

WMC INTERNATIONAL LIMITED

2000 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 around the world and operates gold, copper and nickel mines in Australia. WMC International Limited is the subsidiary that manages operations in North and South America. The work in 2000 focussed on gaining greater confidence in the Tiriganiaq gold deposits as well as testing regional targets up to 30 km west of the camp. The Meliadine West Gold Project is managed out of Ottawa, Ontario. The map in this report shows the lands in the Rankin Inlet area with mineral interests held by WMC.

PROJECT HISTORY

A prospecting and mapping camp was established by Asamera in 1990 when the first claims of the Meliadine West Project were staked. 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. In 1995 the Cumberland/ Comaplex partnership was joined by WMC who took over 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 and more mineral claims were staked. 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 Tiriganiaq, F and Pump zones; 103 holes were drilled in these three zones for 28,992 metres while 19 holes for 3828 metres were drilled in outlying lands. 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 core area based on all the drilling done here is estimated to be 5 million ounces. In 2000 the drilling concentrated on gaining more confidence of the character of the Tiriganiaq zone including its eastern and western limits.

2000 FIELD PROGRAM

The 2000 program was smaller than previous years but still added 49 diamond drill holes with 10,753 metres producing 4500 core samples for assays; 18 were completed on lands west of the previously known gold deposits, with the remaining 31 holes drilled in the Tiriganiaq deposit. Selected assays for the Tiriganiaq zone from 2000 core are shown in Table 1.

Table 1.

Gold assays from selected 2000 drill holes at the Meliadine West Gold Project.

Drill hole number	Assay and width of mineralisation
M00-468	13.23 g/t gold over 1.98 metres
M00-469	4.87 g/t gold over 12.1 metres
M00-470A	8.52 g/t gold over 11.43 metres

ENVIRONMENTAL BASELINE STUDIES

Environmental studies continued in 2000 and focussed on water, fish, and wildlife. Water flow through the lakes in the areas of gold deposits was monitored and water quality samples were collected. The Meliadine charr population was again studied but the fish fence at the mouth of the Meliadine River was discontinued. In total, 2,619 charr have been tagged in 1997, 1998, and 1999. The farthest from Meliadine that a tagged charr has been caught is Chesterfield Inlet. Tag returns by fishermen have shown that up to 38% of the fish tagged in at the fish fence in 1997 had been harvested by October 2000. The search for charr spawning areas in the Meliadine River basin continued in 2000. Charr with spawning colour were again caught near the western outlet of Meliadine Lake to Peter Lake. None of these charr were previously tagged at the Meliadine fish fence and so it may be that they are part of a Peter Lake / Diana River charr population. Twelve of these fish were outfitted with radios and then followed on three helicopter flights to show where they might be during the spawning period in October and November 2000. The radio-tagged charr were found at numerous location in Meliadine Lake which suggests that perhaps there are no specific spawning areas but rather that spawning may occur at numerous locations in Meliadine Lake. Wildlife studies continued and included surveys for caribou. The five caribou

cows fitted with satellite collars were monitored for the year. Two of these caribou died in the spring, and the other three migrated in the pattern that is typical for the Qaminirjuaq herd. The caribou collar work is done in cooperation with the Government of Nunavut Department of Sustainable Development. Aerial surveys of the Project area were done in the late winter and again in the fall when caribou were known to be present. In March the survey data produced an estimate of 8,872 caribou in the Project area while in November the estimate was 318 for the same area. Surveys of loons and swans were conducted in 2000 as in previous years.

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. 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 - 1999 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 2000 are summarised by Table 2. At least 29 different suppliers from the Kivalliq Region provided either goods or services to the Project in 2000.

The Meliadine West exploration program has enjoyed excellent cooperation with the community of Rankin Inlet from the beginning. A total of 27 different local workers participated in 2000; 6 from Arviat, 2 from Chesterfield Inlet, 1 from Baker Lake, and 18 from Rankin Inlet. These workers were either in employment with WMC or as drillers' helpers with the drilling

contractor. The overall payroll in 2000 was reduced from 1999 because of a smaller budget and a shorter drilling season. Table 2 shows that of the \$47.3 million that WMC has spent at Meliadine West to date, \$6.4 million or 13.5% 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.

PROJECT PREFEASIBILITY STUDIES

A major effort was made late in 2000 to update the prefeasibility study that had been done in 1998. Since 1998 we have learned a lot more about the gold deposits in the Project area, but the price of gold has decreased considerably as well. The preliminary findings of the current prefeasibility study has improved our understanding of many issues including that gold can be mined at Meliadine West with open pit and underground operations, that the ore processing can be done without releasing any water to the natural environment surrounding the Project, that significant areas would either be covered by country rock or tailings when mining operation would cease, and that numerous jobs and contracts would be opened up for the regional work force and businesses. The Project will also require additions to the local road network, fuel storage, and a marine dock. These issues will be taken to KIA and the Municipality of Rankin Inlet as soon as the Project advances to the next step in preparing for mine construction. Unfortunately, the study has not yet shown that opening a mine now would be a sound investment for WMC.

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 consultations 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 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.

Table 2. Expenditures in the Kivalliq Region by the Meliadine West Gold Project: 1995 to 2000

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

1. Recent examination of the historic costs of the Meliadine West Gold Project have resulted in a revision of the costs and cost categories and so the values above may vary from those reported in previous annual project status reports.
2. Includes barge services and fuel purchased from NTCL; 1998 costs include fuel purchased for 1999.
3. Wages paid to local employees of the drilling contractor.
4. Community activity includes payments to NTI for exploration permits.
5. Of local persons employed, 18 were from Rankin Inlet, 2 from Chesterfield Inlet, 6 from Arviat and 1 from Baker Lake

2001 PROGRAM

WMC is continuing to re-evaluate the 2000 Prefeasibility Study to enhance the investment value to a point where WMC has indications of a sound investment. Following this study in April 2001, WMC will develop a work program to achieve these enhancements.

Regional exploration

Spending approval has been received to complete an airborne survey over the lands covered by the exploration agreement between WMC and Nunavut Tungavik Inc. (NTI). This magnetic survey will be completed in late May to early June; it will involve very low flying aircraft

flying in the area between Meliadine Lake and Parallel Lake and the area between Meliadine Lake and the Meliadine River.

Drilling

Funds for drilling 25,000 metres has been requested. Likewise, funding to continue the environmental studies has been requested. These requests will be reviewed and the course of the overall 2001 field program decided on the conclusion of the Project Prefeasibility Optimization Study at the end of April, 2001.

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.

March 2001



WMC International Limited

MELIADINE WEST GOLD PROJECT

WMC Claim Groups & Mineralized Zones

Rankin Inlet Nunavut

WMC EXDIV Project Area
(Federal & NIT Lands)

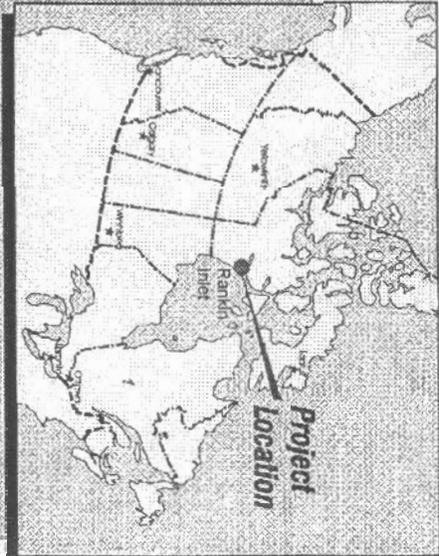
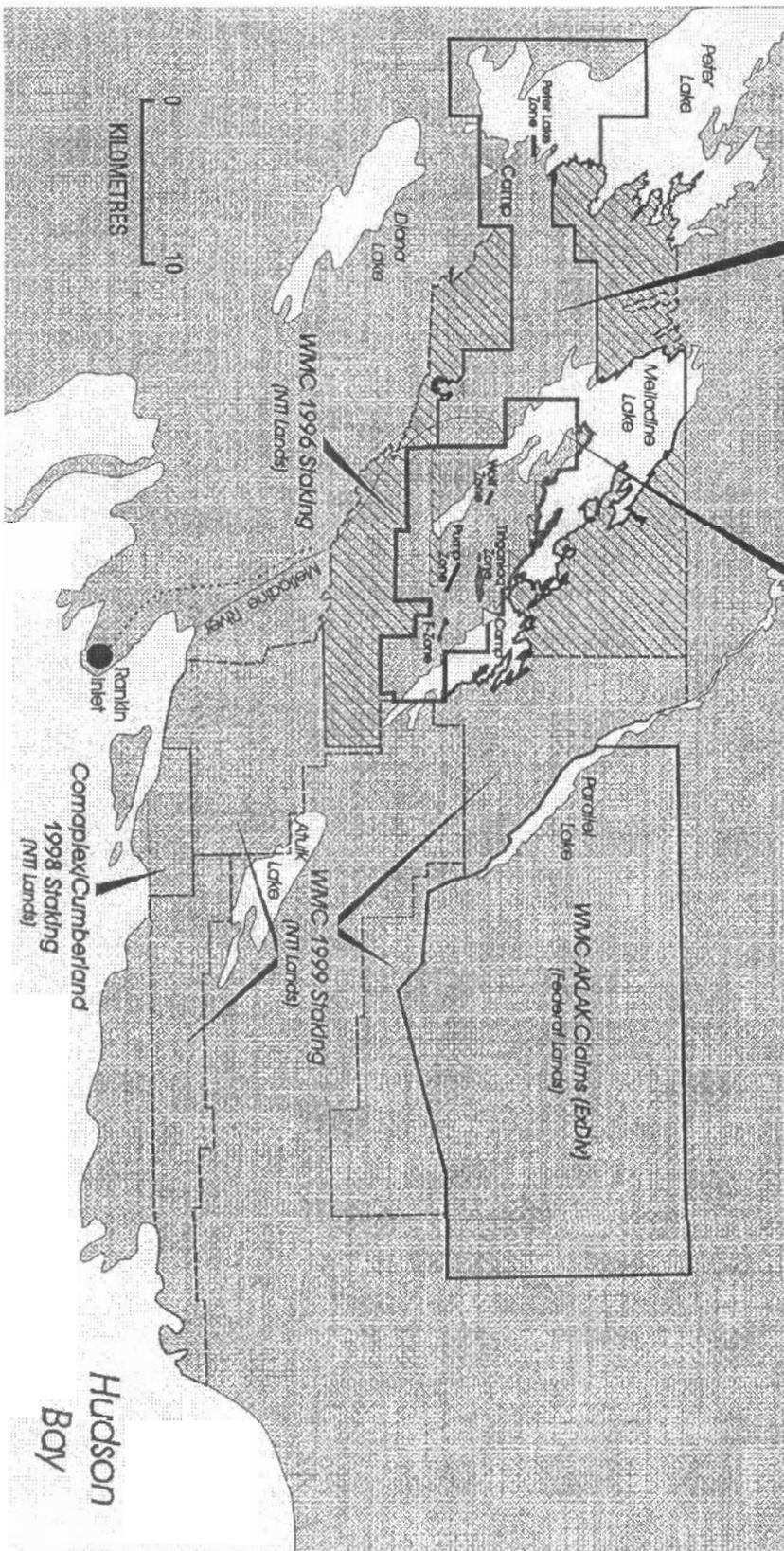
Meliadine West Project Area
(Federal & NIT Lands)

WMC AKLAK Claims (EXDIV)
(Federal Lands)

WMC 1996 Staking
(NIT Lands)

WMC 1999 Staking
(NIT Lands)

Complayx/Cumberland
1998 Staking
(NIT Lands)



Hudson Bay



WMC International Limited

MELIADINE WEST GOLD PROJECT

WMC Claim Groups & Mineralized Zones
Rankin Inlet, Nunavut

