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Annual Report 1994

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Gold City
MINING CORPORATION

*Exploring
British Columbia's
Gold Fields*

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Property File

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GOLD CITY MINING CORPORATION

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The Company

☒ Gold City Mining Corporation is a resource company engaged in the exploration and development of gold and silver properties in British Columbia, Canada.

Under the guidance of experienced, capable and aggressive management, Gold City has, since 1993, acquired an impressive portfolio of gold and silver properties in Central and Southern

British Columbia, in and near historic mining camps. These unusual acquisition opportunities have occurred at a time when most mining companies have been focused upon Central and South America.

The Company's shares trade on the Vancouver and Alberta Stock Exchanges (GCP).

Business Strategy

☒ Gold City is aggressive in its application of contrarian timing to mineral land acquisitions and in its application of innovative exploration concepts to these lands. The Company's focus on gold and silver is due to a fundamental belief that these metals currently priced at around US\$390 and US\$5.50 per ounce respectively, are significantly undervalued and therefore represent excellent long-term value.

Management will focus its attention primarily upon the exploration and development of the WelBar Gold project within the world class

"Cariboo" gold fields. If sufficient hardrock gold reserves can be delineated, the Company intends to develop a modern precious metals processing plant, near Barkerville, centrally located within the Project area.

Gold City believes that this strategy, implemented by its professional management and director team, will result in early cash flow and a significant increase in value to the shareholder.

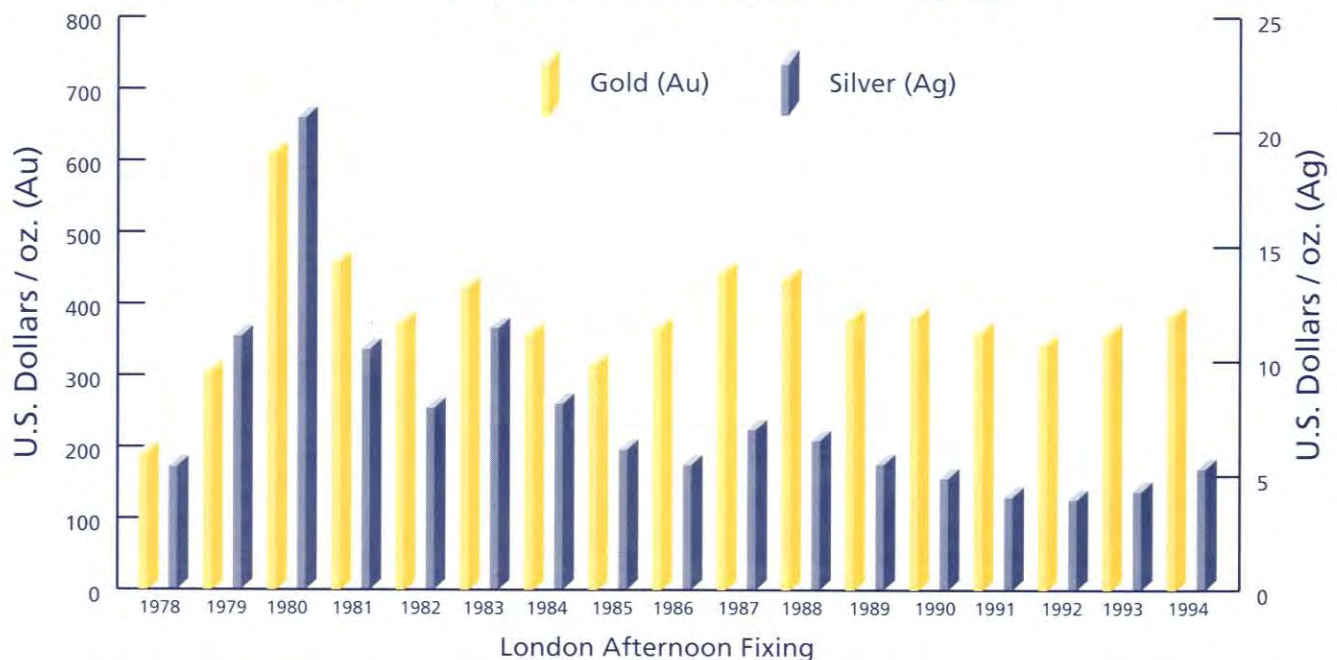
Achievements 1994

- ☒ Acquired a large portfolio of mineral lands in the historic "Cariboo" (Wells), Beaverdell and Rock Creek areas of British Columbia, Canada.
- ☒ Amalgamated three corporate entities to form one stronger resource company.
- ☒ Made a potentially significant gold discovery, drilling on the Ket 28 claim near Rock Creek.
- ☒ Enhanced management and the board of directors by the addition of several mining professionals.

Objectives 1995

- ☒ Conduct a 1,200 line-kilometre state-of-the-art airborne survey, covering the entire WelBar Gold project lands.
- ☒ Complete equity financings of at least \$1,250,000 to fund planned programs.
- ☒ Complete preliminary drill evaluations of principal mineral targets on the WelBar Gold project and at the Ket 28 gold discovery.
- ☒ Continue to enhance the Company's mineral land positions on its projects at Wells, Beaverdell and Rock Creek.
- ☒ Implement a professional public relations and investor relations program to keep people informed as to the Company's vision and progress.

Precious Metals Prices



British Columbia's Gold Fields



Cariboo-Hudson mill, near Wells B.C., circa 1938



Cariboo Gold Quartz mill, Wells B.C., circa 1934



Island Mountain mill, Wells B.C., circa 1934



Cariboo-Amelia mill, Camp McKinney B.C., circa 1895

**Wells photographs courtesy of The Wells Historical Society.*

To The Shareholders



I am pleased to present this first annual report of Gold City Mining Corporation, for the fiscal year ended December 31, 1994. The Company was formed by way of amalgamation on December 7, 1994, bringing together the mineral assets and select management from Gold City Resources Inc., McKinney Mines Corp. and Providence Industries Inc., to form a stronger single entity. Management took advantage of a significant opportunity to acquire precious metal mineral lands in British Columbia during 1994, as most mining companies continued to ignore the province in favour of Central and South America.

Gold City's management and director team have extensive experience in mineral exploration, mine development and mine operations. In 1993 the same Team, through Cazador Explorations Limited and Granduc Mining Corporation, developed Western Canada's only new mine, the 1,400 tonnes per day Keystone Gold project at Lynn Lake, Manitoba. Conwest Exploration Company Limited purchased control of Granduc in early 1994.

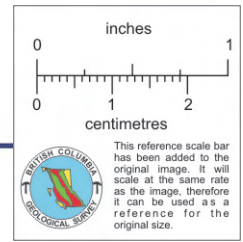
Gold City holds over 17,000 hectares of mineral lands in the Wells, Beaverdell and Rock Creek areas of British Columbia. Included within this portfolio are the former gold producers: Cariboo-Amelia, Island Mountain, Cariboo-Hudson, Cariboo Gold Quartz and Mosquito Creek, which in aggregate produced 41,300 kilograms of gold (1.33 million ounces). These properties hold good

potential for discovery of additional gold deposits. Also, on the Ket 28 claim near Rock Creek, the Company, with its joint venture participant Phoenix Gold Resources Ltd., made a potentially significant gold discovery during a 1994 drill program. All of the Company's projects are readily accessible by automobile and are close to infrastructure, including established mining communities.

Gold City has a strong management team and mineral properties with established precious metals resources along with good discovery potential. Management is working now to arrange staged, success contingent equity financings, to facilitate exploration and development. With the support of shareholders, and the dedication of directors, management, employees and consultants, I look forward with confidence toward building Gold City into the successful mining company it has the potential to be.

John A. Chapman
President & C.E.O.
May 16, 1995

Central British Columbia

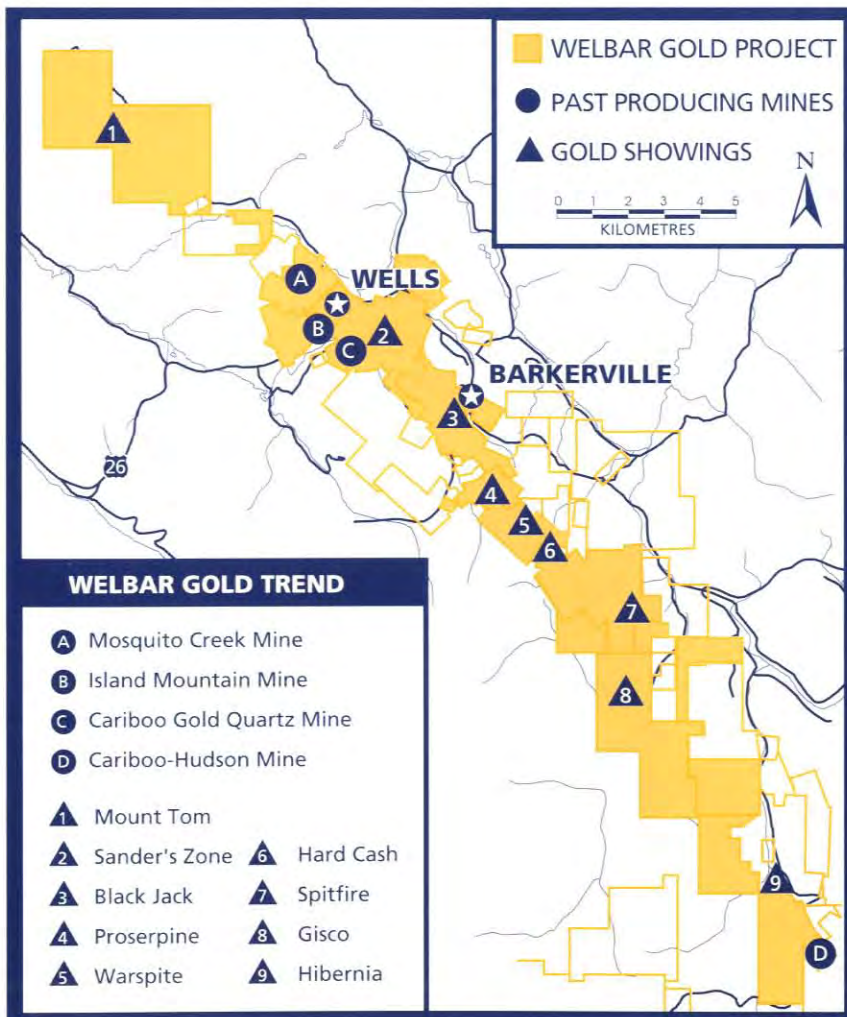


WelBar Gold Project

Gold City has seized the opportunity to assemble the largest mineral land position ever held by a single owner in the prolific Cariboo gold fields of Central British Columbia. This significant land position, in a location with basic infrastructure already in place, will enhance Gold City's ability to target large tonnage, lower grade deposits using wide ranging, modern geophysical and geochemical exploration methods. The area boasts world class gold production of 101 million grams (3.24 million troy ounces). The historical gold production, at today's gold price of Can\$550 per ounce, is worth 1.8 billion dollars.

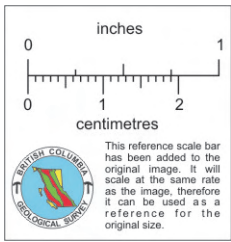


Meeting at Juke's adit, Mosquito Creek mine site, WelBar Gold project. L to R: Dave Chapman, Milling Specialist; Sydney Wilson, Geologist; Richard Hall, PhD. Geologist; John Chapman, Mining Engineer; Ken Pollock, Site Supervisor.

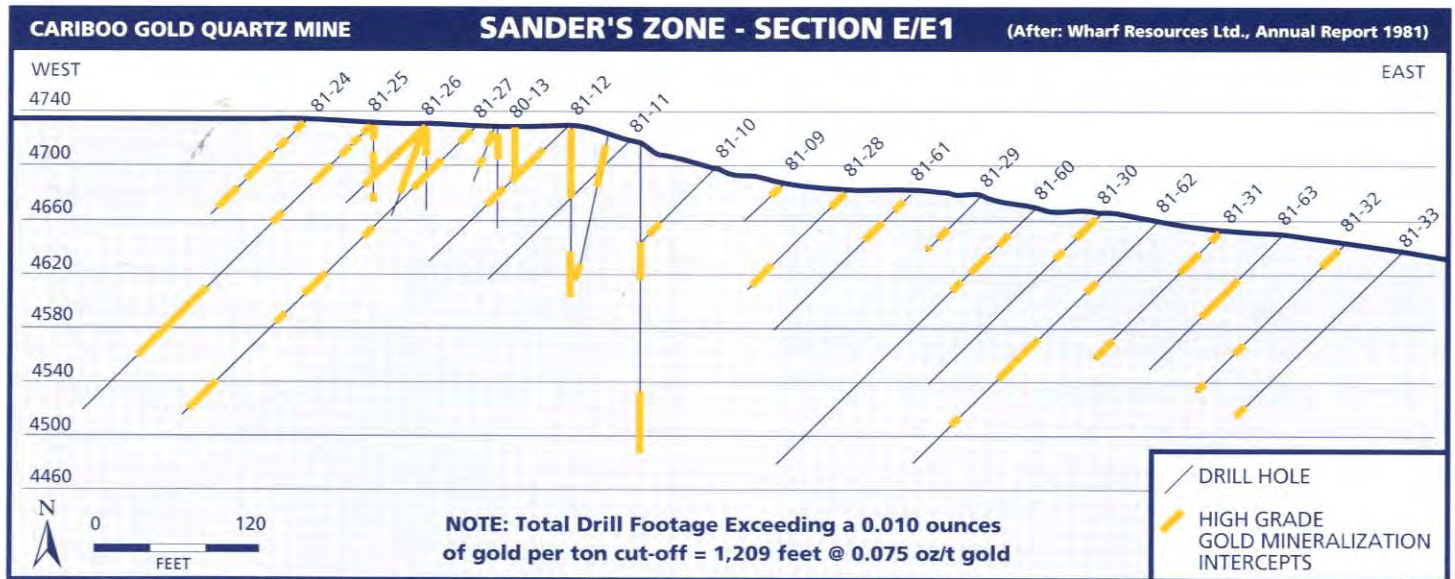


Since the original placer discovery in 1860, over 62 million grams of placer gold have been recovered from the Cariboo gold fields. Underground hardrock gold production began at the Cariboo Gold Quartz mine in 1933 and at the Island Mountain mine in 1934. Except for a period during World War II, both mines operated continuously until the closure of the Cariboo Gold Quartz in 1959 and the Island Mountain in 1967. The Mosquito Creek mine operated from 1980 until 1987. Total production from these three major underground mines was 38 million grams of gold. An additional 161,000 grams of gold was produced at the Cariboo-Hudson mine in 1938-39.

Underground gold production has been from narrow quartz veins and replacement lenses in small tonnage deposits and only limited exploration has been conducted toward identifying larger tonnage, lower grade gold deposits. Wharf Resources Ltd. drilled the Sander's zone in 1980 and 1981, establishing a near surface 1,000,000 tonne



THE PROPERTIES



plus, low-grade mineral inventory, grading 4 grams of gold per tonne. Gold City has identified the additional geological potential for discovering bulk tonnage lower grade deposits within shear zones and altered wall rock, similar to Wharf's success at the Sander's zone. When sufficient mineable (open-pit and underground) hardrock precious metals reserves have been delineated, a centrally located, state-of-the-art processing facility, taking advantage of economies of scale, will be constructed and operated.

In keeping with the Company's strategy of controlling key properties in the Project area, Gold City has entered into agreements with the owners of seven significant mineral properties. Under the option agreements, Gold City controls and is earning an interest in 9,000 hectares of mineral lands along a 35 kilometre strike length. These agreements give Gold City the option to earn varying interests, in all cases as Operator, by payments of cash, shares, and work commitments. The Project lands include the Island Mountain, Mosquito Creek, Cariboo Gold Quartz, and Cariboo-Hudson former producers.

Gold City plans to spend 2.75 million dollars over the next three years on property acquisition, exploration and feasibility studies leading toward the development of long

term profitable hardrock gold mining and processing operations in the WelBar Gold project area. Surface sampling and mapping of known gold showing targets will commence in June 1995. An airborne geophysical survey is scheduled for July 1995, followed by ground geophysics, geochemistry, trenching, and diamond drilling. Baseline environmental work will also be conducted commencing in mid 1995, to ensure timely mine permitting.

FORMER GOLD PRODUCERS, WELLS & BARKERVILLE AREA

	Years Operated	Kilograms Au Produced	Today's Value @ C\$550 per oz.
Hardrock:			
Cariboo Gold			
Quartz	1933-59	19,530	345,340,000
Cariboo-Hudson	1938-39	160	2,830,000
Island Mountain	1934-67	17,720	313,340,000
Mosquito Creek	1980-87	1,070	18,920,000
Placer:			
Cariboo District	1860-94	+62,200	+1,099,860,000
Total		+100,680	+1,780,290,000

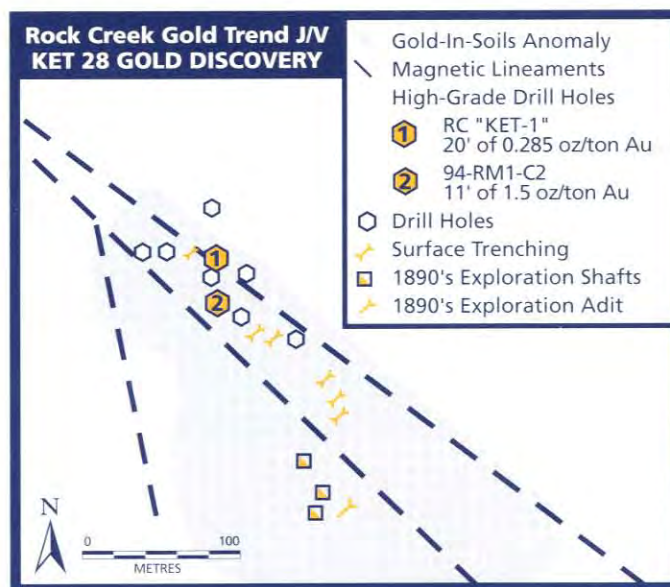
Southern British Columbia

Rock Creek Gold Trend Joint Venture

Gold City holds a 49% interest in the Rock Creek Gold Trend Joint Venture with Phoenix Gold Resources Ltd., 51% owner and Operator, on approximately 5,000 hectares of mineral lands located near the towns of Bridesville and Rock Creek, British Columbia.

The Joint Venture lands are within the Boundary gold field lying between Republic, Washington and Hedley, British Columbia. A potentially significant gold discovery has been made on the Ket 28 claim which lies 10 kilometres northwest of the Crown Jewel deposit (containing 50 million grams of gold), 13 kilometres southeast of Camp McKinney (produced 2.6 million grams of gold) and adjacent to the Rock Creek placers (produced 153,000 grams of gold).

The Ket 28 gold discovery includes two vertical drill holes, spaced 20 metres apart, that intersected 6.10 metres grading 8.6 grams of gold per tonne, and 3.35 metres grading 52.1 grams of gold per tonne, respectively. These high-grade discovery holes and seven other holes drilled within 90 metres of the discovery holes, have multiple narrow (1 - 10 metres) gold enriched intercepts grading from 0.5 grams of gold per tonne to 4.0 grams of gold per tonne, to hole bottom at 75 metres. The discovery holes lie near the north end of a 450 metre long northwest trending magnetic lineament, coincident with a gold-in-soils anomaly. Several hand trenches, three shallow shafts and a short adit, all circa 1890's, trace the near surface subcrop of this 50 metre wide mineralized zone. Gold mineralization in diamond drill core is associated with brecciated metasediments and metavolcanics. Gold grade is positively correlated with the degree of silicification and pyritization in the host rock. The Ket 28 gold discovery has excellent potential to be expanded



along strike and down dip. A two stage, success contingent, diamond drill program is planned for the fall of 1995.

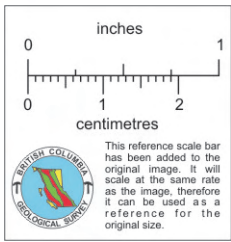
The "Old Nick" claims, located just north of the U.S. border and southwest of the town of Rock Creek, contain a unique near surface sulphide deposit, with an estimated mineral inventory of 100 million tonnes grading 0.22% nickel. The deposit lies on the north flank of a buried granitic intrusive; the Ket 28 gold discovery lies on the south flank. Recent advances in nickel processing such as bio-leaching and on-site SX-EW, may have application at the Old Nick deposit.



Mineral exploration drilling on Rock Creek Gold Trend Joint Venture project lands.

Caramelia Project

The Caramelia project, located at Camp McKinney, has a history of exploration and gold production dating back to the 1880's. Gold City owns 100% interest in 1,150 hectares of mineral lands, including the past producing



THE PROPERTIES

Cariboo-Amelia mine, and in addition, holds a further 630 hectares of mineral lands under lease and option agreements.

The Cariboo-Amelia mine, British Columbia's first dividend paying lode gold mine, commenced production in 1894. Total production to 1962 was 2.6 million grams of gold recovered from 124,000 tonnes of ore, with recovered grades averaging 21 grams of gold per tonne. Past gold production has been confined to high grade fissure veins, striking westerly and dipping steeply south. Management estimates that a mineral inventory of 30,000 tonnes containing 777,000 grams of gold are located in three readily-accessible areas of the existing underground workings.

Exploration targets in the Caramelia project area include: (1) high-grade gold and silver in fissure veins, (2) replacement deposits of zinc, lead, silver, and gold in calcareous rocks near shear zones and faults, and (3) gold-rich skarns near intrusive stocks, dykes, and sills.

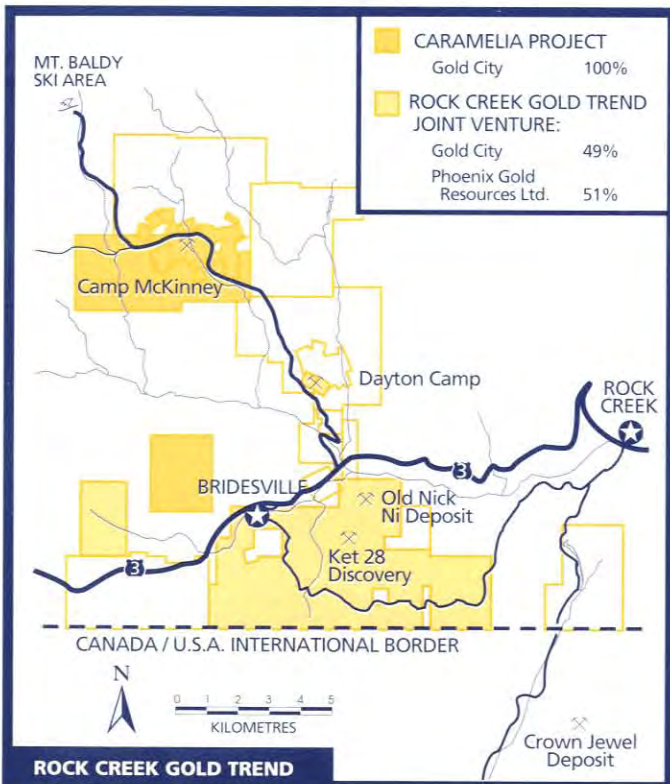


Airborne reconnaissance for old surface workings, Caramelia project.

Dell Project

The Dell project is located near the town of Beaverdell and consists of a 100% interest in 15 mineral claims covering 2,000 hectares, staked by Gold City in 1994. The claims adjoin Teck Corporation's 1,000 hectare mineral property, which includes the former producing Beaverdell mine (Highland Bell). When it closed in 1991, the Mine was the oldest continuously operating mine in British Columbia, with total production of 1.2 billion grams of silver, 531,000 grams of gold, 12,400 tonnes of lead and 14,600 tonnes of zinc.

Historical work done by others, on mineral lands now held by Gold City, indicate good potential for mineral discovery. On the Argentia showing, seven kilometres southwest of Beaverdell, a 1973 diamond drill program conducted by Rio Tinto Canadian Exploration Limited returned values of 4.0% zinc, 1.9% lead, 13.7 grams silver per tonne over 10.7 metres, and 1.6% zinc, 0.7% lead, 6.2 grams silver per tonne over 7.6 metres, on the hanging-wall and foot-wall respectively of a trachyte dyke. On the Wombat showing, 2.5 kilometres southeast of Beaverdell, Canstat Petroleum Corporation geologists in 1980, discovered gold and copper (up to 27 grams gold per tonne and 1.3% copper) within fracture fillings of pyrite, chalcopyrite and malachite in a brecciated granodiorite host rock. Gold City will further test the Argentia and Wombat showings, and conduct general exploration on its claims, in this mineral-rich Beaverdell camp, during 1995.



Auditors' Report

**Morgan &
Company**

Chartered Accountants

P.O. Box 10007, Pacific Centre
Suite 1730 - 700 West Georgia Street
Vancouver, B.C. V7Y 1A1
Telephone (604) 687-5841
Fax (604) 687-0075

We have audited the consolidated balance sheet of Gold City Mining Corporation as at December 31, 1994 and the consolidated statements of loss and deficit and changes in financial position for the 14 months then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and

significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1994 and the results of its operations and the changes in its financial position for the 14 months then ended in accordance with generally accepted accounting principles. As required by the British Columbia Company Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year. The consolidated financial statements as at October 31, 1993 and for the year then ended were audited by another auditor who expressed an opinion without reservation on those statements in his report dated March 17, 1994.

Vancouver, Canada

April 5, 1995



Chartered Accountants

CONSOLIDATED BALANCE SHEET

	As at December 31, 1994	As at October 31, 1993
ASSETS		
CURRENT		
Cash	\$ 147,033	\$ 8,744
Accounts receivable	43,407	-
Subscriptions receivable	-	22,000
Note receivable	142,754	-
	333,194	30,744
MINERAL PROPERTIES AND RELATED DEFERRED EXPLORATION (Note 4)	1,040,222	521,433
OIL AND GAS INTERESTS (Note 5)	30,000	-
CAPITAL ASSETS		
Mining equipment	9,555	150,000
Office equipment	24,142	-
	\$ 1,437,113	\$ 702,177
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 205,206	\$ 549,068
Loans payable (Note 10)	91,136	94,790
	296,342	643,858
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 6)	2,961,634	1,627,877
SHARE SUBSCRIPTIONS (Note 7)	287,501	-
	3,249,135	1,627,877
CONTRIBUTED SURPLUS (Note 8)	140,000	-
	3,389,135	1,627,877
DEFICIT	(2,248,364)	(1,569,558)
	1,140,771	58,319
	\$ 1,437,113	\$ 702,177

Approved by the Directors:




CONSOLIDATED STATEMENT OF LOSS AND DEFICIT

	14 Months ended December 31, 1994	Year ended October 31, 1993
ADMINISTRATIVE EXPENSES		
Accounting, legal and amalgamation costs	\$ 70,360	\$ 7,693
Business development	18,424	-
Consulting and technical fees	75,926	26,200
Financing fees and interest	85,233	-
Office and general	67,263	37,525
Share transfer and regulatory fees	27,629	-
Foreign income tax on dividends from subsidiary	12,525	-
LOSS BEFORE OTHER EXPENSES	357,360	71,418
OTHER EXPENSES		
Write-down of capital assets	-	59,500
Write-off of mineral properties and related deferred expenditures	306,494	200,000
Loss on disposal of subsidiary	36,882	-
Write-off of accounts payable	(21,930)	-
	321,446	259,500
LOSS FOR THE PERIOD	678,806	330,918
DEFICIT, BEGINNING OF THE PERIOD	1,569,558	1,238,640
DEFICIT, END OF THE PERIOD	\$ 2,248,364	\$ 1,569,558

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	14 Months ended December 31, 1994	Year ended October 31, 1993
OPERATING ACTIVITIES		
Loss for the period	\$ (678,806)	\$ (330,918)
Add (deduct) items not involving cash:		
Write-down of capital assets	-	59,500
Write-off of mineral properties and related deferred expenditures	306,494	200,000
Loss on disposal of subsidiary	36,882	-
Depreciation	540	-
	(334,890)	(71,418)
(Increase) decrease in non-cash working capital	(505,524)	21,148
	(840,414)	(50,270)
FINANCING ACTIVITIES		
Shares issued - for cash	45,750	216,922
- for business combination	1,059,857	-
- for settlement of debt	361,500	-
- for mineral properties	6,650	-
Share subscriptions received	287,501	-
Advances from related parties	(3,654)	18,493
	1,757,604	235,415
INVESTING ACTIVITIES		
Proceeds on disposal of capital assets	75,000	-
Purchase of capital assets	(34,482)	-
Purchase of oil and gas interest	(30,000)	-
Acquisition of mineral properties	(389,546)	(145,000)
Deferred exploration (excluding depreciation)	(474,873)	(31,433)
Proceeds on disposal of mineral property	75,000	-
	(778,901)	(176,433)
INCREASE IN CASH	138,289	8,712
CASH, BEGINNING OF THE PERIOD	8,744	32
CASH, END OF THE PERIOD	\$ 147,033	\$ 8,744

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994

1. NATURE OF OPERATIONS

The Company is in the process of exploring and developing its mineral properties, but on the basis of information to date, has not yet determined whether these properties contain ore reserves which are economically recoverable. The underlying value of the mineral properties and related deferred costs is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development, and upon future profitable production.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Parabellum Corporation.

b) Mineral Properties

and Related Deferred Expenditures

The Company capitalizes the cost of acquiring the mineral claims and exploration directly related to specific mineral claims. The costs will be depleted, and deferred costs will be amortized over the useful life of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are allowed to lapse.

c) Capital Assets and Depreciation

Capital assets are carried at cost, depreciation is provided in the accounts on a declining basis

at the following annual rates: Office furniture and equipment 20%; Mining equipment 30%.

d) Foreign Currency Translation

The Company translates items denominated in foreign currency into Canadian dollars as follows:

- (i) monetary items at the rate prevailing at the balance sheet date;
- ii) non-monetary items at the historical exchange rate; and
- iii) revenue and expense items at the average rate in effect during the period.

e) Loss Per Share

Loss per share has not been disclosed as it is not considered meaningful at this stage of the Company's operations.

3. AMALGAMATION

The Company was formed through the amalgamation of Gold City Resources Inc., Providence Industries Inc. and McKinney Mines Corp. effective December 7, 1994. All of the common shares of each of the three companies were exchanged for common shares of Gold City Mining Corporation, except for shares of Gold City Resources Inc. owned by McKinney Mines Corp. which were cancelled without repayment of capital. The number of outstanding common shares of each of the predecessor companies on the date of the amalgamation and the basis of their conversion into common shares of the Company are as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994

	Pre-amalgamation shares outstanding	Ratio	Post- amalgamation shares issued	Percent
Gold City				
Resources Inc.	7,982,652			
Less shares cancelled	1,500,000			
	6,482,652	1:1	6,482,652	29.68%
Providence				
Industries Inc.	4,673,504	0.8:1	5,841,880	26.75%
McKinney				
Mines Corp.	12,369,295	1.3:1	9,514,842	43.57%
Total shares issued	23,525,451		21,839,374	100.0%

The amalgamation has been accounted for by the purchase method with Gold City Resources Inc. being identified as the acquirer, since after the amalgamation the shareholders of Gold City had a dominant position on the Board of Directors of the amalgamated company. The operations of Providence Industries Inc. and McKinney Mines Corp. have been included in these financial statements from the date of acquisition. These financial statements are a continuation of the financial statements of Gold City Resources Inc.

A summary of the acquisition is as follows:

	Providence Industries Inc.	McKinney Mines Corp.	Total
Cash	\$ 96,551	\$ 2,198	\$ 97,849
Intercompany advances and investments (eliminated on amalgamation)	150,000	200,000	350,000
Other current assets - net	(46,410)	(45,735)	(92,145)
Mineral properties	-	298,500	298,500
Deferred exploration	-	184,916	184,916
Oil and gas interests	30,000	-	30,000
Note receivable	159,759	-	159,759
Capital assets	1,254	28,824	30,078
Total	\$ 391,154	\$ 668,703	\$ 1,059,857

4. MINERAL PROPERTIES AND RELATED DEFERRED EXPENDITURES

As at December 31, 1994 accumulated costs in respect to the Company's interest in mineral claims owned, leased or under option consisted of the following:

	Balance Oct. 31, 1993	Acquisition (recoveries)	Exploration costs	Dec. 31 1994
Greenwood M.D.				
Rock Creek	\$ 158,790	\$ (12,000)	\$ 117,828	\$ 264,618
Paulson	17,643	-	13,245	30,888
Caramelia	-	324,650	317,645	642,295
Dell	-	10,571	7,884	18,455
Cariboo M.D.				
WelBar	-	66,325	17,641	83,966
Subtotal	176,433	389,546	474,243	1,040,222
Yukon Properties				
Yukon placers	345,000	(75,000)	36,495	306,495
Yukon (written off)				(306,495)
Total	\$ 521,433	\$ 314,546	\$ 510,738	\$ 1,040,222

In order to maintain its interests in its mineral properties owned and under option, the Company would have the following financial obligations:

\$726,000 in option payments;
525,000 treasury shares to be issued;
\$3,185,000 in exploration expenditures
to be incurred.

Of these amounts, \$114,940, 250,000 shares and \$520,000 respectively would be required in 1995.

5. OIL AND GAS INTERESTS

On amalgamation the Company acquired an incidental interest in an oil and gas property located in Alberta valued at \$30,000.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994

6. SHARE CAPITAL

Authorized: 100,000,000 common shares without par value

Issued:	Shares	Amount
Balance, October 31, 1993	6,207,652	\$ 1,487,877
Issued for cash	1,775,000	245,750
Shares cancelled	(1,500,000)	(200,000)
Pre-amalgamation		
shares outstanding	6,482,652	1,533,627
Issued for acquisition of:		
Providence Industries Inc.	5,841,880	397,154
McKinney Mines Corp.	9,514,842	668,703
Post-amalgamation		
shares outstanding	21,839,374	2,599,484
Issued for settlement of debt	723,000	361,500
Issued for mineral property	35,000	6,650
Balance, December 31, 1994	22,597,374	\$ 2,967,634

a) During the period, directors and officers of the Company exercised stock options for 225,000 shares at \$0.15 per share and 50,000 shares at \$0.24 per share.

b) The Company issued 1,500,000 shares and 1,500,000 warrants under a private placement agreement with McKinney Mines Corp. for \$200,000. The warrants entitled the purchase of 1,500,000 shares at \$0.15 per share. On amalgamation with McKinney Mines Corp., these issued shares and the outstanding warrants were cancelled.

c) Of the issued and outstanding shares, 850,364 are held in escrow; their release is subject to regulatory approval.

d) At December 31, 1994 options were outstanding for the purchase of 700,000 shares.

e) The Company has issued warrants for the purchase of 100,000 shares at \$0.30 per share on or before December 31, 1995; \$0.40 per share on or before December 31, 1996 and \$0.50 per share on or before December 31, 1997 for the acquisition of a mineral property referred to in Note 4 above.

7. SHARE SUBSCRIPTIONS

The Company has received subscriptions to a private placement of 281,864 units at \$1.02 per unit. Each unit consists of three common shares and three warrants. Each warrant entitles the purchase of one common share at a price of \$0.34 to November 30, 1995, and \$0.40 thereafter to November 30, 1996. A finder's fee of \$8,500 has been paid in connection with this private placement. Subsequent to December 31, 1994, 845,592 shares were issued.

8. CONTRIBUTED SURPLUS

Preferred shares with a value of \$140,000 were cancelled during the period without return of capital. The amount paid accrues to the benefit of the remaining shareholders and is recorded as contributed surplus.

9. COMPARATIVE FIGURES

Consolidated comparative figures are for the year ended October 31, 1993 and include the accounts of the Company's wholly owned subsidiary, Yukon Resource Ventures Inc. During the current period the subsidiary was sold.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994

10. RELATED PARTY TRANSACTIONS

The Company has paid \$103,470 to directors, officers and companies controlled by directors for geological and administrative services. Accounts payable include \$50,505 payable to related parties. Loans payable include \$57,636 due to a company related to a director and \$20,000 due to a director.

11. SUBSEQUENT EVENTS

Subsequent to December 31, 1994:

a) A director of the Company has agreed to pay an amount currently in the accounts payable of the Company of \$38,263 and accept liability for payment of loans totalling \$71,136 in exchange for all rights and title to mineral property, chattels and future benefit that may derive from the Yukon property referred to in Note 4.

b) All outstanding options were cancelled and new options were granted for the purchase of 2,275,000 shares at \$0.18, expiring on February 3, 1997.

c) The Company has issued 275,000 shares for the acquisition of mineral properties referred to in Note 4 above.

d) The Company has entered into a private placement agreement, subject to regulatory approval, for 833,334 units at \$0.18 per unit, each unit consists of one share and one warrant entitling the purchase of one common share at \$0.20 in the first year and \$0.25 in the second year.



The late Fred M. Wells, former director and general manager of Cariboo Gold Quartz mine, displays the first gold bricks produced by the pilot mill in 1933. The town of Wells, British Columbia bears his name.

Directors & Officers

John A. Chapman, B.Sc., P.Eng.

President, C.E.O. & Director

John Chapman has twenty-six years experience in the mining industry, both field and corporate, including exploration, mine development and mine operations. Mr. Chapman has strong technical, managerial and administrative skills in addition to skills in debt and equity financing of junior mining ventures.

Lynn W. Evoy

Director

Lynn Evoy is a Senior Management Pilot for Canadian Airlines International. Mr. Evoy has been actively involved with numerous mining companies since 1979, serving in the positions of President, Vice-President, Secretary and Director. Currently, he is a director of six V.S.E. listed companies.

William B. Kure

Director

Bill Kure is an entrepreneur in the mineral exploration and development field, specializing in matching mineral properties with sources of development financing. In addition to managing his personal projects, Mr. Kure has served as a director of other public exploration companies.

Robert E. Miller, B.Sc., P.Eng.

Director

Bob Miller achieved his degree in geological engineering in 1962, and has practised his profession in increasingly senior positions with major mining companies. Mr. Miller now operates his own geological consulting company which specializes in the exploration of precious metals prospects.

Michael K. Roth

Director

Mike Roth has extensive experience in corporate operational management. In addition to his position as President and Fund Manager of a private venture capital firm, Mr. Roth serves as a director or officer of several private and charitable organizations, and is a director of a U.S. publicly traded bio-medical company.

Melvin W. Smale

Director

Mel Smale has thirty-nine years of experience, with an impressive track record, in the planning and construction of some of the largest gold and copper mines in the world. Mr. Smale offers extensive experience in negotiations with governments, unions, design engineering firms, and mine owners.

Sandra I. Sveinson, B.A.

Director

Sandy Sveinson is entering her final year of Mineral Process Engineering at the University of British Columbia. Prior to her engineering studies, Mrs. Sveinson achieved a degree in economics, and authored a socioeconomic impact assessment for a new Northern Canadian gold mine.

William J. Weymark, B.Sc., P.Eng.

Director

Bill Weymark is a professional mining engineer with sixteen years experience in the management and operations of open-pit mines, underground mines, and deep sea bulk loading terminals. Mr. Weymark has a proven track record in starting new operations and turning around existing operations under adverse conditions.

Paul S. White, B.A.Sc., P.Eng., A.L.S., C.L.S.

Director

Paul White has practiced his profession as a mining engineer in areas as diverse as the Yukon and Australia. In addition to his technical skills, Mr. White has founded, financed, and directed the operation of numerous public and private mineral exploration, development, and placer mining companies.

David E. Martin-Smith

Corporate Secretary

Dave Martin-Smith has spent the past six years consulting to junior mining companies in the fields of administration, corporate management and public company accounting. Successes include orchestration of all corporate and financial aspects required to bring a new hardrock gold mining project into production.

Alan D. Campbell, B.Comm.

Assistant Secretary

Al Campbell has over twenty-five years experience owning, managing and directing companies in the finance, real estate and resource industries. He has been involved in the management of resource companies from concept through to public listings status.

Stephen A. Nicholas, B.Sc., M.B.A., P.Eng.

Treasurer & Manager, WelBar Gold Project.

Steve Nicholas has thirteen years of front-line experience as a mining engineer, and has recently completed a Masters in Business Administration. Mr. Nicholas brings to Gold City the experience, skills and qualifications to manage projects completely from evaluation to operations.

Corporate Information

Corporate Office

Gold City Mining Corporation
Suite 902, 626 West Pender Street
Vancouver, British Columbia
Canada V6B 1V9
Telephone: (604) 682-7677
Facsimile: (604) 682-0089

Auditors

Morgan & Company
Vancouver, B.C.

Legal Counsel

Lyons Cawkell
Vancouver, B.C.

Banker

Bank of Montreal
Vancouver, B.C.

Geological Consultants

Charles A.R. Lammle, P.Eng.
Fox Geological Consultants Limited

Registrar & Transfer Agent

Montreal Trust Company of Canada
Vancouver, B.C.
Calgary, Alberta

Stock Exchange Listings & Symbol

The Alberta Stock Exchange (GCP)
The Vancouver Stock Exchange (GCP)
U.S. SEC. 12g3-2(b): 82-2753
Listed, Standard & Poors

Capitalization (common shares)

Authorized: 100 million
Issued (May 9, 1995): 23.8 million

Investor Relations

David Martin-Smith
Alan Campbell

Conversion Table

To Convert:		To:	Divide By:
hectares	ha	acres	0.4047
metres	m	feet	0.3048
kilometres	km	miles	1.6093
grams	g	ounces (troy)	31.1035
tonnes	t	tons (short)	0.9072
grams/tonne	g/t	ounces (troy)/ton	34.2857

Gold City Mining Corporation (GCP) - WelBar Gold Project - Agreements

As at: May 24, 1995

VENDOR	PROPERTY NAME	GCP % W.I.	% NSR	CASH PAID	CASH OPTION	SHARES ISSUED	SHARES OPTION	WARRANTS ISSUED	CASH PAYMENTS (OPTIONAL)						WORK COMMITMENTS (OPTIONAL)										
									1995	1996	1997	1998	1999 Total	2000+	1995	1996	1997	1998	1999	Total	2000+				
Vincent Campbell	Mount Tom	100	2.0	\$5,000	\$150,000	nil	nil	nil	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$150,000	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil	nil
Mosquito Consolidated Gold Mines Limited (note 1)	Mosquito Creek Mine Island Mountain Mine Cariboo Gold Quartz Mine (note 2)	50	nil	\$100,000	nil	100,000	200,000	nil	nil	nil	nil	nil	nil	nil	nil	(note 1)									
Newmont Exploration of Canada Limited	Myrtle & Proserpine	100	3.0	nil	\$75,000	nil	nil	nil	\$5,000	nil	nil	nil	\$70,000	\$75,000	\$20,000	\$30,000	\$30,000	\$30,000	\$40,000	\$150,000					
Williams Creek Explorations Limited	Williams Creek	50	nil	\$20,000	\$175,000	nil	nil	500,000	\$10,000	\$25,000	\$30,000	\$40,000	\$70,000	\$175,000	\$50,000	\$75,000	\$100,000	\$150,000	\$220,000	\$595,000					
Angus & Shearer Group	Warspite	100	3.0	\$6,000	\$187,500	nil	75,000	200,000	nil	\$10,000	\$12,500	\$15,000	\$150,000	\$187,500	nil	\$12,000	\$5,000	\$5,000	nil	\$22,000					
Pacific Mariner Explorations Ltd.	Antler Creek	50	nil	\$20,000	\$175,000	nil	nil	500,000	\$10,000	\$25,000	\$30,000	\$40,000	\$70,000	\$175,000	\$20,000	\$75,000	\$100,000	\$150,000	\$250,000	\$595,000					
Cathedral Gold Corporation	Cariboo-Hudson	75	2.0	\$10,000	\$240,000	75,000	150,000	nil	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$240,000	\$75,000	nil	\$250,000	nil	nil	\$325,000					
TOTALS				\$161,000	\$1,002,500	175,000	425,000	1,200,000	\$45,000	\$85,000	\$97,500	\$120,000	\$385,000	\$1,002,500	\$165,000	\$192,000	\$485,000	\$335,000	\$510,000	(note 1)					

NOTES:

- All cash, shares, and work commitments on all properties within a 50 km radius of the Town of Wells are applicable to the Mosquito Agreement which has a work commitment of \$500,000 by May 1996 and a total of \$2,750,000 prior to March 1998. GCP may form a Joint Venture (JV) with Mosquito at any time following the first year's option. Upon completion of the Mosquito commitments, GCP will have a 50% interest in this JV. All property interests held by GCP located inside the 50 km radius will be included within the Mosquito JV.
- Contingent right to a 50% interest depending on International Wayside Gold Mines Ltd. terminating its option and Gold City satisfying all existing conditions in its agreement with Mosquito.
- Not included in the above figures is a finder's fee of 300,000 shares in relation to the Mosquito transaction. 100,000 shares of this fee have been issued; 100,000 would be issued upon initiation of Mosquito JV, and 100,000 upon commercial production.
- Future payments to Cathedral Gold Corporation will be adjusted according to the Consumer Price Index, and half of the future cash commitments to Williams Creek Explorations Limited and Pacific Mariner Explorations Ltd. can be paid in shares at Gold City's option.
- The NSRs have the following conditions:
 - Campbell: 1% prior to payback, 2% thereafter, \$750,000 to purchase one-half of NSR after payback.
 - Angus & Shearer: \$250,000 to purchase first one percentage point of NSR, \$500,000 to purchase second one percentage point.
 - Cathedral: \$500,000 to purchase each one percentage point of the NSR.

GOLD CITY MINING CORPORATION
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Vancouver, British Columbia
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