Inuit Association during a regular Board Meeting at Coral Harbour in June. Similar meetings are planned for the winter of 1997 - 98 as well as meetings to discuss and review specific issues and plans for the project and related studies as results become available and the plans for the project progress.

ENVIRONMENTAL PROGRAM

WMC completed an environmental audit of the camp and drill sites of the Meliadine West prospect in the spring of 1995 and a copy of the audit report provided to the KIA Lands Office. Also, the 1995 meeting with Inuit agencies raised several questions about potential disturbance to wildlife and traditional harvesting activities at Inuit summer camps. These were addressed by advising helicopter pilots to fly routes that would avoid camps and maintain a minimum 1500 foot agl altitude on long trips and trips to and returning from Rankin Inlet.

The environmental audit in 1995 found acceptable land use practices for work done to that point. WMC initiated a drill site reclamation program that mixes peat and fertiliser into the mud and drill cuttings at all land based drill sites. This practise improves plant growth and seed production and so accelerates natural revegetation of the drill site. This practise will continue and be monitored throughout the exploration drilling phase of the project. All the cuttings from drilling in winter from the ice over lakes is collected and taken to the Rankin Inlet dump and so prevented from entering waters that may be fish habitat.

BASELINE STUDIES

Several baseline studies were started in 1997. An automatic weather station was set up in May that monitors and records basic climate at the exploration camp.

Water flow was measured continuously at 11 sites to provide information on the run off from the spring melt and summer rain. Many of the small streams in the area near the camp dried up during the summer. The water flow study also confirmed a second outflow from

Meliadine Lake that carried about 20% of the total spring flow into the Peter Lake / Diana River drainage.

Water samples were taken at 13 locations to provide a water quality base line and sampling network for monitoring in the event that mineral production occurs in the future.

Fish population and habitat studies showed that several small ponds in the area of gold mineralisation contained summer fish populations including cisco, grayling, and charr. Fish movements are monitored with the aid of 58 radios implanted in grayling, lake trout and charr. Some grayling have moved from the ponds to Meliadine Lake, lake trout have shown little movement and the charr tagged in the ponds above Meliadine Lake have not moved. It should be noted however, that the stream draining the basin with charr dried up in mid-summer and had not resumed flow prior to freeze-up. A charr counting fence was set up on the Meliadine River below lower Meliadine Lake in August to intercept and tag fish returning from the ocean. 1022 charr were caught and all were tagged with plastic streamer tags. 18 radios were also implanted in charr. Follow-up telemetry monitoring flights have shown the charr radio tagged at the fence have stayed in lower Meliadine Lake. Several charr with plastic tags have been caught by anglers further up the system. Late fall sampling and telemetry flights will further show the late fall distribution of fish in the Meliadine basin.

Interim data reports will be provided to KIA as these become available. These studies are to continue through 1998.

Additional base line studies are planned for ground temperatures to establish depth of permafrost as well as temperature variations in the soil above the permafrost. A cable consisting of 16 sensors will be placed in an exploration drill hole in April, 1998. Studies are also planned for wildlife populations and their habitat. A traditional knowledge study is getting under way and will be guided by the advice of a committee consisting of Rankin Inlet and Chesterfield Inlet elders working with a local consultant. If the comprehensive review of all assay results to date show promise for a gold mine at Meliadine West, site development studies will include a survey for heritage sites and archaeological artifacts from historic and prehistoric Inuit land use.

The population and labour force of Kivalliq communities has been reviewed and current population growth trends projected to the year 2011. The summary of the report and its principle findings are translated into Inuktitut and bound into the overall report. Copies of this study will be provided to KIA and the communities.

1998 PROGRAM

The current review of assay results will determine the shape and extent of the 1998 exploration program for the Meliadine West Gold Project. It will show if more regional drilling is required to assemble sufficient ore reserves for a mine; or if the drilling in 1998 will focus on the F, Fox and Pump zones to prove an adequate ore volume for gold production from these zones. The conclusion of the current study will be reviewed with the CLARCs in Rankin Inlet and Chesterfield Inlet in the spring of 1998 when the plans for the exploration program and the baseline studies for 1998 will be firm.

In addition to the Meliadine West Gold Project work, WMC is expecting to continue exploration in the Peter Lake area and begin work near Gibson Lake. This exploration effort will be out of a base camp on Peter Lake. The land use applications covering this camp and related exploration work will be reviewed with KIA and the CLARCs in Rankin Inlet and Chesterfield Inlet at the time of the spring meetings.

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 Nunavut and will work with the entrepreneurs in the communities where we operate.

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. Thank you.

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MELIADINE WEST PROJECT

WMC Claim Group

Rankin Inlet, N.W.T.

