

EXPLORATION PROPERTIES

Gold City holds varying ownership in four gold properties and one nickel-cobalt property in British Columbia; ranging from a 22% interest in the Rock Creek Gold Trend Joint Venture (gold) and a 25% joint venture interest in the WelBar property (gold), to a 100% interest in the Caramelia Gold Property, a 100% interest in the Domin/Dominion Creek properties (gold), and 100% in the Old Nick Nickel-Cobalt Property.

WelBar Gold Property (Cariboo Gold Camp)

The WelBar Gold Property, comprising the Myrtle/Proserpine and the Promise claim groups, is located near Wells, BC, adjacent to International Wayside Gold Mines Ltd.'s (IWA) Cariboo Gold Project. The Cariboo Gold Camp has produced more than 3,000,000 ounces of gold (placer and lode) and IWA currently has a resource of 1,000,000 ounces. Historical lode gold production in the Cariboo Gold Camp has been from ore shoots in quartz veins or replacement deposits hosted by limestone and argillites. Gold City management was unsuccessful in December of 1999 in raising sufficient funds to carry out a proposed exploration program on the Myrtle claims. The Company signed two agreements in early March 2000 whereby Wayside will become a 75% joint venture participant in Gold City's WelBar Property. In March 2000, IWA announced the discovery of a significant new zone of gold mineralization in mudstones in the footwall of the BC vein. Several intersections with gold mineralization of up to 100 metres indicate that this has the potential to be a major discovery. On surface, the BC vein is located 200 metres from the Myrtle claim boundary and dips onto Gold City's ground below the 4000' elevation (at the 1500 Level of the Cariboo Gold Quartz mine, about 365 metres below surface).

Domin and Dominion Creek Gold Properties

Gold City acquired the other 50% interest in the Domin Gold Property located 43 km north northeast of Wells, B. C. from its joint venture partner, AM Technologies in February 2000 (pending regulatory approval). The Company has subsequently (April 17, 2000) entered into an agreement to acquire 100% interest in the Dominion Creek Gold Property, which is contiguous to the Domin Gold Property. The Company has also staked additional claims to give Gold City control of some 15 kilometres of prospective ground along the anomalous Isaac Lake Fault. The Property is underlain by sedimentary rocks of the Isaac and Cunningham formations consisting mainly of argillites, limestone, and siltstones with a complex deformational history and faulting. Auriferous, mesothermal, quartz-sulphide veins are developed in limestone and argillite of the upper Isaac Formation west of the Isaac Lake fault. Mineralized boulders and geochemical anomalies (gold and pathfinder) have been found along the 15-km long trend of gold mineralization. Noranda Exploration Company Ltd. carried out exploration programs from 1986-1988, including diamond drilling totalling 3484 metres in 53 holes. Drill results included 18 intercepts of one to ten metres in thickness and grades ranging from 4 g/t to 40 g/t of gold. An 1180-tonne bulk sample conducted in 1992 produced 14.0 gpt. of gold. Gold City plans on conducting an

Report To The Shareholders

1999 was generally a difficult year for junior mining companies, with most high risk funding being funneled to IPOs for internet and high tech companies, resulting in some junior miners switching to these businesses. In the latter part of the year, some metal prices rebounded; nickel had a significant increase and copper recovered somewhat. Platinum and palladium prices climbed dramatically due to the uncertainty of supplies from Russia. Gold, which tends to fuel the interest in junior exploration companies, failed to maintain its short recovery in November.

The management of your Company has taken the time in 1999 to review over 50 advanced mineral properties, located mainly in the Americas and to evaluate the five exploration properties it currently owns in British Columbia. Offers were made on several of the advanced stage properties, but none were accepted. The geological compilation, assessment, and scoping work carried out by consultants and Gold City management determined that two of the Company's exploration properties warranted further work. Management tried unsuccessfully in December 1999 to raise money to drill excellent geochemical targets on the Myrtle claims of our WelBar Gold Property at Wells, B.C.

Subsequent to year end the Company has consolidated its exploration property land positions through the acquisition of joint venture interests and the optioning of adjacent properties. The Company has also entered into joint venture agreements with International Wayside Gold Mines Ltd. (IWA) on the Company's WelBar Gold Property at Wells, B.C. where IWA has made a significant new gold discovery adjacent to our Myrtle claims (within 200 metres). Refer to the property summary on the following pages.

At year end the Company had a working capital deficit of \$69,195. This deficit was eliminated subsequent to year end through the exercise of warrants and options in early 2000, which provided \$151,433 in working capital. The Company has been funded through the exercise of warrants from private placements and stock options since the restructuring in 1998. Management intends to attract the interest of a brokerage firm in 2000 for future funding.

Management believes that there will be renewed interest in the mining industry in the year 2000 and beyond, with the demand for most metals increasing and some of the monetary gains in the internet and high tech companies returning to mining. There will be increased interest in Canada and British Columbia as companies face greater difficulties and higher costs in the exploration and development of mineral deposits in foreign countries.

Your Company is well placed to take advantage of renewed interest in mining in general and in British Columbia specifically.

Management at Gold City would like to thank our faithful shareholders for their past support and patience. We believe the year 2000 will provide excellent opportunities for the advancement of your Company.

On behalf of the Board of Directors



Fred Sveinson
President & CEO