676806

News Release

NORTHGATE EXPLORATION LIMITED
Stock Symbol: NGX
Exchange Codes: TSX
Website: www.northgateexploration.ca

Northgate Exploration Limited

NORTHGATE PROJECTS RECORD PRODUCTION AND CASH COSTS FOR 2003

VANCOUVER, January 27, 2003 *(All figures in US dollars except where noted)* – Northgate Exploration Limited (TSX: NGX) today released its production forecasts for 2003.

Highlights

- Northgate forecasts gold production of 294,000 ounces in 2003 from its Kemess South mine, up 4% from the record 282,000 ounces of gold produced during 2002.
- The cash cost of production in 2003, net of by-product credits, is forecast to be $196 per ounce, approximately $7 per ounce lower than the $203 per ounce cash cost achieved during 2002 and consistent with the $192 per ounce cash cost achieved in the fourth quarter.
- Mill production during 2003 is forecast to average 50,275 tonnes per day with the mill operating at 90% availability as it has for each month during the second half of 2002.
- Northgate is proceeding to the pre-feasibility stage at Kemess North early in 2003 and expects to complete a detailed feasibility study by the end of 2003.
- Northgate will invest between $1 – 2 million in exploration within the Kemess Camp during 2003.

Kemess South mine production is forecast to total 50 million tonnes of ore plus waste during 2003, with ore being mined primarily from the central and eastern regions of the existing pit and significant overburden stripped commencing on the western edge of the existing pit in preparation for accessing ore in future years. The stripping ratio during the year is projected to be 1.7:1 compared with the average life of mine stripping ratio of 1.1:1.

Metal production of 294,000 ounces of gold and 77.5 million pounds of copper is anticipated from 18.4 million tonnes of ore. Metallurgical recoveries of 71.5% for gold and 82.5% for copper have been projected. Using copper at $0.75 per pound and silver at $5.00 per ounce as by-product credits, cash costs at the mine are projected to be $196 for the total year assuming a Cdn$/US$ exchange rate of 1.55. The projected cash cost per ounce of gold in concentrate has not been reduced by the capitalization of waste stripping in excess of the life of mine average. In this respect, Northgate's cash costs are considered conservative relative to the costs reported by other gold mining companies, which use the more common Gold Institute methodology. Using the Gold Institute's cash cost methodology, the cash cost of the Kemess mine during 2003 would be $179 per ounce.

Quarterly gold output in 2003 will average 73,500 ounces, however production in the third quarter of the year is forecast to be substantially above the average due to the milling of higher-grade supergene ore, offsetting below average production of 64,000 ounces In the first quarter when lower than average grade hypogene ore is scheduled for milling.

Mill production during 2003 is forecast to average 50,275 tonnes per day with the mill operating at 90% availability as it has for each month during the second half of 2002.

During 2003, Kemess engineers will be working on two projects that will enhance the throughput efficiency of the milling circuit. A trommel magnet will be installed on the ball mills to recover small pieces of broken steel, thereby enhancing the grinding efficiency, and an expert computer system will be integrated into the mill control system further optimizing operations and performance.

By far the most important project that Northgate will undertake during 2003 will be feasibility study work on the Kemess North project. Northgate plans to complete and release a pre-feasibility study by the end of June and proceed with and complete a detailed feasibility study by the end of the year. The projected cost of the feasibility work during 2003 is $2.5 million.

Exploration spending during 2003 should total between $1 – $2 million of which $1 million will be funded using the proceeds of the flow-through share issue completed in December 2002. Exploration will focus on the promising Nugget and Sovereign targets where gold-copper porphyry mineralization was discovered in 2002. Both the Nugget and Sovereign are located to the south, but proximal to the Kemess North deposit.

Projected 2003 Kemess Mine Production

(100% of production basis)	4Q 02	2002	2003E
Tonnes mined (ore plus waste)	11,507,000	42,842,000	50,000,000
Tonnes milled (ore)	4,489,862	17,308,000	18,354,000
Average mill operating rate (tpd)	48,803	47,420	50,275
Gold grade (gmt)	0.730	0.724	0.697
Copper grade (%)	0.236	0.236	0.232
Gold recovery (%)	74	70	71.5
Copper recovery (%)	86	81	82.5
Gold production (ounces)	77,552	282,300	294,000
Copper production (000's pounds)	20,264	72,900	77,500
Cash cost:			
Full absorption method	192	204	196
Gold Institute method	190	192	179

Ken Stowe, President and CEO, commented, "In 2003, we will continue to create additional value by building on the various operating and production records established at Kemess South during 2002 and by completing feasibility work on Kemess North. We will also look to continue our successful exploration program in the highly prospective portfolio of claims surrounding the Kemess South mine. With prices for both gold and copper on the rise, 2003 should be an excellent year for Northgate and its shareholders."

****

Northgate Exploration is in the business of mining and exploring for gold and copper, with a focus on opportunities in North and South America. The Corporation's principal assets are the 275,000-ounce per year Kemess South mine in north-central British Columbia and the adjacent Kemess North deposit, which contains an inferred resource of 5.7 million ounces of gold and is currently the subject of a feasibility study.

This news release contains certain forward-looking statements that reflect the current views and/or expectations of Northgate Exploration Limited with respect to its performance, business and future events. Such statements are subject to a number of risks, uncertainties and assumptions. Actual results and events may vary significantly.

For further information, please contact:

Mr. Terry A. Lyons
Chairman
604-669-3141

Mr. Ken G. Stowe
President and Chief Executive Officer
416-359-8641

News Release

NORTHGATE EXPLORATION LIMITED
Stock Symbol: NGX
Exchange Codes: TSX
Website: www.northgateexploration.ca

Northgate Exploration Limited

NORTHGATE REPORTS RECORD OPERATING RESULTS

VANCOUVER, January 9, 2003 – Northgate Exploration Limited (TSX: NGX) today reported record quarterly and annual operating results from its Kemess South mine in British Columbia.

Highlights

- Kemess had record annual gold production of 282,300 ounces in 2002, including 77,500 ounces of production in the fourth quarter. In addition, Kemess had record annual copper production of 72.9 million pounds, including 20.2 million pounds in the fourth quarter.

- Fourth quarter mill availability was 91% and has exceeded the operating target of 90% in each of the past six months.

- New records for quarterly gold and copper recoveries were set during the fourth quarter of 2002. Gold and copper recoveries were 74% and 86%, respectively, compared to the previous records of 71% and 83% established in the second quarter of 2002. These higher recoveries are a direct result of excellent performance of the two column flotation cells commissioned in the second quarter, which has dramatically exceeded original expectations.

- Average mill throughput for 2002 was 47,420 tonnes per day up over 12% from the 42,084 tonnes per day throughput recorded in 2001. Fourth quarter mill throughput was 48,803 tonnes per day compared with 46,920 in the same period of 2001.

2002 Kemess Mine Production Table

(100% of production basis)	**4Q 02**	4Q 01	**2002**	2001
Tonnes milled (ore)	**4,489,862**	4,316,659	**17,308,000**	15,361,000
Average mill operating rate (tpd)	**48,803**	46,920	**47,420**	42,100
Gold grade (gmt)	**0.730**	0.790	**0.724**	0.855
Copper grade (%)	**0.236**	0.255	**0.236**	0.251
Gold recovery (%)	**74**	65	**70**	66
Copper recovery (%)	**86**	78	**81**	77
Gold production (ounces)	**77,552**	71,452	**282,300**	277,100
Copper production (000's pounds)	**20,264**	18,993	**72,900**	66,300

Ken Stowe, President and CEO, commented, "The various production records established in the fourth quarter of 2002 are the result of the dedicated efforts of our management team over the past two years as we have worked to unlock the true operating potential of the Kemess South mine. In 2003, we will continue to optimize the Kemess operation with the installation of an expert computer system in the mill to increase throughput and the commissioning of a new production drill, which will dramatically improve blasting productivity in the open pit. In 2003, we anticipate an increase in gold production to 294,000 ounces. Operational success at the Kemess South mine and the prospects for reserve growth at Kemess North, combined with the higher price of gold and our well-capitalized balance sheet, has positioned Northgate to generate substantial, sustainable value for its shareholders."

****

Northgate Exploration is in the business of mining and exploring for gold and copper, with a focus on opportunities in North and South America. The Corporation's principal assets are the 275,000-ounce per year Kemess South mine in north-central British Columbia and the adjacent Kemess North deposit, which contains an inferred resource of 5.7 million ounces of gold and is currently the subject of a feasibility study.

This news release contains certain forward-looking statements that reflect the current views and/or expectations of Northgate Exploration Limited with respect to its performance, business and future events. Such statements are subject to a number of risks, uncertainties and assumptions. Actual results and events may vary significantly.

For further information, please contact:

Mr. Terry A. Lyons
Chairman
604-669-3141

Mr. Ken G. Stowe
President and Chief Executive Officer
416-359-8641

News Release

NORTHGATE EXPLORATION LIMITED
Stock Symbol: NGX
Exchange Codes: TSX
Website: www.northgateexploration.ca

Northgate Exploration Limited

NORTHGATE BUYS OUT MINORITY INTEREST IN THE KEMESS MINE

VANCOUVER, February 5, 2003 – Northgate Exploration Limited (TSX: NGX) today announced that it has reached an agreement with Royal Oak Ventures Inc. ("Royal Oak") to acquire its 5% minority interest in Kemess Mines Limited ("Kemess"), in exchange for 7,186,000 common shares of Northgate. The transaction is subject to Toronto Stock Exchange approval and is scheduled to close on or before February 14, 2003.

The purchase of Royal Oak's minority interest in Kemess gives Northgate a 100% ownership in the 280,000 ounce per year Kemess South mine, the Kemess North project and the highly prospective portfolio of exploration claims surrounding both these assets in northern British Columbia. Combined, these assets have in excess of 9 million ounces of gold and 3 billion pounds of copper in mineral reserves and resources.

Consolidating 100% of the Kemess assets eliminates the complexities and restrictions associated with the minority interest structure and will be mildly accretive to earnings and cash flow in 2003.

Since the transaction is a "related party transaction" for securities regulatory purposes, an independent committee of the Board of Directors of Northgate was appointed to consider it. The committee concluded that the transaction was fair from a financial point of view to the shareholders of Northgate.

Ken Stowe, President and CEO, commented, "The purchase of the minority interest in the Kemess assets has been something that we have wanted to achieve for some time and I am pleased that we have been able to negotiate a transaction that provides excellent value for Northgate's shareholders, without depleting our cash reserves or increasing our long-term debt. Furthermore, Northgate is acquiring an additional stake in a well-understood, low-risk asset for a price that does not include the typical premium to Net Asset Value that is associated with similar transactions."

Northgate Exploration is in the business of mining and exploring for gold and copper, with a focus on opportunities in North and South America. The Corporation's principal assets are the 280,000-ounce per year Kemess South mine in north-central British Columbia and the adjacent Kemess North deposit, which contains an inferred resource of 5.7 million ounces of gold and is currently the subject of a feasibility study.

This news release contains certain forward-looking statements that reflect the current views and/or expectations of Northgate Exploration Limited with respect to its performance, business and future events. Such statements are subject to a number of risks, uncertainties and assumptions. Actual results and events may vary significantly.

For further information, please contact:

Mr. Terry A. Lyons
Chairman
604-669-3141

Mr. Ken G. Stowe
President and Chief Executive Officer
416-359-8641

News Release

Northgate Exploration Limited

NORTHGATE EXPLORATION LIMITED
Stock Symbol: NGX
Exchange Codes: TSX
Website: www.northgateexploration.ca

NORTHGATE REPORTS SIGNIFICANTLY HIGHER CASH FLOW AND EARNINGS

Record Production and Increase in Total Resource Position to 11 Million Ounces

VANCOUVER, February 27, 2003 – *(All figures in US dollars except where noted)* - Northgate Exploration Limited (TSX: NGX) today reported cash flow from operations before one-time items and changes in working capital of $9,560,000 or $0.05 per common share (fully diluted) for the fourth quarter and $21,997,000 or $0.18 per common share for the year ended December 31, 2002. Northgate recorded net earnings for the quarter of $356,000 and for the year, a loss of $4,404,000 prior to the one-time cost of closing gold forward contracts.

2002 Highlights

- Record production of 282,300 ounces of gold and 73 million pounds of copper from the Kemess South mine during 2002 compared with 277,000 ounces and 66 million pounds in 2001.
- New records for quarterly gold and copper recoveries were set during the fourth quarter of 2002 of 74% and 86%, respectively. These higher recoveries are a direct result of excellent performance of the two column flotation cells commissioned in the second quarter, which have dramatically exceeded original expectations.
- Drilling during 2002 resulted in an increase of over 1.5 million ounces in total combined gold reserves and resources to 11 million ounces within the Corporation's extensive land package including Kemess South, the Kemess North Project and the newly discovered Nugget Zone.
- Proceeds from two equity issues permitted Northgate to reduce total debt by over $135 million and increased working capital by $19 million.

OPERATING RESULTS

Management's Discussion and Analysis

Northgate reported cash flow from operations (before changes in working capital and various one time costs) of $9,560,000 in the fourth quarter of 2002 and $21,997,000 for the full year, compared with cash flow of $84,000 during the same quarter last year and $12,284,000 for the full year 2001. Net earnings for the quarter and a loss for the full year, before the one-time cost of closing out the gold hedge position and other one-time charges, were $646,000 or $0.00 per common share and $4,114,000 or $0.05 per common share respectively, compared with a loss of $7,744,000 or $0.31 per common share and a loss of 11,063,000 or $0.61 per common share during the same periods last year.

Northgate's total revenues for the fourth quarter and for the year ended December 31, 2002 increased to $32,645,000 and $110,992,000 respectively, compared with $21,915,000 and $98,363,000 for the corresponding periods in 2001. The increased revenues in both periods of 2002 were the result of higher gold and copper production and dramatic improvements in gold prices. The average metal prices received on sales in the fourth quarter of 2002, before hedging, were approximately $322 per ounce of gold and $0.70 per pound of copper compared with $279 per ounce and $0.65 per pound in the fourth quarter of last year. The average London PM Fix in 2002 was $310 per ounce, $39 higher than in 2001. The average LME cash price for copper of $0.71 per pound in 2002 was slightly below the average for 2001 of US$0.72.

Total operating expenses in the fourth quarter of 2002 were $20,167,000, only 8% higher than the corresponding period last year even though mine production was 17% higher and mill throughput increased 4%. Cash costs in the fourth quarter of 2002 were US$194 per ounce, substantially improved from $215 per ounce in the comparable quarter in the previous year and $14 per ounce lower than the first nine months of 2002. Although the copper price was stable, costs were lower in the fourth quarter relative to the first nine months of 2002 due to higher copper and gold production, which resulted from the processing of higher-grade ore at record metal recoveries. Total operating costs for the full year were $76,079,000, compared with $71,579,000 in 2001 reflecting higher throughput and production during the year. Average cash costs for 2002 were US$204 per ounce, an improvement of $5 per ounce from 2001.

Net interest expense declined to $955,000 for the three months ended December 31, 2002 and $5,335,000 for the entire year, down from $1,692,000 and $9,341,000 during the corresponding periods in 2001. The reduction in interest expense is attributable to a substantial reduction in the Corporation's long-term debt as a result of the equity financing completed in June 2002 and a decline in short-term interest rates.

Administrative and general expenses were $596,000 in the fourth quarter, higher than they were in the comparable quarter of 2001 due primarily to legal expenses related to the resolution of the last remaining construction lien against the Kemess property.

Depreciation expenses in the fourth quarter were $8,681,000, compared to $7,548,000 during the corresponding period of 2001. For the year, depreciation was $25,891,000 compared with $24,152,000 in 2001.

Exploration expenses in the fourth quarter were $960,000 and for the full year they were $4,215,000, compared with $278,000 and $840,000 comparable periods of 2001. Exploration expenses were considerably higher in 2002 due to the comprehensive drilling campaign undertaken at Kemess North to upgrade the resource from an inferred to an indicated category.

Capital expenditures during the fourth quarter totaled $1,873,000 compared to $2,317,000 in the fourth quarter of last year. A total of $19,101,000 was expended during the full year compared with $15,156,000 in 2001. The majority of the capital expenditures in the fourth quarter were related to the construction and startup of the new tailings sands plant, which will dramaticly reduce, tailings dam construction costs over the life of the mine.

INCREASED RESOURCES AT KEMESS NORTH AND NUGGET ZONE

The 2002 exploration program in the East and Central Cirque areas of Kemess North determined the ultimate extent of the high-grade porphyry dome structure that was discovered in 2001 and confirmed the continuity of the mineralization in the deposit, allowing the majority of the gold resource to be upgraded from an inferred to an indicated classification. The total resource at Kemess North now contains 6.6 million ounces of gold and 2.4 billion pounds of copper, an increase of 900,000 ounces of gold from 2001.

A total of 42 holes were drilled to depths of between 400 metres and 700 metres in and around the proposed Kemess North pit outline. A higher-grade core (gold equivalent cutoff grade of 0.8 grams per tonne) within the indicated mineral resource at Kemess North is now estimated to contain 185 million tonnes grading 0.511 grams per tonne of gold and 0.275% copper and the contained gold in this zone has grown to over 3 million ounces.

The Nugget Zone, located approximately 1.3 kilometres southwest of the Kemess North pit outline was explored for the first time in 2002 yielding gold-copper porphyry mineralization up to 159 metres thick over a strike distance of 300 metres. The Nugget Zone is now estimated to host an inferred resource of 87 million tonnes at 0.38 grams per tonne of gold and 0.16% copper containing an estimated 1,100,000 ounces of gold and 300 million pounds of copper. The deposit remains open in all directions. In 2003, the Corporation will perform additional diamond drilling to attempt to locate a high-grade core in the Nugget Zone similar to the one found at Kemess North.

The tremendous growth in the Kemess North resource since 2000 is detailed in the following table:

Growth in Kemess North Resource

		Cut-off Grade	Ore			Contained Metals	
Year end	**Resource Category**	**Gold Equivalent (g/mt)**	**(Millions Tonnes)**	**Au Grade (g/mt)**	**Cu Grade (%)**	**Au (ounces)**	**Cu (millions lbs)**
1999	—		74	0.3	0.19	800,000	307
2000	—		360	0.3	0.15	3,500,000	1,200
2001	Inferred	0.6	442	0.4	0.23	5,700,000	2,200
Includes	Inferred	0.8	170	0.5	0.29	2,700,000	1,100
2002	Indicated	0.6	407	0.409	0.224	5,400,000	2,000
	Inferred	0.6	107	0.36	0.18	1,200,000	400
Includes	Indicated	0.8	185	0.511	0.275	3,000,000	1,100

KEMESS SOUTH RESERVE OPTIMIZATION

The mineral reserve estimates for the Kemess South deposit are re-calculated annually by the technical staff at the Kemess South mine. During 2002, a full re-optimization of the mine plan was undertaken, the result of which was the elimination of 6.7 million tonnes of marginal ore reserves and a reduction of 20 million tonnes in waste stripping, bringing the life of mine strip ratio down to 1.05:1 from approximately 1.20:1. By adopting this optimized mine plan, future cash flow of the mine has been enhanced by over $6 million.

MINERAL RESERVES AND RESOURCES

A comparison of reserve and resource estimates for Kemess South and Kemess North as at December 31, 2002 are shown in the following table:

Reserves and Resources	Category	Ore (Tonnes)	Au Grade (g/mt)	Cu Grade (%)	Contained Metals Au (ounces)	Contained Metals Cu (millions lbs)
Kemess South	Proven Reserves	109,360,000	0.712	0.234	2,503,000	564
	Indicated Resource	47,949,193	0.481	0.168	741,515	177
Kemess North	Indicated Resource	407,000,000	0.409	0.224	5,400,000	2,000
	Inferred Resource	107,000,000	0.36	0.18	1,200,000	400
Nugget Zone	Inferred Resource	87,000,000	0.38	0.16	1,100,000	300

1. The Kemess South reserves and resources were calculated using metal prices of $325 per ounce of gold and $0.95 per pound of copper and an exchange rate of 1.50 Cdn$/US$.
2. The Mineral reserve estimates for Kemess South were prepared by Greg Tucker, Chief Mine Engineer, Kemess Mines Ltd. Mr. Tucker is a member of the Professional Engineers of Ontario and the Association of Professional Engineers & Geoscientists of BC and has 17 years experience in mine design, planning and reserve estimation.
3. The mineral resource estimates for Kemess South, Kemess North and the Nugget Zone were prepared by Myles Gao, Senior Geologist, Kemess Mines Ltd. Mr. Gao is a member of the Association of Professional Geoscientists of Ontario and has over 16 years of experience in mine & exploration geology and mineral resource estimation.
4. The resource estimates disclosed above for Kemess North and the Nugget Zone employ a gold equivalent cutoff grade of 0.6 grams per tonne, calculated using a copper price of $0.95 per pound.

SUBSEQUENT EVENTS

On February 10, 2003, Northgate entered into an option agreement with StrataGold Corporation regarding the potential acquisition of an initial 51% interest in the Hyland gold property located in the Quartz Lake area in southeast Yukon. The Hyland property covers 40 square kilometres and has the potential to host a large sediment-hosted gold deposit similar to the multi-million ounce deposits in the Carlin District in Nevada and the Telfer deposit in Australia.

On February 14, 2003, Northgate acquired the 5% minority interest in Kemess Mines Ltd. from Royal Oak Ventures Inc. in exchange for 7,186,000 common shares of Northgate. The purchase consolidates Northgate's ownership interest in the Kemess South mine and the related assets, including the Kemess North project and the highly prospective portfolio of exploration claims surrounding both these assets in northern British Columbia.

OUTLOOK

"The operational improvements achieved in 2002 are generating significant cash flow for the Corporation and the Kemess South mine is now expected to perform consistently for the balance of the mine life at levels which exceed our initial expectations. Further, the expanding resource base at Kemess North and Nugget are particularly exciting and underpin the pre-feasibility study, which is now underway. Northgate is well capitalized and with annual production in 2003 expected to be in excess of 290,000 ounces combined with this expanding resource base, we have tremendous leverage to rising gold prices", said Ken Stowe, President & CEO.

QUARTERLY CONFERENCE CALL

You are invited to participate in the Northgate Exploration Limited live conference call announcing our 2002 year end results and 2003 objectives on Friday, February 28, 2003 at 10:00 a.m. ET. The earnings news release and presentation package will be available the morning of February 28 on Northgate's web site at **www.northgateexploration.ca** under the Press Releases' and Investor Info – Presentations' pages, respectively.

Scheduled speakers for the conference call are Terry Lyons, Chairman, Kenneth Stowe, President and Chief Executive Officer, and Jon Douglas, Senior Vice President and Chief Financial Officer.

How to participate:

You may participate in the Northgate Conference Call by calling **(416) 695-9753** or toll free in North America at **1 (800) 446-4472** with reservation number **T394293S**. To ensure your participation, please call five minutes prior to the scheduled start of the call. The archived teleconference may be accessed by dialing (416) 695-6059 or 1 (866) 475-2020 with reservation number 4293.

Management's presentation will be followed by a question and answer period. To register your request to ask a question, press "1" followed by "4" on a touch-tone phone. The conference call coordinator is immediately notified of all requests in the order in which they are made. The coordinator will then introduce each questioner. If you would like to cancel your request, press "1" followed by "3". If you require assistance at any point during the call, press "0" or call the ConferTech help line at 1-800-473-0602.

****

Northgate Exploration Limited is in the business of mining and exploring for gold and copper, with a focus on opportunities in North and South America. The Corporation's principal assets are the 290,000-ounce per year Kemess South mine in north-central British Columbia and the adjacent Kemess North deposit, which contains an inferred resource of 6.6 million ounces of gold and is currently the subject of a feasibility study.

This news release contains certain forward-looking statements that reflect the current views and/or expectations of Northgate Exploration Limited with respect to its performance, business and future events. Such statements are subject to a number of risks, uncertainties and assumptions. Actual results and events may vary significantly.

For further information, please contact:

Mr. Terry A. Lyons
Chairman
604-669-3141

Mr. Ken G. Stowe
President and Chief Executive Officer
416-359-8641

NORTHGATE EXPLORATION LIMITED

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of United States dollars)

	December 31 2002	December 31 2001
	(unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 4,401	$ 804
Concentrate settlements and other receivables	13,982	11,738
Inventories	7,652	8,041
	26,035	20,583
Other assets	11,215	10,329
Mineral property, plant and equipment	198,481	205,271
	$ 235,731	$ 236,183
LIABILITIES AND TOTAL SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 15,655	$ 21,389
Short-term debt	—	5,886
Current portion of capital lease obligations	2,675	2,659
Current portion of long-term debt	9,000	11,000
	27,330	40,934
Capital lease obligations	9,871	5,064
Long-term debt	55,500	103,162
Site closure and reclamation liabilities	10,298	10,048
	102,999	159,208
Non-controlling interest	3,393	8,924
Shareholders' equity (deficiency) and capital securities (note 3)		
Capital securities	—	87,219
Common shareholders' equity (deficiency)	129,339	(19,168)
	129,339	68,051
	$ 235,731	$ 236,183

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

NORTHGATE EXPLORATION LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in thousands of United States dollars, except per share amounts) (unaudited)

	Three months ended December 31		Year ended December 31	
	2002	2001	**2002**	2001
Revenue	**$ 32,645**	$ 21,915	**$ 110,992**	$ 98,363
Operating costs	**20,167**	18,591	**76,079**	71,579
Administrative and general	**596**	464	**1,670**	2,131
Earnings before interest, taxes, depreciation, depletion and other	**11,882**	2,860	**33,243**	24,653
Other expenses:				
Depreciation and depletion	**8,681**	7,548	**25,891**	24,152
Net interest	**955**	1,692	**5,335**	9,341
Exploration	**960**	278	**4,215**	840
Currency translation losses (gains)	**119**	1,535	**1,129**	163
Mining and capital taxes	**362**	226	**1,318**	1,340
Non-controlling interest	**159**	(675)	**(531)**	(120)
	11,236	10,604	**37,357**	35,716
Earnings (loss) before the following items:	**646**	(7,744)	**(4,114)**	(11,063)
Gain (loss) on settlement of gold forward sales contracts (note 3d)	**—**	—	**(9,839)**	—
Other income (expense)	**(290)**	(7)	**(290)**	1,151
Earnings (loss) for tbe period	**$ 356**	$ (7,751)	**$ (14,243)**	$ (9,912)
Earnings (loss) per share (basic and diluted)	**$ 0.00**	$ (0.31)	**$ (0.14)**	$ (0.58)
Weighted average shares outstanding:				
Basic	**190,621,794**	30,251,156	**123,374,060**	30,251,156
Diluted	**191,466,341**	144,534,133	**124,363,830**	144,192,323

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

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (DEFICIT)

(Expressed in thousands of United States dollars) (unaudited)

	Three months ended December 31		Year ended December 31	
	2002	2001	**2002**	2001
Retained earnings (deficit) at beginning of period	**$(48,842)**	$(22,274)	**$(31,640)**	$(14,230)
Earnings (loss) for the period	**356**	(7,751)	**(14,243)**	(9,912)
Dividends on preferred shares	**—**	—	**(1,166)**	—
Interest on capital securities	**—**	(1,615)	**(1,437)**	(7,498)
Retained earnings (deficit) at end of period	**$(48,486)**	$(31,640)	**$(48,486)**	$(31,640)

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

NORTHGATE EXPLORATION LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of United States dollars) (unaudited)

	Three months ended December 31		Year ended December 31	
	2002	2001	**2002**	2001
CASH PROVIDED BY (USED IN) OPERATIONS				
Earnings (loss) for the period	**$ 356**	$ (7,751)	**$ (14,243)**	$ (9,912)
Non-cash items:				
Depreciation and depletion	**8,681**	7,548	**25,891**	24,152
Non-controlling interest	**159**	(675)	**(531)**	(120)
Unrealized currency translation losses (gains)	**41**	953	**253**	163
Accrual for reclamation costs	**55**	—	**167**	—
Amortization of deferred financing charges	**150**	2	**503**	303
Gain (loss) on disposal of subsidiary	**—**	—	**—**	(1,151)
Other losses (gains)	**(172)**	—	**(172)**	—
	9,270	77	**11,868**	13,435
Changes in non-cash operating working capital:				
Concentrate settlements and other receivables	**(3,222)**	(1,211)	**(2,531)**	(3,356)
Inventories	**(733)**	370	**172**	3,973
Accounts payable and accrued liabilities	**(7,261)**	(1,009)	**(5,058)**	(6,797)
	(1,946)	(1,773)	**4,451**	7,255
INVESTMENTS				
Proceeds received from investments	**—**	—	**—**	4,621
Additions to other assets	**(1,550)**	(277)	**(1,559)**	(2,405)
Additions to mineral property, plant and equipment	**(1,873)**	(2,317)	**(19,101)**	(15,156)
	(3,423)	(2,594)	**(20,660)**	(12,940)
FINANCING				
Repayment of capital lease obligations	**(1,382)**	(425)	**(3,177)**	(2,635)
Capital lease financing	**8,000**	—	**8,000**	—
Repayment of debt	**(8,297)**	(1,009)	**(83,282)**	(12,687)
Issuance of debt	**15,000**	2,963	**27,734**	14,719
Issuance of preferred shares	**—**	—	**56,475**	—
Dividends on preferred shares	**—**	—	**(1,166)**	—
Reduction of minority interest	**(5,000)**	—	**(5,000)**	—
Issuance of common shares and warrants	**881**	—	**108,878**	—
Draw (repayment) of capital securities	**—**	1	**(88,656)**	4,682
	9,202	1,530	**19,806**	4,079
Increase (decrease) in cash and cash equivalents	**3,833**	(2,837)	**3,597**	(1,606)
Cash and cash equivalents at beginning of period	**568**	3,641	**804**	2,410
Cash and cash equivalents at end of period	**$ 4,401**	$ 804	**$ 4,401**	$ 804
Supplementary information:				
Cash paid during the period for:				
Interest on capital securities	**$ —**	$ —	**$ 14,860**	$ —
Other interest	**$ 1,344**	$ 2,784	**$ 18,588**	$ 6,137
Income taxes	**$ —**	$ —	**$ —**	$ —
Non cash financing activities:				
Issuance of common shares on redemption of preferred shares	**$ —**	$ —	**$ 56,475**	$ —

The accompanying notes form an integral part of these financial statements

NORTHGATE EXPLORATION LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Three months and year ended December 31, 2002 and 2001
(Expressed in thousands of United States dollars) (unaudited)

1. Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada. They do not include all the disclosures required by generally accepted accounting principles for annual financial statements and should be read in conjunction with the Corporation's consolidated financial statements including the notes thereto included in the Annual Report for the year ended December 31, 2001. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements.

These financial statements are prepared using the same accounting policies and methods of application as those disclosed in note 2 to the Corporation's consolidated financial statements for the year ended December 31, 2001 except as disclosed in notes 2 and 3(c).

2. Foreign Currency Translation

Effective January 1, 2002, the Corporation adopted the CICA's new standards for the translation of foreign currencies. These bring Canadian practice into alignment with most other industrialized nations. Under the new rules, gains and losses on non-current, monetary items with a fixed and ascertainable life denominated in currencies other than the United States dollar are no longer deferred and amortized over the life of the items but charged directly to earnings as they occur. The change has been applied retroactively, although because the Corporation has no significant non-current, monetary items with a fixed and ascertainable life denominated in currencies other than the United States dollar, there was no impact of this change on the prior period financial statements.

3. Share Capital

(a) Preferred shares:

	Number of shares	Amount
Class A Series 1:		
Balance, December 31, 2001	—	$ —
Issued in Q1 2002 for cash at Cdn$25 per share	1,800,000	28,238
Converted in Q2 2002 for common shares at Cdn$1.51 per share	(1,800,000)	(28,238)
Balance, December 31, 2002	—	—
Class A Series 2:		
Balance, December 31, 2001	—	—
Issued in Q1 2002 for cash at Cdn$25 per share	1,800,000	28,237
Converted in Q2 2002 for common shares at Cdn$1.51 per share	(1,800,000)	(28,237)
Balance, December 31, 2002	—	—
Total preferred shares, December 31, 2002	—	$ —

(b) Common shareholders' equity (deficiency)

	Dec. 31, 2002	Dec. 31, 2001
Common shares (i)	$169,212	$ 12,472
Warrants	8,613	—
Retained earnings (deficit)	(48,486)	(31,640)
	$129,339	$(19,168)

(i) Common shares:

	Number of shares	Amount
Balance, December 31, 2001	30,251,156	$ 12,472
Issued in Q1 – 2002:		
On exercise of previously issued special warrants	15,873,000	12,552
On exercise of previously issued flow-through special warrants	3,865,429	3,396
On exercise of rights at Cdn$1.26 per share	19,841,270	15,690
Share issuance costs	—	(1,440)
Issued in Q2 – 2002:		
Pursuant to a Prospectus offering	60,975,610	73,511
On conversion of convertible preferred shares	59,602,650	56,475
On exercise of options	144,000	85
Other	(2,000)	(2)
Share issuance costs	—	(4,241)
Issued in Q3 – 2002:		
Share issuance costs	—	(167)
Issued in Q4 – 2002:		
Private placement of flow through common shares	722,500	932
Share issuance costs		(51)
Balance, December 31, 2002	191,273,615	$169,212

(c) Stock-based compensation

Effective January 1, 2002, the Corporation adopted the CICA's new handbook section 3870, Stock-Based Compensation and Other Stock-Based Payments. Under the new standard, stock-based payments to non-employees, and employee awards that are direct awards of stock, call for settlement in cash or other assets, or are stock appreciation rights that call for settlement by the issuance of equity instruments, granted on or after January 1, 2002, are accounted for using the fair value based method. No compensation costs are recorded for all other stock-based employee compensation awards. Consideration paid by employees on the exercise of stock options is recorded as share capital and contributed surplus. The Corporation discloses the pro forma effect of accounting for these awards under the fair value based method. The adoption of this new standard has resulted in no changes to amounts previously reported.

During the first and third quarters of 2002, the Corporation granted 140,000 options and 50,000 options, respectively, to officers, directors and employees exercisable at Cdn$1.45 for 5 years. These options vest 20% on each anniversary date for the next four years. During the second quarter, 48,000 previously granted options vested. No options were granted or vested in the fourth quarter of 2002. As options are granted at the quoted market price, no compensation expense is recorded in the Corporation's accounts for share options granted to directors, officers and employees. If the fair value method had been used to determine compensation cost for share options granted to directors, officers and employees, the Corporation's net earnings (loss) and net earnings (loss) per share for the three-month period and year ended December 31, 2002 would have been as follows:

	Q4 – 2002			YTD – 2002		
	As reported	Fair value of options granted & vested	Pro forma	As reported	Fair value of options granted & vested	Pro forma
Net earnings (loss)	$ 356	—	$ 356	$(14,243)	(36)	$(14,279)
Basic earnings (loss) per common share	0.00	—	0.00	(0.14)	—	(0.14)
Diluted earnings (loss) per common share	0.00	—	0.00	(0.14)	—	(0.14)

The fair value of share options was estimated using the Black-Scholes option-pricing model with the following assumptions:

	Year ended December 31, 2002
Risk-free interest rate	4.5%
Annual dividends	—
Expected stock price volatility	95%

The expected life of the options used in the option-pricing model were determined as one-half of the weighted average life of the option terms.

(d) On June 25, 2002, the Corporation closed a Cdn$125 million equity financing in which it issued 60,975,610 common shares and 20,325,203 share purchase warrants. Proceeds from the issue were used to repay long-term debt, close out a portion of the Corporation's gold forward sales position, and for general corporate purposes. Coincident with the closing, all of the Corporation's convertible preferred shares were converted into common shares at Cdn$1.51 per share.

(e) On December 23, 2002, the Corporation issued 722,500 flow-through common shares at Cdn$2.00 per flow-through common share by way of a private placement. Proceeds from the issue will be used to fund 2003 exploration.

4. Financial Instruments

At December 31, 2002, Kemess Mines Ltd. had forward sale commitments with major financial institutions to deliver 350,000 ounces of gold at an average accumulated price of $302 per ounce. These forward sales commitments are in the form of short dated spot deferred contracts. A portion of the position may be brought and settled into income in 2003 and a portion will eventually be rolled into future years as part of the Corporation's commitments under its project loan.

Between December 20, 2002 and January 6, 2003 Kemess Mines Ltd. sold forward 63,700 ounces of gold at an average price of $350 to fix the gold price for un-priced gold in inventory and receivables at December 31, 2002. These forward sales contracts are to be closed out against monthly average gold prices in January, February and March, 2003 as physical gold deliveries are priced.

5. Subsequent Events

On February 14, 2003, Northgate acquired the 5% minority interest in Kemess Mines Ltd. from Royal Oak Ventures Inc., in exchange for 7,186,000 common shares of Northgate.