

aggressive exploration program with a target of 3,000,000 ounces of gold in quartz stockworks and replacement bodies, similar to the Cariboo Gold Camp.

Old Nick Nickel-Cobalt Property

The Old Nick Property, a near-surface nickel/cobalt deposit with an indicated resource of 20.4 million tonnes grading 0.186% nickel is located near Rock Creek, B.C. Limited sample analysis of cobalt prevents applying a cobalt grade to the resource, however, sampling indicates a grade of between 0.01% to 0.015%. Metallurgical test work has shown that this low-grade mineralization responds to leaching and solvent extraction/electro-winning technology, which would allow the production of saleable nickel metal and cobalt on site. Low mining and heap leach costs should allow this project to be economic, if a large bulk tonnage resource is established (50 to 100 million tonnes). Favourable geology, surface trenching, soil geochemistry and IP chargeability indicate that there is potential for this size of deposit. In February 2000, the Company signed an agreement with its joint venture partner, AM Technologies, whereby Gold City will acquire 100% ownership of the Old Nick property (pending regulatory approval). Gold City will seek a joint venture participant for the Old Nick property as it requires a major exploration program and bulk testing program.

Rock Creek Joint Venture (RCGTJV)

The Company is currently negotiating to increase its percent ownership in the RCGTJV and intends to become the joint venture Operator. A modest exploration program will be conducted, focusing on the Ket aeromagnetic anomaly, which has two significant drill intercepts of 49.7 g/t gold over 3.36 metres and 8.6 g/t over 6.1 metres. The Ket is a large anomaly (1.5 km by 3 km) 10 km from the Buckhorn Mountain magnetic anomaly (1.2 km by 2 km) in the state of Washington where the Crown Jewel gold deposit was discovered. It has a resource of 8,000,000 tonnes at a grade of 6.2 g/t gold.

Caramelia Gold Property

The McKinney Gold Camp located at the Company's 100% owned Caramelia Gold Property near Rock Creek, B.C., is one of the oldest gold producers in B.C. with total historic production of approximately 90,000 ounces of gold grading over 0.5 opt. Host rocks are carbonaceous quartzites, argillites, limestone, greenstone and serpentized basic rocks of the highly mineralized Anarchist Group, all of which are intricately folded and faulted. A granodiorite intrusive lies about 1.5 km. to the west. Previous exploration has focused on vein-type deposits. Future exploration will focus on bulk tonnage targets. The Company carried out reclamation in 1999 as a safety precaution, filling in old shafts and raises. Exploration work will be conducted to keep the claims in good standing and the Company is seeking a joint venture participant for the Caramelia Property.

In **summary**, a prime focus of the Company for the future will be to identify mineral deposits already suitable for development, best using the talents of its principals. Necessary exploration will continue, but emphasis will be placed on the development of advanced stage properties to production.

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