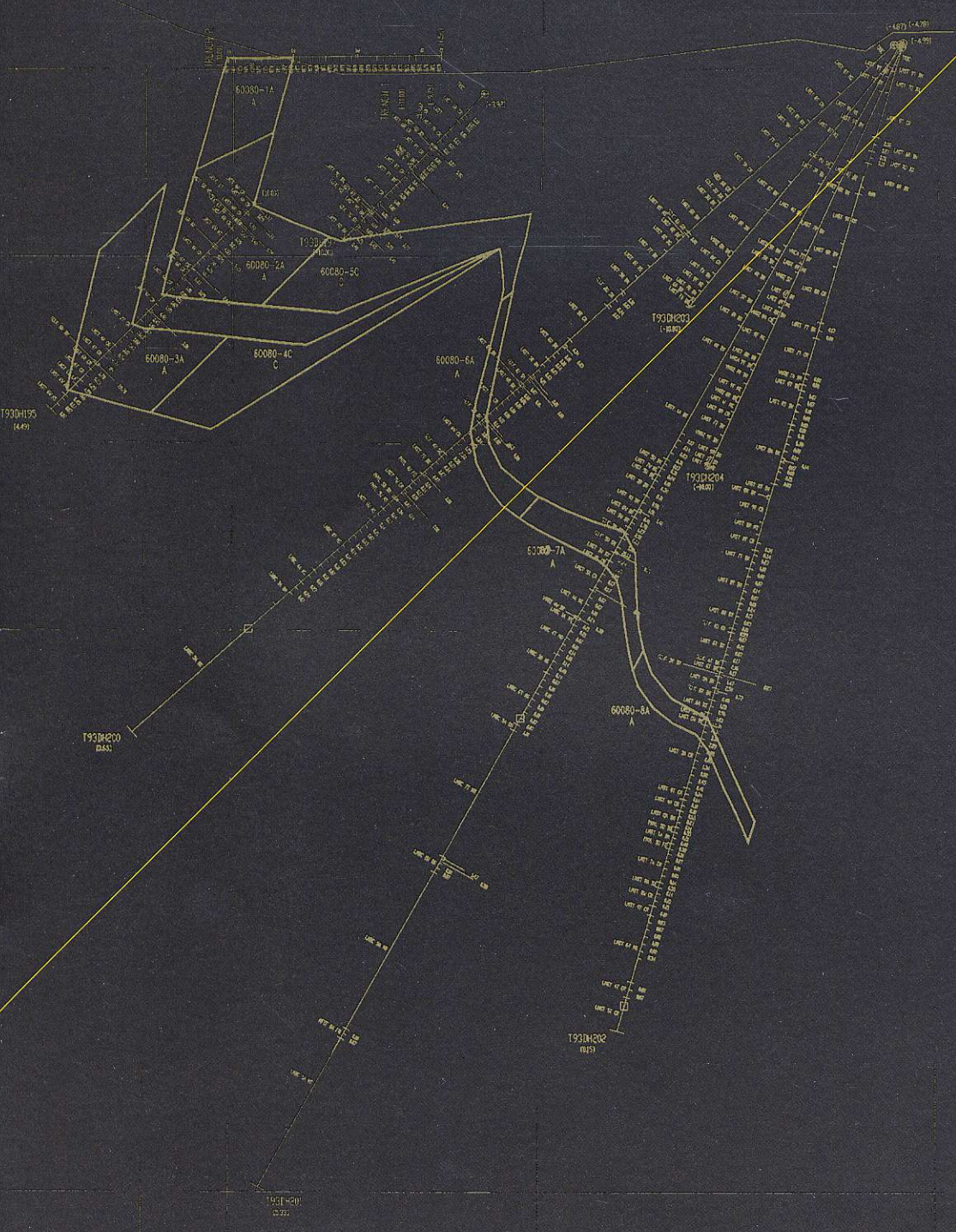


676446

Wheaton River
Minerals Ltd.

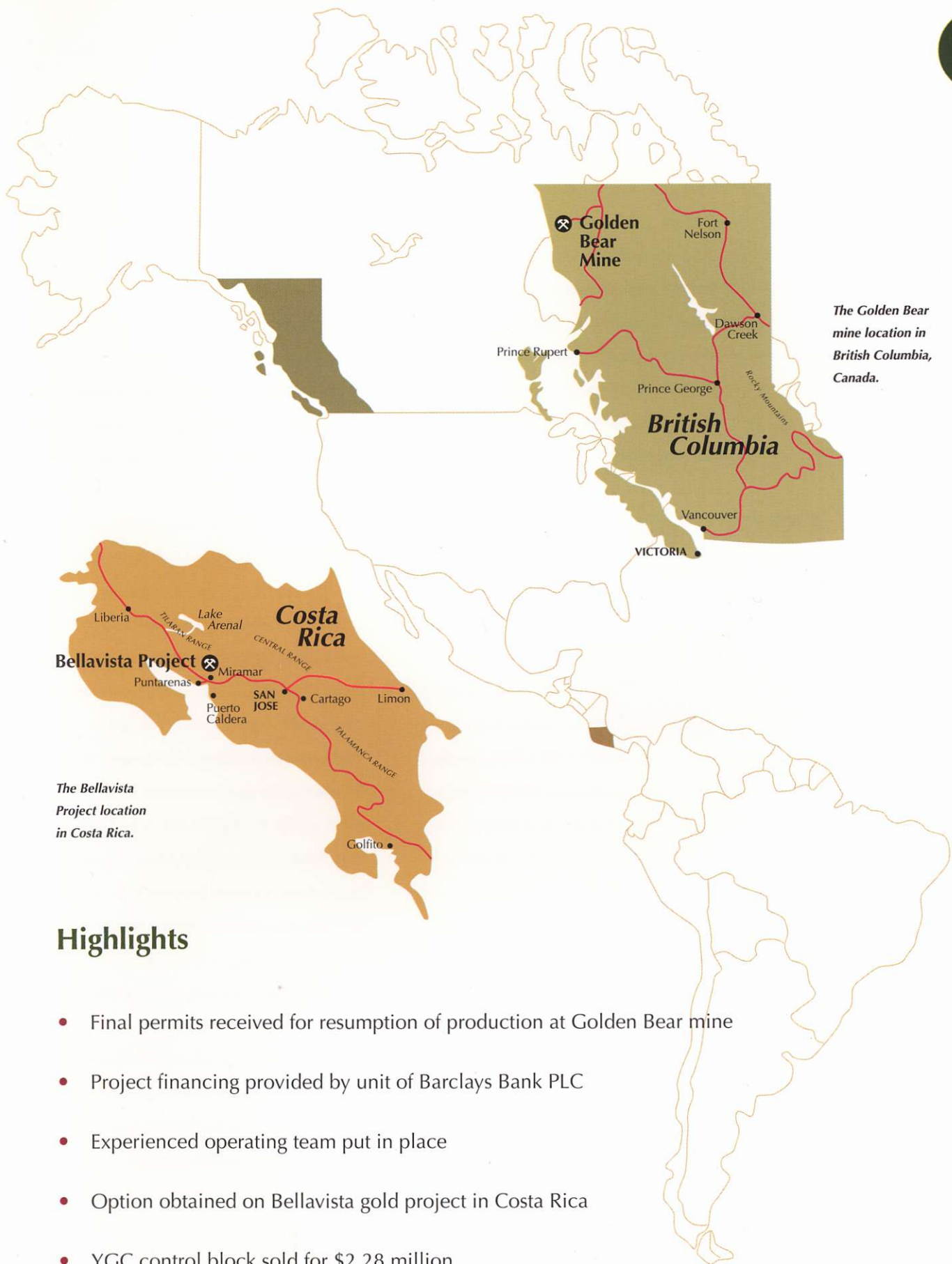
Annual Report
1996



Mission Statement

Wheaton River Minerals Ltd. is a Canadian gold mining company committed to sustained growth and enhancement of shareholder value through the discovery and mining of gold deposits. The Company's exploration focus is near existing facilities in order to take advantage of infrastructures already in place.

Worker safety and environmental protection are paramount considerations.



The Golden Bear mine location in British Columbia, Canada.

The Bellavista Project location in Costa Rica.

Highlights

- Final permits received for resumption of production at Golden Bear mine
- Project financing provided by unit of Barclays Bank PLC
- Experienced operating team put in place
- Option obtained on Bellavista gold project in Costa Rica
- YGC control block sold for \$2.28 million

✧ Directors' Report to Shareholders

Wheaton River Minerals Ltd. is pleased to present its sixth annual report to shareholders. Nineteen-ninety-six was a year of planning and permitting at the Company's Golden Bear mine. Shareholders will see the fruits of this effort as the year progresses and the mine returns to production after a 3-year hiatus.

*John Kalmet
President and
COO (left) and
Ian McDonald
Chairman and
CEO (right).*



Wheaton River also took its first step outside of Canada by negotiating an option to purchase the Bellavista gold project in Costa Rica from Minera

Rayrock Inc. For a low initial cost the Company has been able to obtain an option on a two million ounce gold resource. This step in Wheaton River's progress continues its philosophy of acquiring only advanced stage projects with the goal of developing them into mines in the near future.

The control block in YGC Resources Ltd. held by Wheaton River since 1994 was sold for cash and shares valued at \$2.28 million.

Production at the Golden Bear mine is able to resume in 1997 after a series of events culminating in the approval of a US\$11 million project financing facility provided by Barclays Bank PLC of London,

England. Wheaton River was unable to obtain bank financing last year in time to begin mining.

The project requires C\$9.8 million in capital costs plus a further C\$6 million in working capital. Gold production is expected to be 25,000 ounces in 1997, and average 45,000 ounces annually during the following four years. Projected life-of-mine cash production costs are US\$232 per ounce.

In April, 1997, the Company sold forward 177,000 ounces of gold, for an average price of US\$379 per ounce. The Company also sold forward the US dollars it expects to generate over the next two years. The net result is a gold price in Canadian dollars of \$517 per ounce for the first two years of production, which is close to the price used in the feasibility study. If this price is maintained over the remaining three years of the mine, it is expected to generate \$34 million in cash flow over the next five years.

The Golden Bear mine is owned by North American Metals Corp., an 84%-owned subsidiary of Wheaton River. Net cash flow generated by the Golden Bear mine, subsequent to bank loan repayments, will be used to partially repay the \$82 million in debt owed by North American to Wheaton River.

The proven and probable reserves in the mining plan stand at 252,000 ounces, and Wheaton

River expects that a number of other zones now in the resource category at Golden Bear will be added to the mining plan in the future, extending the life of the mine beyond the initial five years.

Wheaton River made the difficult decision to sell its control block of shares in YGC Resources Ltd. The Company sold six million shares of YGC for total consideration of \$2.28 million, comprising \$1.58 million cash, 438,596 treasury shares of B.Y.G. Natural Resources Inc. and a debenture of B.Y.G. in the amount of \$200,000 which is convertible into 338,983 shares of Trumpeter Yukon Gold Inc. Wheaton River retains 1.3 million shares of YGC, as well as a 2% net smelter return royalty on YGC's Ketz River gold property in the Yukon Territory.

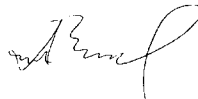
The option obtained by Wheaton River whereby it can earn a 100% interest in the Bellavista project included a payment of \$100,000 on signing, 500,000 shares on June 30, 1997 and a further 500,000 shares a year later. Wheaton has three years to complete a feasibility study, at which time it can exercise its option by paying to Minera Rayrock C\$10 per ounce of recoverable gold.

These ongoing developments have not been accomplished without some cost. The Company issued 6,927,783 shares to net \$5.8 million during 1996. Although funds are in place to develop the Golden Bear mine into production, additional funds will have to be raised if Wheaton River wishes to mount a meaningful program at Bellavista.

Wheaton River is pleased to welcome Raymond Gagnon to its management team as General Manager of the Golden Bear mine. Mr. Gagnon brings 35 years of mining, milling and heap leach experience to Wheaton River. Most recently he was general manager of Greenstone's Santa Rosa mine in Panama. During 1996 Kerry Knoll resigned from the position of Executive Vice-President, after more than five years with the Company, but will remain a director. At this year's annual meeting, the board is asking that John Kalmet replace Donald Moore on the board of directors. Mr. Moore has been with the company since it went public in 1991, and the board would like to thank him for his efforts over the years.

It is rare that a junior company is able to discover, finance and develop into production a new ore-body, something that Wheaton River is doing. It has taken the Company longer than we hoped, and the board of directors would like to thank our excellent operating team for the long hours put into this effort. The directors also thank shareholders for their patience.

On behalf of the Board of Directors,



Ian J. McDonald
CHAIRMAN AND CHIEF EXECUTIVE OFFICER



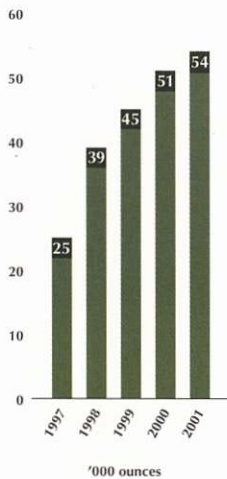
J. John Kalmet
PRESIDENT AND CHIEF OPERATING OFFICER

April 22, 1997

✧ The Golden Bear Mine

With project financing in place, the Golden Bear mine is scheduled to begin producing gold again in 1997. Mining is expected to resume in May, with actual gold production from the heap leach site to commence in September. The mine is expected to yield 25,000 ounces this year, followed by 39,000 ounces in 1998, 45,000 ounces in 1999, 51,000 ounces in 2000 and 54,000 ounces in 2001. Mineable reserves from three near-surface deposits total 1,519,000 tonnes grading 5.1 grams gold per tonne (see reserve table for breakdown).

Estimated gold production/Golden Bear mine.



A feasibility study was prepared by heap leach experts Kappes, Cassidy & Associates of Sparks, Nevada, in early 1996 and revised later in the year to reflect the addition of the Kodiak B deposit into the plan. This deposit, which will be mined by bulk underground methods, complements the Kodiak A and Ursa deposits which will be exploited by separate open pits. The mineable reserves at Kodiak A and Ursa were determined by Strathcona Mineral Services of Toronto, while the Kodiak B estimates were prepared by Peter Bevan, consulting geologist. At the request of the project financier, Barclays Bank PLC of London, England, the overall study was subjected to a technical review by Behre Dolbear & Company of Denver, Colorado. The Behre Dolbear report states "the

low front end capital and robust pretax cash flows combine to make a very attractive project."

The Golden Bear mine was originally developed in 1989 as an underground operation which milled refractory ore. When Wheaton River acquired its controlling interest in 1993 there was less than one year of recoverable ore reserves left. Although Wheaton River quickly made a number of other discoveries on the property, it was not able to maintain continuous production and the mine was shut down in September, 1994 after producing 218,000 ounces.

The new mine will be the first primary heap leach operation in British Columbia, and the Company would like to thank the British Columbia Ministry of Employment and Investment for working with the Company to permit a process which is relatively new to Canada.

Ore mined from the property will be crushed to a maximum size of $\frac{3}{4}$ inch, and then stacked on the leach pads. Due to topography, there are separate pads for the Kodiak and Ursa areas. In the first season, the Kodiak A deposit will be mined and stacked on the nearby pad which was completed last year. At the same time, construction of the

Ursa pad will begin. Beginning in 1998, that pad will be loaded. In the fifth year, the Kodiak B deposit will be mined and stacked on the Kodiak pad. Extensive testing on the Golden Bear ores has shown unusually high recoveries for a heap leach operation. Column leach tests consistently returned in excess of 90% recovery in relatively short periods of time, although the recovery utilized for the feasibility study was 85%.



The heap leach pad at Golden Bear was constructed last year.

Gold collected in solution on the heap leach pads will be recovered in an adjacent carbon adsorption facility. The loaded carbon will be transported to the existing Golden Bear mill, where it will be pressure stripped. The gold will then be recovered by electrowinning, and poured into dore bars for shipment to a refinery.

The rapid recoveries mean that mining and heap leaching can take place on a cost effective basis during the months of June to October. This schedule is flexible enough to be modified on a year-by-year basis, as needed. The schedule also complements the recently-optioned Bellavista project in Costa Rica, where the optimum months for exploration work are November through April.

Reserves and Resources/Golden Bear Mine

Deposit	Category	Tonnes	Grade (g/tonne)	Tons	Grade (oz/ton)	Contained Ounces	Mining Method
Ursa	Mineable	511,000	7.0	563,000	0.204	114,852	Open Pit
Kodiak A	Mineable	824,000	3.3	908,000	0.096	87,168	Open Pit
Kodiak B	Mineable	184,000	8.7	203,000	0.280	57,000	Underground
Kodiak C	Resource	276,000	7.8	304,000	0.230	70,000	Underground
Grizzly	Resource	152,945	20.5	168,545	0.600	101,127	Underground
ELGS	Resource	2,470,000	1.3	2,722,000	0.038	106,000	Stockpile
TOTAL	ALL					536,147	

✦ Bellavista

Wheaton River's option from Minera Rayrock on the

Bellavista gold property in Costa Rica represents an opportunity for the Company to own and operate a second profitable gold mine, with a very low initial cost. Past operators have invested \$US14 million outlining a resource of nearly two million ounces of gold. While Wheaton River does not expect that all of this resource is recoverable at current gold prices, it feels that with further engineering and metallurgical testwork that up to 700,000 ounces could profitably be recovered from the known resource.

There is a 10.7 million tonne open pitable proven and probable reserve which grades 1.76 grams gold per tonne, as estimated by an independent consultant under National Policy 2A (Canada). This was estimated using a 0.80 g/tonne cutoff and a strip ratio of 2.3:1 waste to ore. Of the remaining resource, there is a higher grade section which Wheaton River feels could be mined by underground bulk methods. It contains a mineable resource of 3.6 million tonnes grading 3.3 grams gold per tonne. These two zones together contain nearly one million ounces of gold.

Approximately US\$14 million has been spent on the Bellavista gold project by past operators.

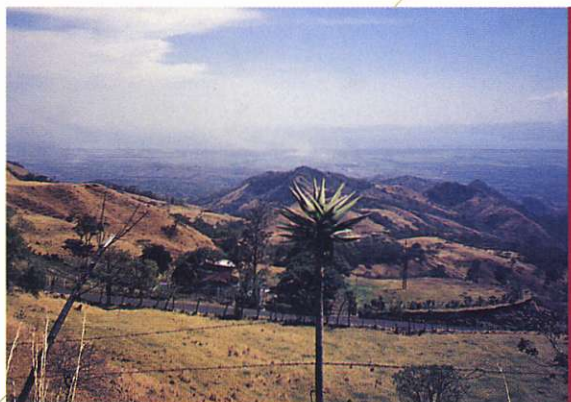
Extensive drilling and bulk sampling programs have been performed. More than 34,000 metres of drilling in 224 holes have been completed, most of it on 25-metre sections. In addition, 926 metres of underground development have been driven into the deposit. Included in the data base are the results from 498 bulk and channel samples. Extensive geotechnical, hydrological, metallurgical and environmental studies have also been carried out.

Minera Rayrock commissioned a feasibility study on the project, prepared by Fluor Daniel Inc., which estimated that 890,000 ounces of gold were recoverable by milling at a cash cost of US\$200 per ounce, and life of mine capital costs of US\$70 per ounce. The study suggested there was considerable potential to increase the mineable gold reserves to more than 1.2 million ounces.

The Bellavista project is located 120 kilometres west of San Jose, the capital of Costa Rica, 11 kilometres from the Pan American highway, and four kilometres from the town of Miramar. It has good road access, and is located near to fuel supplies and the main power grid. The area, including the Bellavista property itself, has a long history of gold mining.

It is likely that in the event a mine is built at Bellavista, it would be able to take advantage of the Free Zone Authority for the processing portion of its facilities. This could confer the ability to import capital and operating supplies free of import duty and provide valuable taxation benefits.

Costa Rica was one of the first Latin American countries to become a democracy. It has the highest literacy rate in the region, state health care and no military. Costa Rica is known as a leading advocate of environmental protection in Latin America, and Wheaton River feels that its experience in permitting British Columbia's first primary heap leach mine should be a valuable asset to the development of Bellavista. Wheaton River plans immediately to initiate engineering and metallurgical programs, as well as an environmental review. Also, a detailed re-examination will be undertaken of the potential of heap/vat leaching these ores in light of recent developments in these technologies.



Bellavista looking west with Pacific Ocean in the distance.

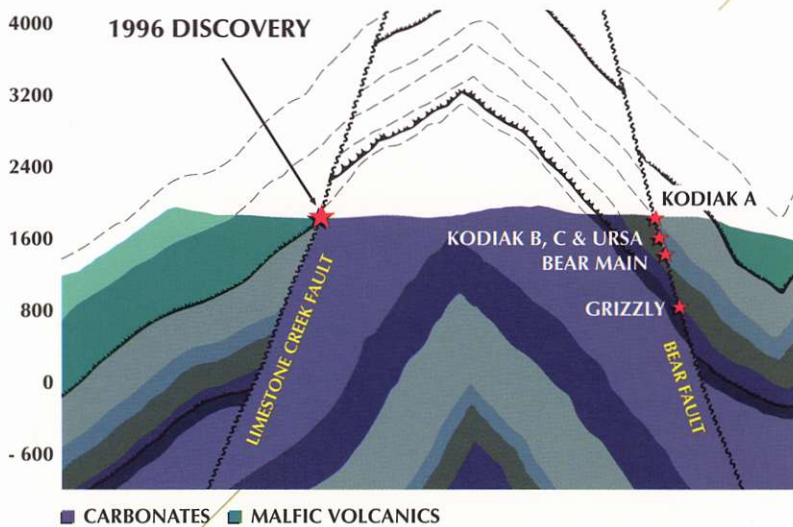
Reserves and Resources/Bellavista Mine

Category	Tonnes	Grade (g/tonne)	Tons	Grade (oz/ton)	Contained Ounces	Mining Method
Total Resource	37,392,000	1.63	41,168,000	0.047	1,958,000	N/A
Proven and Probable	10,745,000	1.76	11,830,000	0.051	608,000	Open Pit
Mineable Resource	3,600,000	3.28	3,964,000	0.096	380,000	Underground

Reserve Expansion

Exploration on the Golden Bear property has had a high degree of success during the four years Wheaton River has been operator. During this time, two of the three deposits making up the current mine plan were discovered, and the third was drilled into proven and probable reserve status. Another Wheaton River discovery, the Grizzly, presents the company with a high grade milling opportunity for the future. Despite this concentrated exploration effort over the years, a great deal of the property remains to be explored, and Wheaton River has committed to maintain an exploration budget as the property progresses towards production. This effort will have two main thrusts. First, the company will work towards adding one or more of the Grizzly, East Low Grade Stockpile or the Kodiak C resources into the mineable reserve

Cross section of the Golden Bear Mine site.



category over the next two years so that reserves are maintained. In other words, to replace reserves as they are depleted by mining. Drilling on one of these, the Grizzly, will begin this spring. Second, the search for new deposits will continue. A number of zones which have considerable potential were discovered during the 1996 exploration season and will be followed up this year. A key target is the Limestone Creek fault, where gold was discovered for the first time late last year. This fault appears to be a mirror image of the Bear Fault system which hosts all of the known gold deposits on the property (see diagram). A drill intercept last year returned 7.9 grams gold per tonne across 4.6 metres. Although stepout holes to the north and south returned little of interest, there is the potential along this fault to locate deposits similar to those now being mined.

The Ridge Zone, situated just above the Kodiak B deposit, is also an appealing exploration target. A small resource of 10,000 ounces was outlined last year, and while this tonnage is not economic to mine it is felt that this zone contains the right structural setting to host another deposit similar to the Kodiak B. It is also felt that the Ridge Zone may intersect the fault hosting the Ursa deposit to the north, and that this target should be further explored by drilling.

Finally, the company believes that there is considerable potential for a repeat of the Kodiak A deposit at depth, and at least two holes will test this theory.

It should be noted that Wheaton River has always taken a serious view of the security and quality control procedures surrounding its assaying. Like most mines, Golden Bear has an assay laboratory on site which is very useful for exploration because it provides information on an expedited basis. It has always been the policy of the exploration department to send assays out for checks at independent laboratories on a regular basis, and to later follow this up by microscope work to insure that the expected gold particles are contained in the remaining drill core. This procedure was audited by Behre Dolbear for Barclays Bank PLC.



Drilling at the Golden Bear site will continue throughout the summer.



Trenching forms an effective prospecting tool at Golden Bear.

Management Discussion and Analysis of Financial Results

Introduction

Wheaton River Minerals Ltd. owns the Golden Bear property located in British Columbia through its 84% owned subsidiary North American Metals Corp. An underground gold mine operated on the property until 1994 when the ore reserves known at that time were depleted. The Company has since found additional gold reserves and open pit mining and heap leach processing will commence in 1997.

Wheaton River's other major asset was the Ketza River gold property in the Yukon Territory which was owned through its subsidiary YGC Resources Ltd. until a majority of the shares in YGC were sold in April 1997.

Results of Operations

The net loss of \$4,200,939 or \$0.13 per share in 1996 was \$7,131,289 less than the 1995 net loss of \$11,332,228 or \$0.46 per share in 1995.

There were no mining operations in 1996 and 1995 and therefore no sales revenue was generated in these years.

Suspended operations expense decreased by \$1,266,943 in 1996 compared to 1995 as a result of a cost control program instituted at the Golden Bear site in 1996 that was able to reduce site holding costs. General and administrative expense decreased by \$399,149 in 1996 due to lower salaries, consulting fees and insurance expense in 1996. Resource assets written down decreased by \$4,287,289 in 1996 compared to 1995. The 1996 write-down consisted of \$1,742,986 when the Carlos property was abandoned and \$683,080 from other uneconomic exploration projects which were mostly at the Golden Bear site. In 1995 the write-downs included \$4,512,496 of Grizzly resource underground development which was deemed uneconomic, \$1,000,000 of Kodiak development that had been damaged by flooding and \$1,200,859 of other uneconomic exploration projects mainly at the Golden Bear site. No provision for reclamation was recorded in 1996 as the Company had fully provided for future reclamation liabilities by 1995.

Liquidity and Capital Resources

Cash decreased by \$1,039,413 in 1996 resulting in a cash balance of \$1,313,365 at year end. Operating activities required \$2,403,156.

Investing activities in 1996 resulted in expenditures on resource assets of \$4,950,863 which consisted mainly of heap leach pad construction at the Golden Bear site and exploration at the Golden Bear site, the Ketza River property and the Grew Creek properties. The Company also received \$393,795 from release of reclamation deposits that were in excess of the amount required to fully fund future reclamation requirements.

Financing activities during 1996 consisted of issuing 6,927,783 shares for proceeds of \$5,820,933.

Outlook

Subsequent to year end the Company reached agreement with a major bank to borrow US\$11 million for construction and working capital requirements at the Golden Bear mine. The bank also provided facilities to allow the Company to hedge both its gold and US dollar exposures. The Company has entered into agreements to sell 177,000 ounces of gold over the life of the Golden Bear project at an average price of US\$379. The company has also sold its anticipated US\$ cash flows for 1997 and 1998 at an average exchange rate of C\$1.364.

The Company anticipates that the Golden Bear mine will produce 214,000 ounces of gold and generate \$34,000,000 in cash flow over the next five years based on currently known reserves. These funds will be used mainly to repay bank financing over the next three years and subsequently to provide for working capital, exploration and acquisitions.

✦ Management's Responsibility for Financial Reporting

The consolidated financial statements contained in this annual report have been prepared by management and are in accordance with accounting principles generally accepted in Canada. Other information contained in this annual report has also been prepared by management and is consistent with the data contained in the consolidated financial statements. A system of internal control is maintained by management to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable.

The Board of Directors ensures that management discharged its financial responsibilities and approves the financial statements. The board's review is accomplished principally through the Audit Committee which is composed of a majority of non-executive directors. The Audit Committee meets periodically with management and auditors to review financial reporting and control matters.

The consolidated financial statements have been audited by Wasserman Ramsay and their report follows.

Ian J. McDonald
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

T. Derek Price
VICE-PRESIDENT FINANCE AND CHIEF FINANCIAL OFFICER

✦ Auditors' Report

To the Shareholders of
Wheaton River Minerals Ltd.

We have audited the consolidated balance sheets of Wheaton River Minerals Ltd. as at December 31, 1996 and 1995 and the consolidated statements of operations, deficit and changes in financial position for the years 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 audits.

We conducted our audits 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, 1996 and 1995 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Toronto, Ontario
FEBRUARY 7, 1997
except note 10 which is as of March 24, 1997

Wasserman Ramsay
CHARTERED ACCOUNTANTS

■ Consolidated Statements of Operations

Years Ended December 31

	1996	1995
Expenses		
Suspended operation expense	\$ 1,421,882	\$ 2,688,825
General and administration	1,723,652	2,122,801
Depreciation, depletion and amortization	106,663	122,642
Resource assets written down (note 3)	2,426,066	6,713,355
Provision for reclamation	—	1,000,000
	<u>5,678,263</u>	<u>12,647,623</u>
Other income		
Interest	288,692	514,621
Gain on sale of marketable securities	144,373	87,189
Other income	262,810	—
	<u>695,875</u>	<u>601,810</u>
Loss before minority interest	4,982,388	12,045,813
Minority interest	(781,449)	(713,585)
Net loss	\$ 4,200,939	\$ 11,332,228
Loss per share	\$ 0.13	\$ 0.46
Weighted average shares outstanding	32,062,073	24,763,112

■ Consolidated Statements of Deficit

Years Ended December 31

	1996	1995
Deficit, beginning of year	\$ (13,662,671)	\$ (2,330,443)
Net loss	(4,200,939)	(11,332,228)
Deficit, end of year	\$ (17,863,610)	\$ (13,662,671)

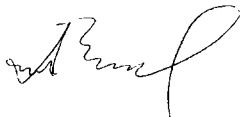
The accompanying notes form an integral part of these consolidated financial statements

■ Consolidated Balance Sheets

December 31

	1996	1995
ASSETS		
Current		
Cash	\$ 1,313,365	\$ 2,352,778
Marketable securities (note 4)	260,000	162,105
Accounts receivable and prepaids	384,478	419,267
Supplies inventory	83,543	267,018
	2,041,386	3,201,168
Resource assets (note 3)	14,589,703	12,171,569
Reclamation deposits (note 5)	3,005,307	3,399,102
	\$ 19,636,396	\$ 18,771,839
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 410,491	\$ 437,879
Minority interest	1,576,356	2,304,405
Provision for reclamation	4,060,766	4,060,766
	6,047,613	6,803,050
SHAREHOLDERS' EQUITY		
Share capital (note 6)	31,452,393	25,631,460
Deficit	(17,863,610)	(13,662,671)
	13,588,783	11,968,789
	\$ 19,636,396	\$ 18,771,839

Approved on behalf of the board:



Ian J. McDonald
Director



Kerry Knoll
Director

The accompanying notes form an integral part of these consolidated financial statements

✦ Consolidated Statements of Changes in Financial Position

Years ended December 31

	1996	1995
OPERATING ACTIVITIES		
Net loss	\$ (4,200,939)	\$ (11,332,228)
Items not involving cash		
Depreciation	106,663	122,642
Resource assets written down (note 3)	2,426,066	6,713,355
Gain on sale of marketable securities	(144,373)	(87,189)
Minority interest	(781,449)	(713,585)
	(2,594,032)	(5,297,005)
Change in non-cash working capital (note 7)	190,876	(399,106)
	(2,403,156)	(5,696,111)
FINANCING ACTIVITIES		
Common shares issued (note 6)	5,820,933	8,005,990
INVESTING ACTIVITIES		
Resource assets	(4,950,863)	(4,827,070)
Reclamation deposits	393,795	(227,146)
Minority interest	53,400	411,687
Provision for reclamation	—	993,018
Marketable securities	(260,000)	—
Proceeds on sale of marketable securities	306,478	283,800
	(4,457,190)	(3,365,711)
Decrease in cash	(1,039,413)	(1,055,832)
Cash, beginning of year	2,352,778	3,408,610
Cash, end of year	\$ 1,313,365	\$ 2,352,778

The accompanying notes form an integral part of these consolidated financial statements

✦ Notes to the Consolidated Financial Statements

December 31, 1996 and 1995

1. DESCRIPTION OF BUSINESS AND STATUS OF OPERATIONS

Wheaton River Minerals Ltd. (the "Company"), through its 84% owned subsidiary, North American Metals Corp. ("NAM"), owns the Golden Bear gold properties located in northwestern British Columbia.

Golden Bear mine operations were suspended in 1994 when the reserves known at that time were depleted. The Company has since defined ore reserves containing 214,000 ounces of recoverable gold in the Ursa, Kodiak A and Kodiak B deposits and plans to commence operations during 1997 if financing is obtained.

Through its 62% owned subsidiary YGC Resources Ltd. ("YGC"), the Company holds the Ketz River gold project in the Yukon Territory, and interests in a number of base metal exploration properties. The Company is conducting exploration programs on these properties either directly or through joint ventures.

The continued operations of the Company and the recover ability of the amounts shown for resource assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing, and upon future profitable production.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

These consolidated financial statements include the accounts of Wheaton River Minerals Ltd, its wholly owned subsidiary 175595 Canada Inc., its 84% owned subsidiary North American Metals Corp., and its 62% owned subsidiary YGC Resources Ltd. as well as YGC's wholly owned subsidiary Ketz River Holdings Ltd. All significant intercompany balances and transactions have been eliminated.

b) Resource assets

Property, plant and equipment are carried at cost, including all costs incurred in the acquisition, exploration and development of the Company's mining properties, less accumulated depreciation, depletion, amortization and write-downs to recognize impairments in value. Property, plant and equipment are depreciated over their estimated useful lives on a straight line basis. However, if the assets relate to a non-producing property, no depreciation will be charged against the property until commercial production commences.

Deferred exploration and development expenditures incurred in the acquisition, exploration and development of the Company's mining properties, net of option payments and government grants received, have been deferred with the intention that the deferred expenditures and the cost of the mining claims and properties be amortized by charges against income, on a units of production basis, from future mining operations. If the mining claims are allowed to lapse or the properties are abandoned, the cost of the mining claims and all associated exploration and development expenditures are written off.

c) Inventories

Inventories of stockpiled ore and in circuit product are valued at the lower of average cost and net realizable value. Inventories of materials and supplies are valued at the lower of average cost and replacement cost net of an accumulated provision for obsolescence.

Notes to the Consolidated Financial Statements

December 31, 1996 and 1995

d) Marketable securities

Marketable securities are valued at the lower of cost or market.

e) Gold sales contracts

Gains or losses on readjustments due to fluctuations in the price of gold are included in income.

f) Provision for reclamation

Reclamation costs on the Company's Golden Bear mine and the Ketz River mine are estimated based on current interpretation of environmental and regulatory requirements and have been fully provided for as at December 31, 1996.

g) Foreign currency translation

U.S. dollar monetary assets and liabilities are translated at the exchange rates prevailing at the balance sheet date whereas revenues and expenses are translated at rates prevailing on the respective transaction dates. Exchange gains and losses are included in operations.

3. RESOURCE ASSETS

	1996	1995
Developed mineral properties	\$ 12,424,432	\$ 9,530,316
Mine plant and equipment	585,766	742,521
Mineral property royalty	375,000	—
Deferred exploration	11,538,739	9,700,237
	24,923,937	19,973,074
Less		
Accumulated depreciation, depletion and amortization	(350,894)	(244,231)
Accumulated write-downs	(9,695,719)	(7,269,653)
Government grants	(287,621)	(287,621)
	\$ 14,589,703	\$ 12,171,569

During 1996, resource assets were written down by \$2,426,066 (1995-\$6,713,355) upon determining that certain properties did not merit further exploration or development. In 1996 the Company abandoned its option on the Carlos Gold property and therefore wrote off all expenditures on these claims. The write down of the Kodiak development in 1995 was to reflect damage caused by severe flooding in 1994.

Notes to the Consolidated Financial Statements

December 31, 1996 and 1995

The write-down is made up as follows:

	1996	1995
Grizzly property exploration and development	\$ —	\$ 4,512,496
Kodiak property development	—	1,000,000
Carlos Gold property	1,742,986	—
Other deferred exploration	683,080	1,200,859
	\$ 2,426,066	\$ 6,713,355

The Company has an interest in the following mining properties:

a) Golden Bear Property, British Columbia, Canada

The Golden Bear mine is located within 82 mining claims and four mining leases in the Atlin mining division of British Columbia held by the Company. Most properties in this group are subject to a 2% net smelter returns royalty. Most properties, excluding the Kodiak B, Kodiak C and Grizzly deposits, are also subject to an additional 2% net smelter returns royalty.

A portion of the property is also subject to a royalty equal to 1% of net smelter returns. No known reserves nor priority exploration targets are located on the areas subject to the royalty. The value of net smelter proceeds produced from these areas must exceed \$22,573,080 before any royalty is payable.

b) Ketz River Properties, Yukon Territory, Canada

The Ketz River properties include 322 mineral claims and leases, a mill and the associated equipment.

c) Other mineral properties

The Company also has interests in other gold and base metal exploration properties. Four of the base metal properties are currently under option to Atna Resources ("Atna") under which Atna has the right to earn a 65% interest in two of the properties by carrying out \$1.5 million in exploration expenditures per property and making payments to the Company totaling 300,000 shares (or \$300,000 at Atna's election) per property, by February 3, 2000. Atna has the right to earn a 65% interest in the other two properties by carrying out \$1.5 million in exploration expenditure per property and making payments to the Company of \$320,000 for one property and \$335,000 on the other property (Atna also can elect to issue shares of 320,000 and 335,000 respectively) by February 3, 2001 and February 3, 2002.

Notes to the Consolidated Financial Statements

December 31, 1996 and 1995

4. MARKETABLE SECURITIES

Marketable securities are shown at cost. Market values of the securities at December 31, are as follows:

	1996	1995
Marketable securities at market values	\$ 2,400,000	\$ 186,750

5. RECLAMATION DEPOSITS

The Company has provided cash deposits to meet its reclamation obligations under agreements with government authorities. These deposits have been placed either directly with a government authority or with banks which provide security to the government authorities. An additional deposit has been placed in a trust to fund future reclamation of the Golden Bear mine site. These deposits are not available for current working capital purposes, however, interest earned on the deposits is available for current purposes.

6. SHARE CAPITAL

- a) Authorized share capital comprises an unlimited number of common shares without par value.
- b) Common shares issued and outstanding

	Shares	Amount
At December 31, 1994	20,331,145	\$ 17,625,470
Issued during 1995 pursuant to:		
Rights offering	3,396,858	3,566,771
Public offering	2,000,000	2,518,000
Flow through share agreements	1,200,000	1,504,000
Exercise of stock options	913,000	957,740
Exercise of warrants	14,346	18,649
Less: share issue costs	—	(559,170)
At December 31, 1995	27,855,349	25,631,460
Issued during 1996 pursuant to:		
Public offering	2,335,000	2,335,000
Property acquisition	300,000	375,000
Public offering	2,665,000	2,665,000
Flow through share agreements	427,783	299,450
Private placement	1,200,000	540,000
Less: share issue costs	—	(393,517)
At December 31, 1996	34,783,132	\$ 31,452,393

✧ Notes to the Consolidated Financial Statements

December 31, 1996 and 1995

c) Share options outstanding

	Options	Exercise prices
At December 31, 1994	1,845,000	\$0.55 to \$3.65
Transactions during 1995		
Granted	2,190,000	\$1.27 to \$1.87
Exercised	(913,000)	\$0.55 to \$1.50
Expired/cancelled	(360,000)	\$1.27 to \$3.65
At December 31, 1995	2,762,000	\$1.05 to \$3.00
Transactions during 1996		
Granted	1,440,000	\$0.49 to \$1.02
Expired/cancelled	(559,000)	\$1.15 to \$3.00
At December 31, 1996	3,643,000	\$0.49 to \$2.15

Share options outstanding at December 31, 1996 expire as follows:

1997	445,000
1998	760,000
1999	253,000
2000	1,505,000
2001	680,000
	3,643,000

d) Warrants outstanding

	Warrants	Exercise prices
At December 31, 1994	2,071,050	\$1.65 to \$4.25
Transactions during 1995		
Issued	2,718,429	\$1.30 to \$1.50
Exercised	(14,346)	\$1.30
Expired	(3,255,133)	\$1.30 to \$4.25
At December 31, 1995	1,520,000	\$1.50 to \$2.50
Transactions during 1996		
Issued	3,000,000	\$1.00 to \$1.30
Expired	(500,000)	\$2.50
At December 31, 1996	4,020,000	\$1.00 to \$1.50

Warrants outstanding at December 31, 1996 expire as follows:

1997	1,020,000
1998	3,000,000
	4,020,000

Notes to the Consolidated Financial Statements

December 31, 1996 and 1995

7. CHANGE IN NON-CASH WORKING CAPITAL

	1996	1995
Accounts receivable and prepaids	\$ 34,789	\$ 225,176
Supplies inventory	183,475	195,994
Accounts payable and accrued liabilities	(27,388)	(820,276)
	\$ 190,876	\$ (399,106)

8. RELATED PARTY TRANSACTIONS

The Company paid consulting fees of \$15,000 (1995-\$10,000) to a company owned by a director of the Company for promotion related services.

9. INCOME TAXES

The Company has tax loss carry-forwards as at December 31, 1996 of approximately \$21 million which will expire between 1999 and 2003. In addition the Company charged operations with an aggregate of approximately \$48 million which has been deferred for income tax purposes. No recognition has been given in these financial statements for the potential income tax benefits associated with these items.

10. SUBSEQUENT EVENTS

a) Golden Bear Project Financing

Subsequent to year end an agreement was reached with a major bank to borrow US\$11 million for the completion of construction and restart of operations at the Golden Bear mine. In addition the bank will provide facilities to allow the Company to hedge its gold price and US dollar exposures. The commitment is subject to satisfactory completion of the loan documentation. The financing agreement requires the Company to provide an additional US\$5 million for use in the project. These funds may be provided either through asset sales or issuing equity. The agreement also requires that the assets of North American Metals Corp., which mainly consist of the Golden Bear mine assets, be pledged to secure repayment of the loan. The Company will also pledge certain marketable securities to secure repayment.

b) Purchase of Additional YGC Shares

The Company agreed to purchase an additional 375,000 shares in YGC at \$0.40 per share subsequent to year end to provide YGC with \$150,000 additional working capital. The Company will own 65% of YGC after the purchase.

c) Sale of YGC Shares

In March 1997 the Company agreed to sell 6 million YGC shares and 2.0 million YGC share purchase warrants owned by the Company. These shares represent a majority of the YGC shares outstanding. The Company will receive \$1,580,000 and shares in the public corporation purchasing the shares that have a current market value of approximately \$500,000. In addition, the purchaser will provide a debenture in the amount of \$200,000 that is convertible into shares of a corporation related to the purchaser. As a result of this transaction the Ketza River properties and the base metal properties optioned to Atna as described in note 3 will no longer be controlled by the Company. This transaction will also result in a loss on disposition for 1997 in the order of \$1.0 million. The Company has also agreed to reduce a royalty it holds on the Ketza River properties to a 2% net smelter return royalty.

Corporate Information

DIRECTORS:

Laurence W. Curtis
President and
Chief Executive Officer
Intrepid Minerals Corporation
Oakville, Ontario

Frederick W. Davidson
Chief Financial Officer
Energold Mining Ltd.
Vancouver, British Columbia

James P. Geyer
Senior Vice-President
Gold Reserve Corporation
Spokane, Washington

Kerry J. Knoll
President
Glencairn Explorations Ltd.
Toronto, Ontario

Ian J. McDonald
Chairman and
Chief Executive Officer
Wheaton River Minerals Ltd.
Toronto, Ontario

Peter Tredger
Vice-President Corporate Affairs
Wheaton River Minerals Ltd.
Vancouver, British Columbia

MANAGEMENT:

Ian J. McDonald
*Chairman and Chief
Executive Officer*

J. John Kalmet
*President and Chief
Operating Officer*

T. Derek Price
*Vice-President, Finance and
Chief Financial Officer*

Dunham Craig
*Vice-President, Exploration
and Corporate Development*

Peter Tredger
Vice-President, Corporate Affairs

Raymond Gagnon
*General Manager,
Golden Bear Mine*

Randy Smallwood
*Project Manager
Golden Bear Mine*

Paul Stein
Secretary

HEAD OFFICE:

Suite 515
330 Bay Street
Toronto, Ontario
M5H 2S8

Investor Relations
1-800-567-6223

Tel: (416) 860-0919
Fax: (416) 367-0182

Website:
www.wheatonriver.com

Subsidiary:
North American Metals Corp.
1500 - 700 West Pender Street
Vancouver, British Columbia
V6C 1G8
Tel: (604) 684-9648
Fax: (604) 684-3123

Listing: Toronto Stock Exchange
Symbol: WRM
SEC 12 (g) exemption number:
82 - 3559

Transfer Agent:
The R-M Trust Company
Toronto, Ontario

Auditors:
Wasserman, Ramsay
Toronto, Ontario

Legal Counsel
Cassels, Brock, Blackwell
Toronto, Ontario