

CERNER CORP /MO/  
Form 4  
May 09, 2005

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**DEVANNY EARL H III**

(Last) (First) (Middle)  
2800 ROCKCREEK PARKWAY  
(Street)

KANSAS CITY, MO 64117

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**CERNER CORP /MO/ [CERN]**

3. Date of Earliest Transaction  
(Month/Day/Year)  
05/05/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
President

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/05/2005		X		10,000	A	\$ 15.5
Common Stock	05/05/2005		S		5,000	D	\$ 61.75
Common Stock	05/05/2005		S		5,000	D	\$ 62.25
					13,395	D	
					8,395	D	
					3,395 <sup>(1)</sup>	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

number.

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reporting Transaction (Instr. 6)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DEVANNY EARL H III 2800 ROCKCREEK PARKWAY KANSAS CITY, MO 64117			President	

## Signatures

/s/Mary L. Blair, by power of atty  
 05/09/2005  
 \*\*Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The Reporting Person has the following additional beneficial ownership: 2104.4 - Indirect, by trust 768.8 - Indirect, by managed account  
 Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.  
 Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. Creek. AMERICAN STOCK EXCHANGE LISTING Early in 2000, the American Stock Exchange had advised Echo Bay that its listing eligibility was under review because Echo Bay had fallen below two of the exchange's listing guidelines. On May 28, 2002, the Corporation received notification from the American Stock Exchange that Echo Bay was in compliance with the American Stock Exchange continued listing guidelines.  
 DESCRIPTION OF BUSINESS AND PROPERTIES Echo Bay mines, processes and explores for gold. Echo Bay also produced silver at its McCoy/Cove mine in Nevada. Echo Bay has three operating mines: Round Mountain in Nevada, United States; Kettle River in Washington, United States; and Lupin in Nunavut Territory, Canada. Echo Bay operated a fourth mine, McCoy/Cove in Nevada, United States, until March 31, 2002, at which date mining and processing activities were completed. OWNERSHIP % ----- MINES: Round Mountain(1)..... 50 Lupin..... 100 Kettle

River(2)..... 100 DEVELOPMENT PROPERTY: Aquarius.....  
 100 ----- (1) Round Mountain mine production is subject to a net smelter return royalty ranging from 3.53% at gold prices of \$320 per ounce or less to 6.35% at gold prices of \$440 per ounce or more. Its production is also subject to a gross revenue royalty of 3.0%, reduced to 1.5% after \$75.0 million has been paid. (2) K-2 area production at Kettle River is subject to a 5% gross proceeds royalty and a net smelter return royalty ranging from 2% at gold prices of \$300 per ounce or less to 3% at gold prices of \$400 per ounce or more. In 2001, Echo Bay produced a total of 657,784 ounces of gold and 6,451,425 ounces of silver at an average cash operating cost of \$223 per ounce. Echo Bay reports per ounce production cost data in accordance with The Gold Institute Production Cost Standard (the "Standard"). The Gold Institute is an association of suppliers of gold and gold products and includes leading North American gold producers. Adoption of the Standard is voluntary, and the data presented may not be comparable to data presented by other gold producers. Production costs per ounce are derived from amounts included in the audited statements of operations and include mine site operating costs such as mining, processing, administration, transportation, royalties, production taxes, depreciation, amortization and reclamation costs, but exclude financing, capital, development and exploration costs. These costs are then divided by gold ounces produced to arrive at the total production costs per ounce. The measures are furnished to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles. Throughout this Schedule, all references to per ounce production cost data, or cash operating costs in this section, will be in accordance with the Standard. C-3 In 2001, Echo Bay reported a net loss of \$5.7 million on revenues of \$237.7 million. At December 31, 2001, Echo Bay had 3.8 million ounces of gold reserves and 1.1 million ounces of silver reserves. OPERATIONS SUMMARY 2001 2000 1999 ----- GOLD AND SILVER PRODUCTION GOLD PRODUCTION (OUNCES) Round Mountain (50)%(1)..... 373,475 320,064 270,904 Lupin..... 139,327 117,729 -- McCoy/Cove..... 94,633 162,784 124,536 Kettle River..... 50,349 94,086 104,396 ----- Total gold..... 657,784 694,663 499,836 ===== Percentage increase (decrease) from prior year..... (5.3)% 39.0% (6.8)% SILVER PRODUCTION (OUNCES) Total silver-all from McCoy/Cove..... 6,451,425 12,328,297 8,430,072 ===== Percentage increase (decrease) from prior year..... (47.7)% 46.2% (10.4)% ----- (1) Echo Bay's 50% share. REVENUE YEAR ENDED DECEMBER 31, ----- 2001 2000 1999 ----- REVENUE DATA GOLD Ounces sold..... 667,015 676,439 486,592 Average price realized per ounce -- revenue basis..... \$ 305 \$ 319 \$ 325 Average price realized per ounce -- cash basis(1)..... \$ 281 \$ 294 \$ 335 Average market price per ounce..... \$ 271 \$ 279 \$ 279 Revenue (millions of U.S. dollars)..... \$ 203.6 \$ 215.8 \$ 158.2 Percentage of total revenue..... 86% 77% 75% SILVER Ounces sold..... \$7,241,147 \$12,347,779 \$9,173,012 Average price realized per ounce -- revenue basis..... \$ 4.70 \$ 5.28 \$ 5.69 Average price realized per ounce -- cash basis(1)..... \$ 4.77 \$ 5.21 \$ 5.22 Average market price per ounce..... \$ 4.39 \$ 5.00 \$ 5.25 Revenue (millions of U.S. dollars)..... \$ 34.1 \$ 65.2 \$ 52.2 Percentage of total revenue..... 14% 23% 25% ----- Total revenue (millions of U.S. dollars)..... \$ 237.7 \$ 281.0 \$ 210.4 ===== (1) Excludes non-cash items affecting gold and silver revenues, such as the recognition of deferred income or deferral of revenue to future periods for hedge accounting purposes. The effects of changes in sales volume and prices were: YEAR ENDED DECEMBER 31, ----- 2001 2000 1999 ----- (thousands of U.S. dollars) REVENUE VARIANCES Increase (decrease) in volume..... \$(29,968) \$79,770 \$(16,438) Lower gold prices..... (9,154) (4,084) (3,649) Lower silver prices..... (4,170) (5,061) (1,743) ----- Increase/(decrease) in total revenue from the previous year..... \$(43,292) \$70,625 \$(21,830) ===== C-4 The decrease in gold revenue from 2000 to 2001 was primarily due to lower realized gold prices. The decrease in silver revenues from 2000 to 2001 was due to lower grades and decreased production at McCoy/Cove. The increase in gold revenue from 1999 to 2000 was primarily due to the recommissioning of Lupin operations, increased mill grades and recoveries at McCoy/Cove and higher leach pad tons at Round Mountain. The increase in silver revenues from 1999 to 2000 was due to higher grades and increased production at McCoy/Cove. CALCULATION OF CASH OPERATING COSTS AND TOTAL PRODUCTION COSTS Cash operating costs and total production costs are

furnished to provide additional information and are non-GAAP measures. These measures should not be considered in isolation as a substitute for measures of performance prepared in accordance with generally accepted accounting principles and are not necessarily indicative of operating profit or cost from operations as determined under generally accepted accounting principles.

	2001	2000	1999				
PRODUCTION COSTS PER OUNCE OF GOLD PRODUCED							
Direct mining expense.....	\$214	\$192	\$237				
Deferred stripping and mine development costs.....	113	(23)					
Inventory movements and other.....	(2)	(2)	1				
Cash operating costs.....	223	193	215				
Royalties.....	10	9	11				
Production taxes.....	2						
Total cash costs.....	233	204					
Depreciation.....	41	35	58				
Amortization.....	14	20					
Reclamation and mine closure.....	8	12	11				
Total production costs.....	\$296	\$271	\$315				

	2001	2000	1999				
Percentage increase (decrease) from prior year.....	9.2%	(14.0)%	(0.6)%				
CASH OPERATING COSTS PER OUNCE OF GOLD PRODUCED							
Round Mountain.....	\$190	\$195	\$200				
Lupin.....	246	213					
McCoy/Cove.....	252						
Kettle River.....	288	218	238				
Company consolidated weighted average.....	\$223	\$193	\$215				
Percentage increase (decrease) from prior year.....	15.5%	(10.2)%	3.4%				

In 2001, the average cash operating cost per ounce was \$223 compared with \$193 in 2000 and \$215 in 1999. Cash operating costs per ounce were higher in 2001 compared to 2000, reflecting lower production at McCoy/Cove and Kettle River. Cash operating costs per ounce were lower in 2000 compared to 1999, reflecting increased grades and higher production at McCoy/Cove. Echo Bay's consolidated cash operating cost target is \$225 per ounce of gold produced in 2002. The above non-GAAP measures have been calculated on a consistent basis in each period. For reasons of comparability, cash operating costs and total production costs do not include certain items such as property write-downs which do not occur in all periods but are included under GAAP in the determination of net earnings or loss. Cash operating costs and total production costs are calculated in accordance with the "Gold Institute Production Cost Standard". Cash operating costs and total production costs may not be comparable to similarly titled measures of other companies. Cash operating costs and total production costs are used by management to assess profitability and cash flow of individual operations as well as to compare to other precious metal producers. C-5 Operating costs include mining and processing costs for gold and silver sold during the year. The most significant of these costs are labor, consumable materials, repairs of machinery and equipment, fuel, utilities and environmental compliance. The cost of transporting personnel and freight to the Lupin mine is also a significant cost for that operation. The reconciliation of cash operating costs per ounce to the financial statements for the last three years is provided below.

	2001	2000	1999				
RECONCILIATION OF CASH OPERATING COSTS PER OUNCE TO FINANCIAL STATEMENTS thousands of U.S. dollars, except per ounce amounts							
Round Mountain Operating costs per financial statements.....	\$72,049	\$60,501	\$53,055				
Change in finished goods inventory.....	(1,165)	2,062	1,193				
Cash operating costs.....	\$70,884	\$62,563	\$54,248				
Gold ounces produced.....	373,475	320,064	270,904				
Cash operating costs per ounce.....	\$190	\$195	\$200				
Lupin Operating costs per financial statements.....	\$34,721	\$22,883	\$--				
Change in finished goods inventory.....	(469)	2,211	--				
Cash operating costs.....	\$34,252	\$25,094	\$--				
Gold ounces produced.....	139,327	117,729	--				
Cash operating costs per ounce.....	\$246	\$213	\$--				
McCoy/Cove Operating costs per financial statements.....	\$53,016	\$69,920	\$63,429				
Change in finished goods inventory.....	(2,797)	(1,180)	(1,122)				
Cash operating costs.....	\$50,219	\$68,740	\$62,307				
Gold ounces produced.....	94,633	162,784	124,536				
Silver ounces produced.....	6,451,425	12,328,297	8,430,072				
Average gold-to-silver price ratio.....	61.7	55.7	53.6				
Cash operating costs per ounce.....	\$252	\$179	\$221				
Kettle River Operating costs per financial statements.....	\$15,555	\$20,131	\$23,332				
Change in finished goods inventory.....	(1,031)	333	1,551				
Cash operating costs.....	\$14,524	\$20,464	\$24,883				
Gold ounces produced.....	50,349	94,086	104,396				
Cash operating costs per ounce.....	\$288	\$218	\$238				

Consolidated Operating costs per financial statements.....	\$ 175,341	\$ 173,435	\$
139,816 Change in finished goods inventory.....	(5,462)	3,426	1,622
operating costs.....	\$ 169,879	\$ 176,861	\$ 141,438
Gold ounces produced.....	657,784	694,663	499,836
6,451,425 12,328,297 8,430,072 Average gold-to-silver price ratio.....	61.7	55.7	53.6
Cash operating costs per ounce.....	\$ 223	\$ 193	\$ 215

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 C-6 RESERVES The data referred to herein, in respect of mineral reserves and mineral resources, have been verified by Ralph Bullis, Director of Exploration. Mr. Bullis, a full-time employee of Echo Bay, is a "qualified person" within the meaning of applicable Canadian securities regulatory standards. He has verified the data disclosed herein, including any relevant sampling, analytical and test data. Reserves reported for development properties are reviewed by independent third parties in conjunction with feasibility studies. The following table presents mineral reserves by property. A description of each mine follows the "Mineral Reserves" and "Mineral Resources" section. See "Risk Factors" in this Schedule "C" for a discussion of items that could affect Echo Bay's reserve estimates. An "Ore Reserve" or "Mineral Reserve" is the economically mineable part of a measured or indicated resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. An ore reserve or mineral reserve gives effect to diluting materials and allowances for losses that may occur when the material is mined but does not reflect any subsequent losses in leaching or milling. Mineral reserves are further divided into proven and probable mineral reserves. A "Proven Mineral Reserve" comprises the economically mineable part of a measured mineral resource where there is the highest degree of confidence in the estimate. It is restricted to that part of the deposit where production planning is taking place and for which any variation in the estimate would not significantly affect potential economic viability. A "Probable Mineral Reserve" is the economically mineable part of an indicated, and in some cases a measured mineral resource where there is a lesser degree of confidence in the estimate. The underlying preliminary feasibility study must address whether economic extraction can be justified.

MINERAL RESERVES(1) (thousands, except average grades) (proven and probable at December 31)	2001	2000	1999	AVERAGE	CONTAINED	CONTAINED	CONTAINED	TONS
GRADE(2) OUNCES	OUNCES	OUNCES						
								GOLD MINES: Round
Mountain(3)(50%).....	118,490	0.019	2,244	2,609	2,938	Lupin.....	1,367	0.256
434 518 McCoy/Cove.....	430	0.031	13	161	514	Kettle River.....	129	0.194
162	2,632	3,274	4,132	DEVELOPMENT PROPERTIES: Aquarius.....				17,527
0.068 1,189 1,189 1,164	Total gold.....				3,821	4,463	5,296	
SILVER McCoy/Cove.....	430	2.624	1,128	10,899	28,243	Total		
silver.....	1,128	10,899	28,243					

(1) Drill spacing used to determine reserves varies by ore type and are as follows by property: Round Mountain -- 50 to 100 feet for proven reserves, 100 to 200 feet for probable reserves; McCoy/Cove -- 40 to 100 feet for proven reserves, 110 to 230 feet for probable reserves; Lupin -- 15 feet laterally and 65 feet vertically for proven reserves, 75 feet for probable reserves; Kettle River -- 75 feet for proven and probable reserves; Aquarius -- 82 feet for proven and probable reserves. (2) Ounces per ton. (3) Echo Bay's 50% share of tons and contained ounces. Echo Bay reports extractable (mineable) mineral reserves. Reserves do not reflect recovery losses in the milling or heap leaching processes, but do include allowance for dilution of ore in the mining process. C-7 Mineral reserves were estimated based on a gold price of \$300 per ounce at December 31, 2001 (\$300 per ounce at December 31, 2000 and \$325 per ounce at December 31, 1999) and a silver price of \$4.25 per ounce at December 31, 2001 (\$5.00 per ounce at December 31, 2000 and \$5.50 per ounce at December 31, 1999). For more than four years, the market price for gold has traded, on average, below the level used in estimating reserves at December 31, 2001. If the market price for gold were to continue at such levels and Echo Bay determined that its reserves should be estimated at a significantly lower gold price than that used at December 31, 2001, there would be a reduction in the amount of gold reserves. Echo Bay estimates that if reserves at December 31, 2001 were based on \$275 per ounce of gold, reserves would decrease by approximately 13% at Round Mountain, 5% at Kettle River and 2% at the Aquarius development property. There would be no impact on reserves at Lupin and McCoy/Cove. The estimates are based on extrapolation of information developed in the reserve calculation, but without the same degree of analysis required for reserve estimation. Should any significant reductions in reserves occur, material write-downs of Echo Bay's investment in mining properties and/or increased amortization, reclamation

and closure charges may be required. CHANGE IN PROVEN AND PROBABLE MINERAL RESERVES The reconciliation of the change in Echo Bay's share of proven and probable reserves from December 31, 2000 to December 31, 2001 is as follows. GOLD SILVER ---- (millions of ounces) Proven and probable reserves at December 31, 2000..... 4.5 10.9 Production(1)..... (0.8) (9.8) Extensions, discoveries and adjustments Round Mountain.... 0.1 -- ---- ---- Proven and probable reserves at December 31, 2001..... 3.8 1.1

==== (1) Production represents previously modeled, in-situ ounces mined during 2001; this amount does not reflect recovery losses from heap leaching and milling. For further information on mineral reserves for specific mines, see the mines' descriptions below. MEASURED AND INDICATED RESOURCES The term

"Mineral Resource" covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling. Within this mineralization, mineral reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. To qualify as a mineral resource the material must have reasonable prospects for economic extraction, having regard to relevant technical and economic factors. Mineral resources are sub-divided, in decreasing order of geological confidence, into measured, indicated and inferred categories. A "Measured Mineral Resource" is one for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity. An "Indicated Mineral Resource" is one where the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and reasonably to assume continuity of mineralization. The indicated mineral resource estimate is intended to be of sufficient quality to support a preliminary feasibility study which can serve as the basis for development and production planning decisions.

CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING ESTIMATES OF MEASURED AND INDICATED RESOURCES This section uses the terms "measured" and "indicated" resources. We advise U.S. investors that while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. U.S. INVESTORS ARE CAUTIONED NOT TO ASSUME THAT ALL OR ANY PART OF MINERAL DEPOSITS IN THESE CATEGORIES WILL EVER BE CONVERTED INTO RESERVES. C-8 The

following table presents measured and indicated resources by property. Measured and indicated resources for producing mines and development properties are generally estimated by Echo Bay. MEASURED AND INDICATED RESOURCES(1)(2) (thousands, except average grades) (at December 31) 2001 2000 1999 -----

	AVERAGE GRADE(3)	AVERAGE TONS	AVERAGE GRADE(3)	AVERAGE TONS	AVERAGE GRADE(3)	AVERAGE TONS
GOLD Round Mountain (50%)(4).....	0.024	3,914	0.024	9,353	0.022	15,682
Lupin.....	0.215	3	0.263	69	0.275	17
Kettle River.....	0.191	94	0.189	418	0.189	17
McCoy/Cove.....	0.350	100	0.350	100	0.350	2,000

(1) Measured and indicated resources have not been included in the proven and probable ore reserve estimates because even though enough drilling, trenching, and/or underground work indicate a sufficient amount and grade to warrant further exploration or development expenditures, these resources do not qualify under the U.S. Securities and Exchange Commission standards as commercially mineable ore bodies until further drilling, metallurgical work, and other economic and technical feasibility factors based upon such work are resolved. (2)

Quantities of measured and indicated resources are roughly equivalent to the commonly used term "mineralized materials." (3) Ounces per ton. (4) Echo Bay's 50% share. INFERRED RESOURCES An "Inferred Mineral Resource" is the part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The information is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. Due to the uncertainty which may attach to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. CAUTIONARY NOTE TO U.S. INVESTORS

CONCERNING ESTIMATES OF INFERRED RESOURCES This section uses the term "inferred resources." We advise U.S. investors that while this term is recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. "Inferred Resources" have a great amount of uncertainty as to their

existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred resources may not form the basis of feasibility or other economic studies. U.S. INVESTORS ARE CAUTIONED NOT TO ASSUME THAT ALL OR ANY PART OF AN INFERRED RESOURCE EXISTS, OR IS ECONOMICALLY OR LEGALLY MINEABLE. C-9 The following table presents inferred resources by property. Inferred resources for producing mines and development properties are generally estimated by Echo Bay. INFERRED RESOURCES(1) (thousands, except average grades) (at December 31) 2001 2000 1999 -----

	AVERAGE	AVERAGE	AVERAGE	TONS	GRADE(2)	TONS	GRADE(2)	TONS	GRADE(2)			
----- GOLD MINES: Round Mountain (50%)(3).....	29,999	0.014	45,267	0.014								
47,440 0.015 Lupin.....	369	0.314	611	0.326	739	0.337	Kettle River.....	11	0.182	96	0.177	
-- DEVELOPMENT PROPERTIES(4): Aquarius.....	724	0.066	724	0.066	575	0.078						
Ulu.....	1,279	0.326	1,279	0.326	1,509	0.374						
(1) Inferred resources have not been included in the proven and probable ore reserve estimates because even though enough drilling, trenching, and/or underground work indicate a sufficient amount and grade to warrant further exploration or development expenditures, these resources do not qualify under the U.S. Securities and Exchange Commission standards as commercially mineable ore bodies until further drilling, metallurgical work, and other economic and technical feasibility factors based upon such work are resolved. (2) Ounces per ton. (3) Echo Bay's 50% share. (4) Echo Bay's construction and production decisions at its development properties depend on the issuance of appropriate permits and the ability of Echo Bay to obtain required financing. See "Aquarius Development Project" in this Schedule "C".												
ROUND MOUNTAIN Echo Bay owns an undivided 50% interest in and operates the Round Mountain gold mine. An affiliate of Barrick Gold Corporation owns the remaining undivided 50% interest in the joint venture common operation. The Round Mountain gold mine is an open-pit mining operation located 60 miles north of Tonopah in Nye County, Nevada. The property position consists of contiguous patented and unpatented mining claims covering approximately 27,500 acres, while the active project boundary encompasses 7,263 acres. Echo Bay has received patents to convert mineable land to patented status. Patented claims cover all of the current reserves in the ultimate pit. The following table sets forth operating data for the Round Mountain operation from 1997 through 2001. Echo Bay's share of production is 50% of the ounces shown and Echo Bay is obligated to pay 50% of all operating, capital and other related costs. 2001 2000 1999 1998 1997 -----												
Gold produced (ounces) (100%): Heap leached -- reusable pad.....	219,704	141,176	140,988	182,378	268,518	Heap leached -- dedicated pad.....	369,750					
352,132 215,825 221,396 195,558 Milled.....	156,854	139,870	157,901	97,686	6,410							
Other(1).....	642	6,950	27,094	9,044	7,194							
Total.....	746,950	640,128	541,808	510,504	477,680	Mining cost/ton of ore and waste....	\$ 0.83	\$ 0.83	\$ 0.73	\$ 0.66	\$ 0.65	
Heap leaching cost/ton of ore.....	\$ 0.82	\$ 0.68	\$ 0.68	\$ 0.74	\$ 0.61	Milling cost/ton of ore.....	\$ 3.07	\$ 2.80	\$ 2.92	\$ 3.36	\$ 4.38	
Production cost/ounce of gold produced	Direct mining expense.....	\$ 178	\$ 200	\$ 221	\$ 209	208	Deferred stripping cost.....	14	(1)	(19)	(7)	2
Inventory movements and other.....	(2)	(4)	(2)	(4)	(3)							
Cash operating cost.....	190	195	200	198	207	C-10 2001 2000 1999 1998 1997						
Royalties paid.....	18	17	19	20	22	Production taxes.....	2	1	--	3	4	
Total cash cost.....	210	213	219	221	233	Depreciation.....	40	43	48			
Amortization.....	15	18	18	18	18	Reclamation and mine closure....	9	9	7	7		
Total production costs.....	\$ 274	\$ 283	\$ 294	\$ 292	\$ 297							
Capital expenditures (millions)(2).....	\$ 15.0	\$ 4.6	\$ 7.7	\$ 12.6	\$ 30.7	Deferred (applied) mining expenditures (millions)(2).....	\$ (5.3)	\$ 0.4	\$ 5.1	\$ 1.7	\$ (0.4)	
Heap leached-reusable pad: Ore processed (tons/day).....	23,601	24,335	15,602	18,953	26,608	Total ore processed (000 tons).....	8,520	8,785	5,741	6,842	9,552	
Grade (ounce/ton).....	0.035	0.028	0.034	0.036	0.036	Recovery rate (%).....	77.4	61.6	73.4	70.6	74.9	
Heap leached-dedicated pad: Ore processed (tons/day) (100%).....	128,637	141,047	120,020	101,892	107,716	Total ore processed (000 tons) (100%).....	46,438	50,918	44,167	36,783	38,670	
Grade (ounce/ton).....	0.011	0.011	0.011	0.010	0.010	Recovery rate (%).....	(3)	(3)	(3)	(3)	(3)	
Milled:(4) Ore processed (tons/day) (100%).....	10,171	9,304	8,083	7,993	n.m.(5)	Total ore processed (000 tons) (100%).....	3,702	3,387	2,999	2,885	274	
Gold grade (ounce/ton).....	0.050	0.045	0.067	0.045	0.041	Gold recovery rate (%).....	83.7	83.1	87.0	77.9	60.0	
(1) A high-grade occurrence was discovered in April 1992. A small gravity plant was constructed to recover these ounces. (2) Echo Bay's 50% share. (3) For												

dedicated leach pads, a gold recovery rate cannot be calculated until leaching is complete. Based on metallurgical test work completed during 1994 and 1995, the eventual recovery rate is estimated to be approximately 50%. (4) Construction of a mill to treat higher-grade non-oxidized ore was completed in the fourth quarter of 1997. (5) "n.m." means not meaningful. Cash operating costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, please refer to the disclosure under the heading "Calculation of Cash Operating Costs and Total Production Costs" on page C-5. C-11 GEOLOGY AND MINERAL RESERVES Gold mineralization at Round Mountain primarily occurs as electrum, a natural gold/silver alloy, in association with quartz, adularia and pyrite. The oblong open-pit mine is over a mile at its longest dimension and currently more than 1,200 feet from the highest working level to the bottom of the pit. Round Mountain mineral reserves(1)(2) at December 31, 2001 were as follows: AVERAGE GRADE GOLD TONNAGE OF GOLD CONTENT(3) -----

-----	(000's short tons)	(ounces per ton)	(000's ounces)	Round Mountain pit.....
141,057	0.022	3,132	Offloads and heap leach stockpiles(4).....	89,368
0.019	4,488	6,554	0.065	425 ----- Total Proven and Probable-2001.....
0.019	4,488	=====	=====	Proven..... 175,967
0.018	3,173	61,012	0.022	1,315 ----- Total Proven and Probable-2001.....
236,979	0.019	4,488	=====	===== Total Proven and Probable-2000.....
273,206	0.019	5,218	=====	=====

===== (1) Echo Bay's share is 50% of the reserves presented. (2) See "Reserves" in this Schedule "C" for a discussion of the estimation of proven and probable mineral reserves. (3) Reserves include allowances for dilution in mining but do not reflect losses in the leaching process. The average leach recovery rate for the reusable pad in 2001 was 77.4%. The eventual average recovery rate for the dedicated pad is estimated to be approximately 50%. The mill recovery rate was 83.7% in 2001. (4) The offloads consist of approximately 42 million tons of previously crushed, leached and rinsed ore. The heap leach stockpiles consist of approximately 47 million tons of previously unprocessed ore. Sampling and metallurgical testing conducted in 1994 and 1995 confirmed that this material could be profitably processed on the dedicated leach pads. The cut-off grades are 0.006 ounce of gold per ton for oxides and 0.010 ounce per ton for non-oxides. The prospective waste to ore ratio of pit ore is 0.68:1. MINING AND PROCESSING The Round Mountain operation uses conventional open-pit mining methods and recovers gold using four independent processing operations. These include crushed ore leaching (reusable pad), run-of-mine ore leaching (dedicated pad), milling and the gravity concentration circuit. Most of the ore is heap leached, with higher grade oxidized ores crushed and placed on the reusable pad. Lower grade ore, ore removed from the reusable leach pad and stockpiled ore that was previously leached are placed on the dedicated pad. The reusable pad processed 23,601 tons of ore per day in 2001, compared to 24,335 tons per day in 2000. Reusable pad volume varies with ore release, which is determined by the phases of the pit being mined. Reusable pad production increased in 2001 to 219,704 ounces from 141,176 ounces in 2000 due to the processing of higher grade ores and higher recoveries. The dedicated pad processed 128,637 tons of ore per day in 2001, compared to 141,047 tons per day in 2000. Production in 2001 from the dedicated pad was 369,750 ounces, compared to 352,132 ounces in 2000, due to higher recoveries. The mill processed 10,171 tons per day in 2001 producing 156,854 ounces, compared to 9,304 tons per day in 2000 producing 139,870 ounces. The mill facility achieved a recovery rate of 83.7% from both higher-grade oxide and non-oxidized ores during 2001 by employing gravity concentration, fine grinding and cyanide leaching. Round Mountain mine production is subject to a net smelter return royalty ranging from 3.53% at gold prices of \$320 per ounce or less to 6.35% at gold prices of \$440 per ounce or more. Its production is also subject to a gross revenue royalty of 3.0%, reduced to 1.5% after \$75.0 million has been paid. Ore and waste rock were mined at a rate of approximately 194,579 tons per day in 2001 compared to 193,837 tons per day in 2000. C-12 In 2001, Round Mountain purchased a new fleet of eight 240-ton haul trucks at a total cost of \$18.0 million (Echo Bay's share, \$9.0 million). In 2002, Round Mountain plans to purchase four additional 240-ton haul trucks at a total cost of approximately \$9.0 million (Echo Bay's share, \$4.5 million). Mining at Round Mountain is expected to be complete during 2006 (assuming no additions to reserves), with completion of stockpile processing in 2008. The joint venture partners continue to support an aggressive exploration program in the vicinity of the mine in order to add reserves and extend the mine life. In 2001, the operation conducted an exploration program to explore for geologic environments similar to the Round Mountain deposit. In 2002, Round Mountain is expected to produce approximately 700,000 ounces (Echo Bay's share, 350,000 ounces), 6% less than 2001's production of 746,950 ounces (Echo Bay's share, 373,475 ounces) reflecting anticipated lower dedicated pad recovery from previously leached stockpiled material. See



"Risk Factors" in this Schedule "C". LUPIN The Lupin mine is an underground operation located 250 miles northeast of Yellowknife in the Nunavut Territory of Canada, 56 miles south of the Arctic Circle. The Lupin mining lease covers 6,998 acres. The principal lease was renewed for 21 years in 1992 and, provided Echo Bay has complied with its terms, is renewable for further 21 year periods subject to any applicable regulations then in effect. The lease was granted by the Department of Indian Affairs and Northern Development on behalf of the Crown and is subject to the provisions of the Territorial Lands Act (Canada) and the Canada Mining Regulations. The lease is in good standing. For a discussion regarding Inuit ownership interests see "-- Other -- Governmental and Environmental Regulation" in this Schedule "C". Based on current reserves of 350,000 ounces and other resources of 0.4 million tons at an average grade of 0.314 ounces of gold per ton, the mine plan projects production through 2004. Drilling indicates additional mineralization at depth, which if confirmed by additional drilling, could extend the mine life for several more years. The Ulu satellite deposit, located approximately 100 miles north of Lupin, represents the potential for additional mill feed for the site. C-13 The following table sets forth operating data for the Lupin mine from 1997 through 2001:

	2001	2000	1999(1)	1998(1)	1997
Gold produced (ounces).....	139,327	117,729	--	--	165,335
Mining cost/ton of ore..... Cdn.\$	47.35	Cdn.\$ 42.36	--	--	Cdn.\$ 46.09
Milling cost/ton of ore..... Cdn.\$	13.43	Cdn.\$ 13.98	--	--	Cdn.\$ 11.77
Production cost/ounce of gold produced: Canadian dollars: Direct mining expense..... Cdn.\$	420	Cdn.\$ 344	--	--	Cdn.\$ 381
Deferred mine development.....	(16)	(6)	--	--	13
Inventory movements and other.....	--	--	--	--	(1)
Cash operating cost..... Cdn.\$	404	Cdn.\$ 338	--	--	Cdn.\$ 393
U.S. dollars: Cash operating cost..... US\$	246	US\$ 213	--	--	US\$ 284
Royalties.....	--	--	--	--	--
Production taxes.....	--	--	--	--	--
Total cash cost.....	246	213	--	--	284
Depreciation.....	30	27	--	--	71
Amortization.....	7	8	--	--	24
Reclamation and mine closure.....	14	17	--	--	14
Total production cost..... US\$	297	US\$ 265	--	--	US\$ 393

Capital expenditures (millions US\$)..... \$ 2.6 \$ 4.7 -- -- \$ 12.3  
 Deferred (applied) mining expenditures (millions US\$)..... \$ 1.5 \$ 0.4 -- -- \$ (1.8)  
 Milled: Ore processed (tons/day)..... 1,883 1,861 -- -- 2,167  
 Total ore processed (000 tons)..... 685 508 -- -- 789  
 Grade (ounce/ton)..... 0.218 0.248 -- -- 0.226  
 Recovery rate (%)..... 93.2 93.3 -- -- 92.6  
 (1) The Lupin mine was under care and maintenance in 1999 and 1998 and recommenced production in April 2000. Cash operating costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, please refer to the disclosure under the heading "Calculation of Cash Operating Costs and Total Production Costs" on page C-5.

**GEOLOGY AND MINERAL RESERVES** Gold at the Lupin deposit occurs in a Z-shaped isoclinally folded iron formation of Archean age. Gold is associated with pyrrhotite, arsenopyrite and quartz. Lupin mineral reserves(1) at December 31, 2001 were as follows:

AVERAGE GRADE	TONNAGE OF GOLD	GOLD CONTENT(2)			
(000's short tons)	(ounces per ton)	(000's ounces)	Center Zone	East Zone	West Zone
493	0.278	137	128	0.226	27
590	0.251	148	156	0.263	38
1,367	0.256	350	949	0.254	241
418	0.259	109	Total Proven and Probable-2001		
1,678	0.259	434	Total Proven and Probable-2000		

(1) See "Reserves" in this Schedule "C" for a discussion of the estimation of proven and probable mineral reserves. (2) Reserves do not reflect losses in the milling process but do include allowance for dilution of ore in the mining process. The mining recovery factor was estimated at 85%. The average mill recovery rate in 2001 was 93.2%. C-14 The cut-off grade used in the reserve calculation is 0.204 ounce of gold per ton except for portions of the East Zone where a cut-off grade of 0.150 ounce of gold per ton was used. The lower grade East Zone represents 6% of total reserves at Lupin. **MINING AND PROCESSING** Access to the Lupin underground mine, removal of ore and waste, and movement of personnel within the mine is by a shaft developed to a depth of 3,970 feet and by a ramp driven to a depth of 4,510 feet. The first phase of the winze (internal shaft) has been developed between the 3,450 foot level and the 4,400 foot level, allowing removal of ore and waste from deeper within the mine. However, additional ground support is required and longer truck haulage distances are a factor as the depth increases. As a result, mining in the deeper levels of the mine is slower and more expensive. The mill processed 1,883 tons per day in 2001 compared to 1,861 tons per day in 2000. Production increased due to a full year of production in 2001 compared to nine months of production in 2000, partially offset by the mining and milling of lower grade ore. In 2002, Lupin is expected to produce 140,000 ounces, approximately the same amount as in 2001.

See "Risk Factors" in this Schedule "C".

**SUPPLIES, UTILITIES AND TRANSPORTATION** The Lupin mill facilities and mine are in a remote location in the sub-Arctic region of Canada. Echo Bay must, therefore, prepare for and respond to difficult weather and other conditions. At the mine, Echo Bay maintains supplies of spare parts and other materials, including fuel, in excess of that required at less remote locations. The principal supplies needed for the operation of the Lupin mine are diesel fuel, chemical reagents (including lime, cyanide and zinc), cement, grinding media, drill steel, equipment parts, lubricants, food and explosives. The largest single item is diesel fuel, which is used principally to generate power. A diesel-powered generating plant provides power for all the Lupin facilities. The powerhouse has a primary installed capacity of approximately 18,000 kilowatts, which is supplemented by additional standby generators having a combined capacity of 1,500 kilowatts. Heating for the Lupin facilities is obtained by using waste heat from these generators augmented by oil-fired boilers. All equipment, materials and supplies must be transported to the mine from Edmonton or Yellowknife. Personnel are transported from these locations and from Kugluktuk and Cambridge Bay in the Nunavut Territory. In 2001, the cost of transporting personnel, equipment, material and supplies to Lupin was approximately \$5.2 million. Each year since 1983, Echo Bay has completed a 360-mile ice road commencing 40 miles northeast of Yellowknife and ending at the Lupin mine. This is the most economical way of transporting bulk items, including fuel, to the mine. Winter road operating costs are shared with other users. The winter road is usable for approximately 12 weeks each year beginning in mid-January, during which time tractor-trailers can transport all of Echo Bay's annual requirements for diesel fuel, chemical reagents and other supplies. There are on-site facilities for the storage of approximately 5.4 million U.S. gallons of diesel fuel, which is in excess of the mine's annual requirements. In order to operate the winter road, Echo Bay is required to obtain certain licenses from the Federal and Territorial Governments. To date, Echo Bay has experienced no significant difficulties in obtaining these licenses. The current license of occupation expires in 2003. The process to file a new application for a jointly held license of occupation among major road users is underway. Surface facilities at the Lupin mine include a 6,300-foot compacted gravel airstrip with an instrument landing and navigation system and runway lighting. Supplies and personnel that must be brought in by air are transported principally on Echo Bay's Boeing 727 aircraft, which carries up to 114 passengers, or up to 35,000 pounds of freight, or a combination of both passengers and freight. Voice and data communications with the Lupin mine are maintained via satellite, which provides for uninterrupted communications regardless of weather conditions.

**WATER SUPPLY AND WASTE DISPOSAL** Water for mining, milling and domestic use is obtained on site by pumping from Contwoyto Lake. Tailings from the mill are pumped into a tailings pond or pumped underground as part of the paste-backfill. Since 1995, approximately 31% of tailings have been placed underground as paste-backfill. Water from the tailings pond is C-15 processed through a water treatment plant and monitored for compliance with all regulatory standards prior to discharge. In July of 2000, the Lupin water license was extended for a period of 8 years through 2008.

**MCCOY/COVE** On June 9, 2002, Echo Bay Exploration Inc. and Echo Bay Minerals Company, subsidiaries of Echo Bay, entered into a new McCoy/Cove asset purchase agreement, amended as of November 19, 2002, with Newmont USA Limited, a subsidiary of Newmont, providing for the conveyance of the McCoy/Cove complex. The closing of the transaction is subject to the completion of the combination. In consideration of the purchase of such assets, Newmont USA has agreed to assume all liabilities and obligations relating to the reclamation or remediation required for the McCoy/Cove complex. The McCoy mine and surrounding property is located in Lander County, Nevada, about 30 miles southwest of the town of Battle Mountain. The Cove deposit, located one mile northeast of the McCoy deposit, was discovered in early 1987. Open pit mining of the Cove deposit began in early 1988 and was completed in October 2000. Underground mining of the Cove deposit was completed in July 2001. The Corporation completed mining and processing activities at McCoy/Cove on March 31, 2002 and McCoy/Cove thereafter transitioned from a producing property to a property in reclamation. McCoy/Cove produced 16,501 ounces of gold and 1.5 million ounces of silver in the first quarter of 2002. The McCoy/Cove property consists of approximately 946 unpatented and 9 patented claims covering approximately 19,000 acres of United States federal land administered by the Bureau of Land Management of the Department of the Interior. See "-- Other -- Governmental and Environmental Regulation" in this Schedule "C".

**KETTLE RIVER** The Kettle River properties are located in Ferry County in the State of Washington and cover approximately 8,588 acres through patented and unpatented mining claims and fee lands. In 2000, exploration efforts identified an extension to the northeast of the K-2 project. This area was developed in 2001 and is scheduled for mining in 2002. However, additions to reserves were less than expected and Echo Bay recorded a provision for impaired assets of \$4.4 million in the fourth quarter of 2001. The need for, and the amount of, the provision was

determined by comparing asset carrying values to estimated future net cash flows from existing reserves. The following table sets forth operating data for the Kettle River operation from 1997 through 2001:

1997	2000	1999	1998	1997
-----	-----	-----	-----	-----
Gold produced (ounces).....	50,349	94,086	104,396	113,692
Mining cost/ton of ore.....	\$ 25.20	\$ 20.52	\$ 23.57	\$ 21.65
Milling cost/ton of ore.....	\$ 21.53	\$ 21.53	\$ 21.53	\$ 21.53
Production cost/ounce of gold produced: Direct mining expense.....	\$ 229	\$ 224	\$ 239	\$ 238
Deferred mine development.....	--	--	--	--
Inventory movements and other.....	59	6	4	(1)
Cash operating cost.....	288	218	238	244
Royalties.....	10	13	15	12
Production taxes.....	1	1	2	1
Total cash cost.....	299	232	255	257
Depreciation.....	19	11	55	77
Amortization.....	42	8	8	5
Reclamation and mine closure.....	15	15	15	12
Total production cost.....	\$ 375	\$ 266	\$ 333	\$ 351
Capital expenditures (millions).....	\$ 4.1	\$ 1.4	\$ 0.5	\$ 1.5
Milled: Ore processed (tons/day).....	934	1,470	1,698	2,017
Total ore processed (000 tons).....	340	535	630	734
Grade (ounce/ton).....	0.178	0.209	0.198	0.187
Recovery rate (%).....	83.0	84.1	83.7	82.8

Cash operating costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, please refer to the disclosure under the heading "Calculation of Cash Operating Costs and Total Production Costs" on page C-5. GEOLOGY AND MINERAL RESERVES Mineral reserves at the K-2 deposit are contained in steeply dipping quartz carbonate veins hosted by Eocene age volcanic rocks. Kettle River mineral reserves(1) at December 31, 2001 were as follows: AVERAGE GRADE TONNAGE OF GOLD GOLD CONTENT(2) (000's short tons) (ounces per ton) (000's ounces) Ore stockpiles..... 22 0.182 4 K-2..... 107 0.196 21 --- --- Total Proven and Probable-2001..... 129 0.194 25 === === Proven..... 105 0.197 21 Probable..... 24 0.179 4 --- --- Total Proven and Probable-2001..... 129 0.194 25 === === Total Proven and Probable-2000..... 363 0.193 70 === === (1) See "Reserves" for a discussion of the estimation of proven and probable mineral reserves. (2) Reserves do not reflect losses in the milling process but do include allowance for dilution in the mining process. The average mill recovery rate of gold in 2001 was 83.0%. The cut-off grade is 0.143 ounces of gold per ton at K-2. MINING AND PROCESSING At Kettle River, a series of deposits are mined and trucked to feed a central mill. In 2001, approximately 78% of ore milled came from K-2 and 22% came from Lamefoot stockpiles. The mill processed approximately 934 tons of ore per day in 2001, compared to 1,470 tons per day in 2000. Total Kettle River production decreased in 2001 compared to 2000 due to the completion of Lamefoot mining in 2000. The mining method used at K-2 is longhole open stoping, with delayed backfill. Total K-2 ore production in 2001 was 221,547 tons compared to 227,671 in 2000. K-2 area production at Kettle River is subject to a 5% gross proceeds royalty and a net smelter return royalty ranging from 2% at gold prices of \$300 per ounce or less to 3% at gold prices of \$400 per ounce or more. A portion of production from the Lamefoot area of the Kettle River mine is subject to a 5% net smelter return royalty. In 2002, Kettle River is expected to produce approximately 35,000 ounces of gold, which is 30% less than the 50,349 ounces of gold produced in 2001, reflecting lower mill tonnage. See "Risk Factors" in this Schedule "C". AQUARIUS DEVELOPMENT PROJECT In 1997, Echo Bay deferred a final construction decision on its 100%-owned Aquarius gold project, located in Macklem Township, 40 kilometers east of Timmins, Ontario, Canada. Based on the revised bankable feasibility study completed during 2000, Aquarius has proven and probable reserves of 1,189,000 ounces of gold at December 31, 2000 (17.5 million tons of ore at an average grade of 0.068 ounces per ton). The reserves are based on a cutoff grade of 0.015 ounce per ton. The cutoff grade was based on a price of \$300 per ounce of gold. C-17 Echo Bay expensed Aquarius holding costs of \$0.8 million in 2001 and \$0.7 million in 2000. At December 31, 2001, Echo Bay has a net book value of approximately \$43.7 million in acquisition and construction costs related to Aquarius. Further delays in development and construction from continued low gold prices could result in a write-down of all or a portion of these costs. Echo Bay expects to expense approximately \$1.1 million in development holding costs for Aquarius in 2002. EXPLORATION In addition to conducting exploration for new gold deposits, Echo Bay explores for extensions of known reserves at its mines and development properties. Echo Bay's exploration program concentrates on those projects believed to represent the most promising near-term prospects. In particular, exploration efforts are focused on projects located where Echo Bay already has, or plans an extensive gold mining infrastructure, principally those prospects in North America. At Round Mountain, drilling continued at the Gold Hill property located approximately

four miles north of the current mining and processing facilities. Results were encouraging and additional drilling will continue in 2002 to delineate the potential. At Kettle River, drilling continued to define an extension to the northeast of the K-2 deposit. In 2002, work will continue to further delineate and define the resource.

**SUNNYSIDE** In 1996, Sunnyside Gold Corporation ("SGC"), an indirect wholly owned subsidiary of Echo Bay, finalized a consent decree with the State of Colorado that set standards for the release of all reclamation and water treatment permits and resolved future enforcement issues regarding groundwater seeps and springs. SGC estimates that it will take at least two more years for all of the conditions of the consent decree agreement to be fulfilled by both parties. SGC has \$3.6 million accrued at December 31, 2001 for future reclamation costs at the Sunnyside mine. SGC's provision for future reclamation costs is reviewed periodically and adjusted, as additional information becomes available.

**OTHER PRECIOUS METAL SALES AND HEDGING ACTIVITIES** Echo Bay's dore bars are further refined by third parties and the refined gold and silver is sold to banks or precious metal dealers. Echo Bay's profitability is subject to changes in gold prices, exchange rates, interest rates and certain commodity prices. To reduce the impact of such changes, Echo Bay attempts to lock in the future value of certain of these items through hedging transactions. These transactions are accomplished through the use of derivative financial instruments, the value of which is derived from movements in the underlying prices or rates. Echo Bay continually monitors its hedging policy in light of forecasted production, operating and capital expenditures, exploration and development requirements and factors affecting volatility of gold prices such as actual and prospective interest rate and gold lease rate performance. The gold-related instruments used in these transactions include forward sales contracts and options. These forward sales contracts obligate Echo Bay to sell gold at a specific price on a future date. Call options give the holder the right, but not the obligation to buy gold on a specific future date at a specific price. These tools reduce the risk associated with gold price declines, but also could limit Echo Bay's participation in increases of gold prices. Echo Bay engages in forward currency-exchange contracts to reduce the impact on the Lupin mine's operating costs caused by fluctuations in the exchange rate of U.S. dollars to Canadian dollars. Echo Bay assesses the exposure that may result from a hedging transaction prior to entering into the commitment, and only enters into transactions which it believes accurately hedge the underlying risk and could be safely held to maturity. Echo Bay does not engage in the practice of trading derivative securities for profit. Echo Bay regularly reviews its unrealized gains and losses on hedging transactions. The credit risk exposure related to all hedging activities is limited to the unrealized gains on outstanding contracts based on current market prices. To reduce counterparty credit exposure, Echo Bay deals only with large, credit-worthy C-18 financial institutions and limits credit exposure to each. In addition, Echo Bay deals only in markets it considers highly liquid to allow for situations where positions may need to be reversed. At December 31, 2001, the estimated fair value of Echo Bay's hedge portfolio was \$1.4 million. Echo Bay's current counterparties do not require margin deposits. Sensitivity to various market factors underlying these contracts are shown in note 18 to the 2001 audited consolidated financial statements of Echo Bay. In 2001, Echo Bay delivered approximately 19% of gold production against forward sales and put options at an average commitment price of \$317 per ounce. This compares with 37% of gold production at \$313 per ounce in 2000 and 77% of gold production at \$346 per ounce in 1999. Approximately 21% of silver production was delivered against forward sales and put options at an average cash price of \$5.86 per ounce in 2001. This compares to 35% at \$5.71 per ounce in 2000 and 43% at \$5.66 per ounce in 1999. Echo Bay's commodity contracts as of December 31, 2001 are shown in note 18 to the 2001 audited consolidated financial statements of Echo Bay. For the year 2002, this position includes forward sales of approximately 60,000 ounces of gold at a minimum forward price of \$293 per ounce. In addition, Echo Bay has sold call options for 120,000 ounces of gold at an average strike price of \$297 per ounce. These forward sales contracts and call options represent approximately 5% of reserves at December 31, 2001. The reduced hedging position results from continued weakness in spot gold prices and low forward premiums resulting in lower hedge prices that can be achieved. Echo Bay's hedging commitments are described in note 18 to Echo Bay's 2001 audited consolidated financial statements.

**GOVERNMENTAL AND ENVIRONMENTAL REGULATION** Canada The mining industry in the Nunavut Territory, where Echo Bay's Lupin mine is situated, operates under Canadian federal and territorial legislation governing prospecting, development, production, environmental protection, exports, income taxes, labor standards, mine safety and other matters. Echo Bay believes its Canadian operations are operating in substantial compliance with applicable law. Echo Bay's Lupin operation is subject to environmental regulation primarily by the Federal Department of Indian Affairs and Northern Development and the Nunavut Water Board. In addition, any changes or additions to existing operations at Lupin may be subject to environmental assessment by the federal government under

the Canadian Environmental Assessment Act (Canada). The Department of Fisheries & Oceans (Canada) and the Department of the Environment (Canada) have an enforcement role in the event of environmental incidents, but presently have no direct regulatory role in relation to the Lupin operation. Lupin is also subject to the jurisdiction of the Nunavut Department of Sustainable Development pursuant to the Nunavut Environmental Protection Act. This Act contains requirements to obtain licenses and permits that may affect the Lupin operation in the future. Echo Bay believes it is in substantial compliance with all relevant territorial environmental law. On April 1, 1999, the Nunavut Agreement, dated May 25, 1993, between the Inuit of Canada's eastern arctic region and Her Majesty the Queen in right of Canada, came into force. Under this agreement, the Inuit were granted ownership of approximately 360,000 square kilometers of land in an area referred to as the Nunavut Settlement Area, including ownership of subsurface rights in approximately 37,500 square kilometers of those lands. Third party interests in lands in the Nunavut Settlement Area created prior to April 1, 1999 are protected under the Nunavut Agreement. Where a third party was granted a mining lease under the Canada Mining Regulations in lands comprising the Nunavut Settlement Area, that interest continues in accordance with the terms and conditions on which it was granted, including any rights granted under the legislation that gave rise to the interest. However, where any successor legislation has the effect of diminishing the rights afforded to the federal government, it will not bind the Inuit without its consent. The Inuit are entitled to receive whatever compensation is payable by the interest holder for the use or exploitation of mineral rights. The federal government continues to administer the third party interest on behalf of the Inuit, unless the third party and the Inuit enter into an agreement under which the third party agrees to the administration of their interest by the Inuit. In the event such an agreement is reached, the applicable legislation will cease to apply to the third party interest. Subsurface interests in such lands continue to be administered in accordance with applicable legislation relating to those interests and are not affected by the Nunavut Agreement. Third party interests in lands in the Nunavut Settlement Area created on or after April 1, 1999 are granted, in the case of surface rights, by the appropriate regional Inuit association and, in the case of subsurface rights, by Nunavut C-19 Tungavik Incorporated, which will hold subsurface title to Inuit owned lands and will be additionally responsible, in consultation with the appropriate regional Inuit associations, for the administration and management of those subsurface rights. United States Echo Bay's U.S. operations are subject to comprehensive regulation with respect to operational, environmental, safety and similar matters by federal agencies including the U.S. Department of the Interior (Bureau of Land Management), the U.S. Department of Agriculture (U.S. Forest Service), the U.S. Environmental Protection Agency ("EPA"), the U.S. Mine Safety and Health Administration ("MSHA") and similar state and local agencies. Failure to comply with applicable laws, regulations and permits can result in injunctive actions, damages and civil and criminal penalties. If Echo Bay expands or changes its existing operations or proposes any new operations, it may be required to obtain additional or amended permits or authorizations in accordance with the National Environmental Policy Act or state law counterparts. Echo Bay spends substantial time, effort and funds in planning, constructing and operating its facilities to ensure compliance with U.S. environmental and other regulatory requirements. Such efforts and expenditures are common throughout the U.S. mining industry and generally should not have a material adverse effect on Echo Bay's competitive position. Echo Bay believes its U.S. operations are in substantial compliance with applicable air and water quality laws and regulations, including reporting requirements under the Emergency Planning Community Right to Know Act, and that it has acquired or applied for all permits required under such laws or requested by the states in which it is operating. Certain wastes from mining and mineral processing operations are currently exempt from regulation under the Bevill amendment to the Federal Resource Conservation and Recovery Act ("RCRA"). However, Congress may consider revision and reauthorization of RCRA, as well as the Federal Clean Water Act and Endangered Species Act, each of which substantially affects mine development and operations. The effect of any revised or additional regulation on Echo Bay's U.S. operations cannot be determined until the legislative process is completed and new administrative rules are issued, but they could have a significant impact upon operations of all mining companies and increase the costs of those operations. New laws and regulations, amendments to existing laws and regulations, administrative interpretation of existing laws and regulations, or more stringent enforcement of existing laws and regulations, could have a material adverse impact on Echo Bay's results of operations and financial condition, although the results of such actions are speculative. For example, during recent legislative sessions, legislation was considered in the United States Congress which proposed a number of modifications to the General Mining Law of 1872, which has traditionally governed the location and maintenance of unpatented mining claims and related activities on federal land. Among these modifications were proposals that would have (i) imposed a royalty on

production from unpatented mining claims, (ii) increased the cost of holding and maintaining such claims, and (iii) imposed more specific reclamation requirements and standards for operations on such claims. Although none of these proposed modifications was enacted into law, Congress may consider the same or similar proposals during the balance of 2002 as well. The one area in which specific action has been taken relates to the regulation of surface activities on federally owned lands administered by the Bureau of Land Management ("BLM"). New surface management regulations (the "3809 Regulations") were enacted and became effective on January 20, 2001. The effect of the new 3809 Regulations is to create a significantly more stringent and restrictive environment for activities and operations on federal lands involving unpatented mining claims and millsites. For example, the new 3809 Regulations provide that all activities on unpatented mining claims or millsites for which approval of a Plan of Operations is required (which includes all activities other than exploration activities that disturb less than five acres of surface) are subject to a new standard of review by the BLM, which must make a determination that the proposed activities would not cause substantial irreparable harm to significant scientific, cultural or environmental resource values that cannot be effectively mitigated. That new standard would apply to any new significant activities undertaken by Echo Bay or its subsidiaries on federal public lands. Imposition of that new standard does not affect Echo Bay's existing approved Plans of Operation at its Round Mountain, McCoy/Cove and Kettle River properties. If Echo Bay makes any substantive modifications to those existing Plans of Operation (such as widening a road or expanding a leach pad or tailings facility), that standard (as well as all other provisions of the new 3809 Regulations) would apply unless Echo Bay could demonstrate to the BLM's satisfaction that it was not practical for economic, environmental, safety or technical reasons. In addition, under previous regulations, up to 75% of financial security for the performance of reclamation obligations could be provided C-20 by corporate guarantees. While the new 3809 Regulations do provide for existing financial guarantees to continue to be in effect, no new corporate guarantees were to be accepted after July 19, 2001. To the extent applied to modifications of Echo Bay's current operations, and to the extent Echo Bay engages in activities or operations on public lands outside of its current permit boundaries (including any new projects), the new 3809 Regulations will make the process for the preparation and obtaining of approval of a Plan of Operations more time-consuming and expensive, and any such proposed activities or operations will be subject to more detailed and expensive regulatory requirements. Moreover, Echo Bay's ultimate ability to have any such proposed activities or operations approved will be subject to a much greater level of uncertainty. The new regulations may not significantly affect existing operations, so long as such operations do not require, for their continuing viability, new discretionary permits for land outside the boundaries of land currently permitted or significant changes within current permit boundaries. New, including expanded, exploration or mining operations will need to quantify the cost burden imposed by the new regulations when assessing the economic viability of any project. In addition, the BLM has called upon two of Echo Bay's subsidiaries to provide other security to replace corporate guarantees that had been given in respect of the Round Mountain and McCoy/Cove operations totaling approximately \$33 million. The subsidiaries consider the BLM's action, taken by administrative decision, to be arbitrary, capricious and an abuse of discretion and are opposing and contesting the decision. The BLM has not asked for additional security amounts, rather the agency has requested a different form of security. If the BLM position were to prevail, there is a risk the BLM would initiate action designed to have operations suspended at the applicable location. The potential impact on Echo Bay as a result of such administrative action is difficult to predict. See "Risk Factors" in this Schedule "C". The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), commonly called the "Superfund Act," contains stringent reporting requirements for the release or disposal of hazardous substances, with substantial fines for noncompliance. In addition, under CERCLA, any party responsible for the release or threatened release of a hazardous substance into the environment is liable for all clean-up costs. Responsible parties under CERCLA include the owner or operator of the site where the release occurs or anyone who owned or operated the site when a disposal was made, regardless of culpability. Mining wastes are subject to CERCLA regulation if they contain hazardous substances, and the EPA has included several mining sites on its list of high-priority sites for clean up under CERCLA. Various types of dust control, revegetation and similar reclamation-related measures are generally required for Echo Bay's U.S. operations under specific state or federal air, water quality and mine reclamation rules and permits. The BLM and Forest Service permits, and Plans of Operations for Echo Bay's operations, also contain reclamation-related requirements. Echo Bay believes its operations are in substantial compliance with these reclamation requirements. Reclamation spending in 2001 amounted to approximately \$4.9 million. Echo Bay believes that all of its U.S. operations are currently being conducted in substantial compliance with applicable MSHA and

similar state labor, health and safety rules. EMPLOYEES At December 31, 2001, the Company employed 1,194 persons (excluding temporary employees directly involved in short-term programs), broken down as follows. Round Mountain, including ancillary services..... 648 McCoy/Cove..... 143 Kettle River..... 88 Lupin..... 284 Technical and corporate staff and other..... 31 ----- 1,194 ===== A sufficient supply of qualified workers is available for both Canadian and U.S. operations, although the continuation of such supply depends upon a number of factors, including the availability of other employment opportunities. None of Echo Bay's employees are represented by labor unions. Echo Bay believes it generally has good relations with its employees. Echo Bay provides its employees with a competitive compensation package and comprehensive benefits program.

**C-21 MINING RISKS AND INSURANCE** Echo Bay carries insurance against property damage, including boiler and machinery insurance, and comprehensive general liability insurance of \$50 million per occurrence, which is applicable to all operations. Echo Bay carries special liability policies applicable to aircraft and motor vehicles. It is also insured against dishonesty and gold and silver bullion thefts, as well as losses of goods in transit. The property damage and boiler and machinery insurance policies include coverage for business interruption resulting from an insured physical loss, subject to a five-day waiting period and a maximum indemnification period of one year. Risks not insured against include mine cave-ins, mine flooding and other uninsurable underground hazards, ground failure in open-pit mines and most types of environmental pollution against which Echo Bay cannot insure or against which it has elected not to insure. Echo Bay believes that it has taken adequate precautions to minimize the risk of environmental pollution. However, with respect to certain mines, there is some risk that cyanide may escape from leach pads or tailings dams in sufficient quantities to cause water or surface pollution. See "-- Other -- Governmental and Environmental Regulation" in this Schedule "C".

Underground mining is generally subject to certain types of risks and hazards, including unusual or unexpected formations, pressures, cave-ins, flooding and other conditions. Echo Bay has not experienced any significant cave-ins at its underground mines. In addition, because mining can be conducted on a number of different levels at the same time, a cave-in in one area would not necessarily affect mining in other areas. Open-pit mining, such as that conducted at certain of Echo Bay's mines, is generally subject to certain types of risks and hazards, primarily pit wall failure. Open pit mining is conducted in phases and a pit wall failure in one area would not necessarily affect overall pit design or mining in unaffected areas.

**SUPPLIES, UTILITIES AND TRANSPORTATION** The principal supplies needed for the operation of Echo Bay's mines are explosives, diesel fuel, chemical reagents (including cyanide, lime, sulfur dioxide, sodium hydroxide and zinc dust), cement, equipment parts and lubricants. Power is supplied to Echo Bay's mines by power companies or by diesel generators. Each mine has access to adequate water. Each of the U.S. mines has good road access by either paved or gravel roads from state highways. The Lupin mill facilities and mine are in a remote location in the sub-Arctic region of Canada. Echo Bay must therefore prepare for and respond to difficult weather and other conditions. All equipment, materials and supplies must be transported to the mine from Edmonton or Yellowknife. Personnel are transported from these locations and from Kugluktuk and Cambridge Bay in the Nunavut Territory. Each year since 1983, Echo Bay has completed a 360-mile ice road commencing 40 miles northeast of Yellowknife and ending at the Lupin mine. This is the most economical way of transporting bulk items, including fuel, to the mine. Echo Bay operates a Boeing 727 to transport personnel and some supplies to the mine.

**WASTE DISPOSAL** Heap leaching is done with a weak cyanide solution held within a closed circuit, which includes the leach pads and surface holding ponds. Leached ore from the reusable pad at Round Mountain is rinsed and fed to the mill or placed on dedicated pads. Where dedicated pads are used, the leached ore remains on the pads. Mill processing may use a cyanide leaching solution, which is contained within the mills' processing circuits. See "-- Other -- Governmental and Environmental Regulation" in this Schedule "C". See also "-- Lupin -- Water Supply and Waste Disposal" in this Schedule "C".

**ROYALTIES** Round Mountain mine production is subject to a net smelter return royalty ranging from 3.53% at gold prices of \$320 per ounce or less to 6.35% at gold prices of \$440 per ounce or more. Its production is also subject to a gross revenue royalty of 3.0%, reduced to 1.5% after \$75.0 million has been paid. McCoy/Cove production is subject to a 2% net smelter return royalty. This royalty is based on sales less certain deductions. C-22 A portion of production from the Lamfoot area of the Kettle River mine is subject to a 5% net smelter return royalty. K-2 area production at Kettle River is subject to a 5% gross proceeds royalty and a net smelter return royalty ranging from 2% at gold prices of \$300 per ounce or less to 3% at gold prices of \$400 per ounce or more.

**LEASE COMMITMENTS** Echo Bay leases office premises for its head office functions, and enters into lease commitments for office equipment. Echo Bay incurred \$1.1 million in rental expense in 2001, net of \$1.4 million in

rental income related to office subleases. Echo Bay's commitments under the remaining terms of the leases are approximately \$6.7 million, payable as follows: \$2.0 million in 2002, \$1.6 million in 2003, \$1.5 million in 2004, \$1.0 million in 2005, \$0.1 million in 2006 and \$0.5 million thereafter. **RISK FACTORS** The risk factors identified below should be carefully reviewed and evaluated. **CONTINUED DEPRESSED GOLD PRICES MAY NEGATIVELY AFFECT ECHO BAY'S PRODUCTION, PROFITABILITY, RESERVES AND LIQUIDITY.** The profitability of Echo Bay's current operations is directly related and sensitive to the market price of gold, which fluctuates widely due to factors beyond Echo Bay's control. Since 1997, gold prices have been at depressed levels and may remain at such depressed levels in the future. If gold prices should fall below Echo Bay's cash costs of production and remain at such levels for any sustained period of time, it may not be economically feasible to continue commercial production at any or all of Echo Bay's mines. This previously occurred in January 1998, when Echo Bay temporarily suspended operations at the Lupin mine. Also, in 1997, Echo Bay deferred a final construction decision on its Aquarius development project and deferred further development of the Ulu satellite deposit in Canada due to the decline in gold prices. The cash operating costs at Echo Bay's four operating mines averaged \$223 per ounce in 2001 and are expected to average approximately \$225 per ounce in 2002. Total production costs were \$296 per ounce in 2001 and are expected to average approximately \$300 per ounce in 2002. Given the current price of gold, \$301 per ounce as of March 28, 2002, Echo Bay may experience liquidity difficulties, and its ability to invest funds in exploration and development may be significantly impaired. While Echo Bay continues to generate cash flow from operations at current gold prices, the amount of cash flow available for acquisitions, investments, exploration and development remains very limited. Cash operating costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, please refer to the disclosure under the heading "Calculation of Cash Operating Costs and Total Production Costs" on page C-5. Declines in the market price of gold and related precious metals also may require Echo Bay to write-down its reserves, which would adversely affect production, profitability and Echo Bay's financial position. The gold price used in estimating Echo Bay's mineral reserves at December 31, 2001 was \$300 per ounce. The market price was \$277 per ounce at December 31, 2001. The market price of gold has for more than four years traded, on average, below the price at which Echo Bay estimates its reserves. If Echo Bay were to determine that its reserves and future cash flows should be estimated at a significantly lower gold price than that used at December 31, 2001, there would likely be a reduction in the amount of gold reserves. Echo Bay estimates that if reserves at December 31, 2001 were based on \$275 per ounce of gold, reserves would decrease by approximately 13% at Round Mountain, 5% at Kettle River and 2% at the Aquarius development property. Should any significant reductions in reserves occur, material "write-downs" of Echo Bay's investment in mining properties and increased amortization, reclamation and closure charges may be required. For example, in 2001, due to an unexpected reduction in reserves, a \$4.4 million provision was made for impaired assets at Kettle River. Under certain such circumstances, Echo Bay may discontinue the development of a project or mining at one or more of its properties. Echo Bay has implemented a hedging program to reduce the risk associated with gold price volatility, however, there is no assurance that Echo Bay's hedging strategies will be successful. See "Description of Business and Properties -- Other -- Precious Metal Sales and Hedging Activities" in this Schedule "C". **C-23 FAILURE TO REPLACE RESERVES MAY NEGATIVELY AFFECT PRODUCTION.** Because mines have limited lives based on proven and probable reserves, Echo Bay must continually replace and expand its reserves as it produces gold. It is currently estimated that Kettle River has less than one year of mine life remaining without the development of additional reserves. Echo Bay's ability to maintain or increase its annual production of gold will be dependent in significant part on its ability to bring new mines into production, such as the Aquarius project in Canada, and to expand existing mines. No assurance can be given that Echo Bay's exploration programs will result in the replacement of current production with new reserves or that Echo Bay's development program will be able to extend the life of Echo Bay's existing mines. In the event that new reserves are not developed, Echo Bay will not be able to sustain its current level of gold production beyond the life of its existing reserve estimates and revenues will decrease as a result. There are a number of uncertainties inherent in any exploration and development program relating to: - the location of economic mineral reserves; - the development of appropriate metallurgical processes; - the receipt of necessary governmental permits; and - the construction of mining and processing facilities. Accordingly, there can be no assurance that Echo Bay's efforts will yield new reserves to replace and expand current reserves. **FAILURE TO DEVELOP NEW MINES OR EXPAND EXISTING MINES MAY NEGATIVELY AFFECT FUTURE PRODUCTION.** Echo Bay's ability to maintain, or increase, its annual production of gold will be dependent in



significant part on its ability to bring new mines into production, such as the Aquarius project in Canada, and to expand existing mines. In 1997, Echo Bay deferred a final construction decision on Aquarius and deferred further development of the Ulu satellite deposit in Canada. The economic feasibility analysis with respect to any individual project is based upon: - the interpretation of geological data obtained from drill holes and other sampling techniques; - estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed; - gold and silver price assumptions; - the configuration of the ore body; - expected recovery rates of metals from the ore; - comparable facility and equipment costs; - anticipated climatic conditions; - estimates of labor productivity; and - royalty or other ownership burdens. Echo Bay's feasibility studies are based on Echo Bay's knowledge of the operating history of similar ore bodies in the region. The actual operating results of its development projects, however, may differ materially from those anticipated, and uncertainties related to operations are increased further in the case of development projects. In addition to the successful completion of final feasibility studies, the issuance of necessary permits and receipt of adequate financing are required for successful development of properties. See "Description of Business and Properties -- Other -- Governmental and Environmental Regulation" in this Schedule "C".

**ECHO BAY ENCOUNTERS STRONG COMPETITION FROM OTHER MINING COMPANIES IN CONNECTION WITH THE ACQUISITION OF PERSONNEL AND PROPERTIES PRODUCING OR CAPABLE OF PRODUCING PRECIOUS METALS.** As a result of this competition, some of which is with companies with greater financial resources, Echo Bay may be unable to maintain or acquire the personnel and expertise required to develop and operate its properties. Also, Echo Bay may be unable to acquire attractive mining properties on terms it considers acceptable or at all. Consequently, its revenues, operations and financial condition could be materially adversely affected.

**C-24 FAILURE TO SECURE THE NECESSARY LETTERS OF CREDIT OR SURETY BONDS OR TO PROVIDE THE NECESSARY CORPORATE GUARANTEES TO SECURE RECLAMATION OBLIGATIONS, COULD RESULT IN VIOLATION OF ECHO BAY'S OPERATING PERMITS AND IMPACT ECHO BAY'S ABILITY TO CONTINUE OPERATING AT SPECIFIC LOCATIONS.** Certain regulatory agencies may require security to be provided for some or all of the cost to restore land disturbed during operations. Echo Bay has typically provided letters of credit, surety bonds and corporate guarantees as security for these future reclamation costs. The market place for third party security instruments is, however, very limited to the mining industry and to Echo Bay in particular. If Echo Bay is unable to secure the necessary forms of security, its ability to continue operations at specific locations could be jeopardized. Even where Echo Bay currently has security in place for reclamation costs, it may be required to provide additional, or alternative, financial instruments. For example, early in 2001, regulators in Nevada called upon two of Echo Bay's subsidiaries to provide other forms of security to replace corporate guarantees that had been given in respect of the Round Mountain and McCoy/Cove operations totaling approximately \$33 million. Echo Bay disagrees with the regulators' position and believes that the subsidiaries qualify under the criteria set out for corporate guarantees and will oppose the regulatory position. If Echo Bay is required to provide additional or alternative forms of security, and is unable to do so at acceptable costs or at all, it may be prohibited from commencing or continuing operations and its financial condition and prospects would be adversely affected. See "Description of Business and Properties -- Other -- Governmental and Environmental Regulation" in this Schedule "C".

**RESERVE ESTIMATES ARE INHERENTLY UNCERTAIN. ANY MATERIAL INACCURACIES IN ECHO BAY'S RESERVE ESTIMATES OR ASSUMPTIONS UNDERLYING RESERVE ESTIMATES COULD CAUSE RESERVES TO BE OVERSTATED.** The estimation of reserves and resources is inherently uncertain and involves subjective judgments about many relevant factors. The accuracy of any such estimate is a function of: - the quantity and quality of available drilling data; - engineering and geological interpretation; - testing and production experience; - gold prices; - operating and capital costs; - short-term operating factors such as the need for sequential development of ore bodies; and - the processing of new or different ore grades and ore types. The volume and grade of reserves mined and processed and recovery rates may not be the same as currently anticipated. If they are not, Echo Bay may discontinue the development of a project or mining at one or more of its properties. Reserve calculations and life-of-mine plans using significantly lower prices (see gold price affect on Echo Bay's production, profitability, reserves and liquidity) could result in material write-downs of its investment in mining properties and increased amortization, reclamation and closure charges.

**ECHO BAY'S ACTIVITIES ARE SUBJECT TO COMPLEX LAWS AND REGULATIONS THAT CAN ADVERSELY AFFECT OPERATING AND DEVELOPMENT COSTS, THE TIMING OF OPERATIONS AND/OR THE ABILITY TO OPERATE.** Echo Bay's mining operations and exploration and development activities are subject to extensive Canadian, U.S. and other foreign federal, state, provincial, territorial and local laws and

regulations governing exploration, development, production, exports, taxes, labor standards, waste disposal, protection of the environment, reclamation, historic and cultural resources preservation, mine safety and occupational health, toxic substances, reporting and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing Echo Bay's mines and other facilities in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that Echo Bay would not proceed with the development or operation of a mine. Future regulatory developments, such as more stringent environmental protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from Echo Bay's operations, could result in substantial costs and liabilities, reduced profits and a deterioration of its financial condition. C-25 Echo Bay is required to obtain governmental permits to develop its reserves and for expansion or advanced exploration activities at its operating properties and its exploration properties. Obtaining the necessary governmental permits is a complex and time-consuming process involving numerous Canadian, U.S. or foreign federal, state, provincial, territorial and local agencies. Echo Bay will be required to obtain additional permits to allow it to construct and operate properties currently under development. The duration and success of each permitting effort are contingent upon many variables not within Echo Bay's control. If Echo Bay is unable to obtain the necessary approvals, it will not be able to commence production at the applicable mine. See "Description of Business and Properties -- Other -- Governmental and Environmental Regulation" in this Schedule "C". In addition, there is a risk that private individuals or entities may assert that Echo Bay's activities have caused damage to their interests. For example, in 2000, a subsidiary of Echo Bay and numerous other parties were served with a complaint from the Colorado School of Mines for environmental cleanup costs at a federal Comprehensive Environmental Response, Compensation and Liability Act site. Echo Bay's share of the settlement was approximately \$89,500. ECHO BAY'S MINING OPERATIONS ARE SUBJECT TO SIGNIFICANT RISKS THAT MAY NOT BE COVERED BY INSURANCE. The business of gold and silver mining is generally subject to a number of risks and hazards, including: - environmental conditions; - industrial accidents; - labour disputes; - unusual or unexpected geological conditions; - ground or slope failures, cave-ins; - changes in the regulatory environment; and - natural phenomena such as inclement weather conditions, floods, blizzards and earthquakes. Such occurrences could result in: - damage to mineral properties or production facilities; - personal injury or death; - environmental damage to Echo Bay's properties or the properties of others; - delays in mining; - monetary losses and possible legal liability. "Description of Business and Properties -- Other -- Mining Risks and Insurance" in this Schedule "C". CERTAIN OF ECHO BAY'S UNITED STATES PROPERTY RIGHTS CONSIST OF UNPATENTED LODE MINING CLAIMS. Unpatented mining claims and millsites are generally considered to be subject to greater title risk than other real property interests. The validity of an unpatented mining claim or millsite, in terms of its location and maintenance, and the uses thereof, is dependent on strict compliance with a complex body of federal and state statutory and decisional law, administrative interpretation of that law and, for unpatented mining claims, the existence of a discovery of valuable minerals. In addition, there are few public records that definitively control the issues of validity and ownership of unpatented mining claims or millsites. There can be no assurance that title to any of its unpatented mining claims or millsites may not be defective. REPERCUSSIONS FROM TERRORIST ACTS COMMITTED IN THE UNITED STATES COULD HARM BUSINESS OPERATIONS AND ADVERSELY IMPACT THE CORPORATION'S ABILITY TO MEET ITS EXPECTATIONS AND OTHER FORWARD LOOKING STATEMENTS CONTAINED HEREIN. The terrorist attacks in the United States on September 11, 2001 caused instability in the world's markets. There can be no assurance that these terrorist attacks, or the responses to them, will not lead to further acts of terrorism in the United States, Canada or elsewhere, which may contribute to economic instability in the United States, Canada and other geographic areas in which Echo Bay is active. Specifically, such instability could adversely affect production or exploration activities. C-26 GOLD PRICES The following table sets forth annual high, low, average and end of period afternoon fixing gold prices in U.S. dollars per troy ounce on the London Bullion Market. YEAR ENDED DECEMBER 31, -----

	2002(*)	2001	2000	1999	1998	1997						
High.....									\$327	\$293	\$313	\$326
Average.....									306	271		
Low.....									279	279	294	332
End of Period.....									324	277	274	290
									286	293		

(\*) Through September 30, 2002 SILVER PRICES The following table sets forth annual high, low, average and end of period noon prices in U.S. dollars per troy ounce as quoted by Handy & Harman. YEAR ENDED DECEMBER 31, -----

	2002(*)	2001	2000	1999	1998	1997
High.....						
Average.....						
Low.....						
End of Period.....						

High.....	\$5.15	\$4.86	\$5.53	\$5.77	\$7.31	\$6.13	Low.....	4.26	4.06	4.60
4.91	4.72	4.18	Average.....	4.66	4.39	5.00	5.25	5.54	4.87	End of Period.....
4.56	4.50	4.60	5.40	4.87	6.13	----- (*) Through September 30, 2002				

**C-27 LEGAL PROCEEDINGS** The Corporation is currently subject to a number of third party claims which the Corporation believes are routine in, and incidental to, the normal course of its business. In addition, two wholly owned subsidiaries of the Corporation, Echo Bay Exploration Inc. and Echo Bay Management Corporation (together, the "Subsidiaries"), are currently subject to legal proceedings. In September 1992, Summa Corporation ("Summa") commenced a lawsuit against the Subsidiaries alleging improper deductions in the calculation of royalties payable over several years of production at McCoy/Cove and another mine, which is no longer in operation. The matter was tried in the Nevada State Court in April 1997, with Summa claiming more than \$13 million in damages, and, in September 1997, judgment was rendered for the Subsidiaries. The decision was appealed by Summa to the Supreme Court of Nevada, which in April 2000 reversed the decision of the trial court and remanded the case back to the trial court for "a calculation of the appropriate [royalties] in a manner not inconsistent with this order." The case was decided by a panel comprised of three of the seven Justices of the Supreme Court of Nevada and the Subsidiaries petitioned that panel for a rehearing. The petition was denied by the three member panel on May 15, 2000 and remanded to the lower court for consideration of other defences and arguments put forth by the Subsidiaries. The Subsidiaries filed a petition for a hearing before the full Supreme Court and on December 22, 2000, that Court recalled its previous decision. Both the Subsidiaries and their counsel believe that grounds exist to modify or reverse the decision. The Corporation has \$1.5 million accrued related to this litigation. If the appellate reversal of the trial decision is maintained and the trial court, on remand, were to dismiss all of the Subsidiaries' defences, the royalty calculation at McCoy/Cove would change and additional royalties would be payable. Neither the Corporation, nor counsel to the Subsidiaries, believes it is possible to quantify the precise amount of liability pursuant to a revised royalty calculation. In November 2001, two former employees of the Corporation brought a claim against the Corporation pursuant to the Class Proceedings Act (British Columbia) as a result of the temporary suspension of operations at the Corporation's Lupin mine in the spring of 1998 and the layoff of employees at that time. The Corporation does not know at this time the amount being claimed by the former employees nor whether the claim is appropriate for certification as a class action. On August 12, 2002, the Supreme Court of British Columbia decided it had such jurisdiction. Echo Bay is appealing this decision. No determination has been made by this Court as to whether this action is suitable for certification as a class action and no decision has been rendered with respect to the merits of the action. While the outcome of any particular claim is not certain, the Corporation believes it has substantive defences and intends to vigorously defend all claims.

**C-28 COMPILATION REPORT** To the Directors of KINROSS GOLD CORPORATION We have reviewed, as to compilation only, the accompanying unaudited pro forma consolidated balance sheet as at September 30, 2002 and the unaudited pro forma consolidated statements of operations for the nine months then ended and for the year ended December 31, 2001, which have been prepared for inclusion in this circular. In our opinion, the unaudited pro forma consolidated balance as at September 30, 2002 and the unaudited pro forma consolidated statements of operations for the nine months then ended and for the year ended December 31, 2001 have been properly compiled to give effect to the transactions and assumptions described in the notes thereto. (SIGNED) DELOITTE & TOUCHE LLP Chartered Accountants Toronto, Canada December 18, 2002

**COMMENT FOR UNITED STATES READERS ON DIFFERENCES BETWEEN CANADIAN AND UNITED STATES REPORTING STANDARDS** The above opinion, provided solely pursuant to Canadian requirements, is expressed in accordance with reporting standards generally accepted in Canada. Such standards contemplate the expression of an opinion with respect to the compilation of unaudited pro forma financial statements. U.S. standards do not provide for the expression of an opinion on the compilation of unaudited pro forma financial statements. To report in conformity with United States standards on the reasonableness of the pro forma adjustments and their application to the unaudited pro forma consolidated balance sheet and unaudited pro forma consolidated statements of operations would require an examination or review which would be substantially greater in scope than the review as to compilation only that we have conducted. Consequently, under U.S. standards, we would be unable to express any opinion with respect to the compilation of the accompanying unaudited pro forma consolidated balance sheet and unaudited pro forma consolidated statements of operations. (SIGNED) DELOITTE & TOUCHE LLP Chartered Accountants Toronto, Canada December 18, 2002

**F-1 KINROSS GOLD CORPORATION PRO FORMA CONSOLIDATED BALANCE SHEET (unaudited)** (Expressed in millions of U.S. Dollars) As at September 30, 2002

**PRO FORMA PRO FORMA NOTES KINROSS TVX ECHO BAY ADJUSTMENTS**

CONSOLIDATED	ASSETS CURRENT ASSETS Cash and cash																											
equivalents.....	\$ 84.5	\$108.4	\$ 20.9	\$ --	\$ 83.8	2.3	--	--	(27.0)	2.4	--	--	91.5	2.5	--	--	(180.0)											
2.12 -- -- (14.5) Restricted cash.....																		21.5	--	--	5.6	2.12	--	--	(15.9)	Accounts		
receivable.....	12.4	22.4	8.0	--	43.3	2.2	--	--	(0.5)	2.12	--	--	1.0															
Inventories.....	39.4	21.2	25.8	--	103.0	2.12	--	--	16.6	Restricted bullion																		
inventory.....	5.4	--	--	5.4	Marketable securities.....	0.3	4.2	2.2	--	20.8	2.2	--	--															
14.1 -----	163.5	156.2	56.9	(114.7)	261.9	PROPERTY, PLANT AND																						
EQUIPMENT.....	348.5	227.1	138.3	--	1,011.5	2.1	--	--	172.1	2.2	--	--	102.7	2.12	--	--	22.8											
GOODWILL.....	--	--	759.6	2.1	--	--	329.2	2.2	--	--	432.5	2.3	--	--	27.0	2.14	--											
-- 34.9 2.6 -- -- (64.0) LONG-TERM INVESTMENTS.....																												
2.6 -- -- (6.7) RESTRICTED CASH.....																												
TAXES.....	--	12.3	--	12.3	DEFERRED CHARGES AND OTHER ASSETS.....	8.5	28.4																					
-- 28.5 2.1 -- -- (11.9) 2.12 -- -- 3.5 -----																												
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
	F-2 KINROSS GOLD CORPORATION PRO FORMA																											
CONSOLIDATED BALANCE SHEET -- (CONTINUED) (unaudited) (Expressed in millions of U.S. Dollars) As at																												
September 30, 2002 PRO FORMA PRO FORMA NOTES KINROSS TVX ECHO BAY ADJUSTMENTS																												
CONSOLIDATED	LIABILITIES CURRENT LIABILITIES Accounts																											
payable and accrued liabilities.....	\$ 37.7	\$ 25.6	\$ 25.2	\$ --	\$ 93.2	2.1	--	--	(2.0)	2.12	--	--	6.7	Current														
portion of long-term debt.....	23.3	2.3	--	27.8	2.12	--	--	2.2	Deferred revenue.....																			
-- 6.1 0.7 -- -- 2.1 -- -- (6.1) 2.2 -- -- (0.7) Current portion of site restoration cost accruals.....																												
-- -- 2.0 2.12 -- -- 1.6 -----																												
DEBT.....	28.4	--	--	29.5	2.1	--	--	1.1	SITE RESTORATION COST																			
ACCRUALS.....	45.6	--	47.4	--	107.8	2.1	--	--	23.5	2.2	--	--	(10.3)	2.12	--	--	1.6	FUTURE										
INCOME AND MINING TAXES.....	3.3	20.0	0.9	--	59.1	2.14	--	--	34.9	DEFERRED																		
REVENUE.....	5.8	--	19.1	--	8.1	2.2	--	--	(16.8)	OTHER LONG-TERM																		
LIABILITIES.....	5.7	23.7	--	5.7	2.1	--	--	(23.7)	DEBT COMPONENT OF CONVERTIBLE																			
DEBENTURES.....	22.8	--	--	22.8	REDEEMABLE RETRACTABLE PREFERRED SHARES.....																							
2.4 -- -- 2.4 -----																												
182.8 77.7 97.9 14.0 372.4 MINORITY INTERESTS AND																												
PARTICIPATION RIGHTS.....	--	129.8	--	1.4	2.1	--	--	50.2	2.5	--	--	--	(180.0)	2.12	--	--	1.4	COMMON										
CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY.....	12.6	--	--	12.6	COMMON																							
SHAREHOLDERS' EQUITY.....	337.0	225.6	151.1	--	1,716.7	3.0	--	--	1,003.0																			
-----	\$532.4	\$433.1	\$249.0	\$888.6	\$2,103.1	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Signed on behalf																												
of the Board: (Signed) John A. Brough (Signed) Cameron A. Mingay Director Director																												
F-3 KINROSS GOLD																												
CORPORATION PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS (unaudited) (Expressed in																												
millions of U.S. Dollars except Per Share Amounts) For the Nine Months Ended September 30, 2002 PRO FORMA																												
PRO FORMA NOTES KINROSS TVX ECHO BAY ADJUSTMENTS CONSOLIDATED																												
-----																												
REVENUE Mining revenue.....	\$184.5	\$ 135.7	\$ 161.7	\$ --	\$ 480.5	2.10																						
-- -- (28.2) 2.11 -- -- (12.1) 2.12 -- -- 38.9 Interest and other income.....																												
-- -- (2.2) 2.12 -- -- (1.6) Mark to market loss on call options.....																												
-----	196.3	141.6	161.7	(5.2)	494.4	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	
EXPENSES																												
Operating.....	126.9	92.1	109.6	--	331.6	2.11	--	--	(13.5)	2.12	--	--	16.0	2.16	--	--												
(2.0) 2.17 -- -- 2.5 General and administrative.....																												
8.0 4.7 5.7 -- 18.4																												
Exploration.....	6.5	2.7	4.8	--	14.9	2.12	--	--	0.9	Depreciation, depletion and																		
amortization.....	61.3	24.6	28.3	--	152.0	2.9	--	--	27.1	2.11	--	--	(4.4)	2.12	--	--	9.8	2.13	--	--	5.3	Gain						
on sale of assets.....	(2.0)	--	--	(2.0)	Loss on retirement of capital securities.....																							
5.5 Foreign exchange loss (gain).....	3.0	3.7	0.1	--	6.8	2.12	--	--																				
liabilities.....	4.0	0.6	--	4.8	2.12	--	--	0.2																				
-----	(11.4)	13.2	7.7	(47.1)	(37.6)	Share in loss of investee companies.....																						
(0.6) -----																												
(LOSS) INCOME BEFORE TAXES AND DIVIDENDS ON CONVERTIBLE																												
PREFERRED SHARES OF SUBSIDIARY COMPANY.....	(12.0)	13.2	7.7	(47.1)	(38.2)	PROVISION FOR																						
INCOME AND MINING TAXES.....	(4.7)	(2.4)	--	(7.7)	2.12	--	--	(3.6)	2.14	3.0	MINORITY																	

INTEREST AND PARTICIPATION RIGHTS.....	-- (6.6)	-- (0.3)	2.8	--	--	6.6	2.12	--	--	(0.3)	-----
----- (LOSS) INCOME FOR THE YEAR BEFORE DIVIDENDS ON CONVERTIBLE											
PREFERRED SHARES OF SUBSIDIARY COMPANY.....	(16.7)	4.2	7.7	(41.4)	(46.2)	DIVIDENDS ON					
CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY.....	(1.3)	--	--	--	--	-----					
NET (LOSS) INCOME FOR THE PERIOD.....	(18.0)	4.2	7.7	(41.4)	(47.5)	INCREASE IN EQUITY COMPONENT OF CONVERTIBLE INSTRUMENTS.....					
(10.1) LOSS ON RETIREMENT OF CAPITAL SECURITIES, NET OF NIL TAX	(5.5)	--	(4.6)	--	--	EFFECT.....					
-----	(132.3)	--	(132.3)	-----	-----	NET (LOSS)					
INCOME FOR THE PERIOD ATTRIBUTABLE TO COMMON SHAREHOLDERS.....											
\$ (23.5)	\$ 4.2	\$ (129.2)	\$ (41.4)	\$ (189.9)	=====	=====	=====	=====	=====	=====	(LOSS) EARNINGS PER
SHARE (NOTE 5) Basic.....	\$ (0.07)	\$ 0.11	\$ (0.33)	\$ (0.20)	-----						
Diluted.....	-- \$ 0.10	--	--	F-4 KINROSS GOLD CORPORATION PRO FORMA	-----						

CONSOLIDATED STATEMENT OF OPERATIONS (unaudited) (Expressed in millions of U.S. Dollars except Per Share Amounts) For the Year Ended December 31, 2001 PRO FORMA PRO FORMA NOTES KINROSS TVX ECHO BAY ADJUSTMENTS CONSOLIDATED ----- REVENUE Mining revenue..... \$270.1 \$ 158.3 \$237.7 \$ -- \$ 639.9 2.10 -- -- (23.2) 2.11 -- -- (59.2) 2.12 -- -- 56.2 Interest and other income..... 9.3 9.1 -- -- 9.6 2.7 -- -- (6.0) 2.12 -- -- (2.8) Mark to market loss on call options..... 3.5 0.4 -- -- 3.9 ----- 282.9 167.8 237.7 (35.0) 653.4 ----- EXPENSES Operating..... 180.7 108.1 189.2 -- 456.7 2.10 -- -- 2.8 2.11 -- -- (51.0) 2.12 -- -- 29.0 2.16 -- -- (6.1) 2.17 -- -- 4.0 General and administrative..... 10.1 8.1 5.6 -- 23.8 Exploration..... 7.9 3.4 3.5 -- 16.5 2.12 -- -- 1.7 Depreciation, depletion and amortization..... 85.8 40.2 42.1 -- 209.9 2.9 -- -- 32.0 2.11 -- -- (12.6) 2.12 -- -- 16.9 2.13 -- -- 6.8 2.15 -- -- (1.3) Gain on sale of assets..... (1.2) -- -- (1.2) Foreign exchange loss..... 1.1 3.3 -- -- 4.8 2.12 -- -- 0.4 Interest expense on long-term liabilities..... 9.1 3.8 1.7 -- 16.3 2.12 -- -- 1.7 Writedown of property, plant and equipment..... 16.1 244.5 4.4 -- 265.0 ----- 309.6 411.4 246.5 24.3 991.8 ----- (26.7) (243.6) (8.8) (59.3) (338.4) Share in loss of investee companies..... (2.2) -- -- (2.2) ----- Loss before taxes and dividends on convertible preferred shares of subsidiary company..... (28.9) (243.6) (8.8) (59.3) (340.6) PROVISION FOR INCOME AND MINING TAXES..... (2.9) 5.6 3.1 -- 5.1 2.12 -- -- (4.4) 2.14 -- -- 3.7 MINORITY INTEREST AND PARTICIPATION RIGHTS..... -- 10.0 -- -- 2.8 -- -- (10.0) ----- LOSS FOR THE YEAR BEFORE DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (31.8) (228.0) (5.7) (70.0) (335.5) DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (5.1) -- -- (5.1) ----- NET LOSS FOR THE YEAR..... (36.9) (228.0) (5.7) (70.0) (340.6) INCREASE IN EQUITY COMPONENT OF CONVERTIBLE INSTRUMENTS..... (7.7) (6.6) (17.3) -- (31.6) INCREASE FROM THE SETTLEMENT OF CONVERTIBLE INSTRUMENTS..... -- 34.7 -- -- 34.7 ----- NET LOSS FOR THE YEAR ATTRIBUTABLE TO COMMON SHAREHOLDERS... \$(44.6) \$(199.9) \$(23.0) \$(70.0) \$(337.5) ===== ===== LOSS PER SHARE (NOTE 5) Basic and diluted..... \$(0.14) \$(10.58) \$(0.16) \$ (0.38) F-5 KINROSS GOLD CORPORATION NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (unaudited) 1. BASIS OF PRESENTATION The unaudited pro forma consolidated financial statements ("pro forma financial statements") have been prepared using the purchase method of accounting for the business combination of Kinross Gold Corporation (the "Corporation" or "Kinross"), TVX Gold Inc. ("TVX") and Echo Bay Mines Ltd. ("Echo Bay"). The Corporation has been identified as the acquirer in accounting for the business combination. The purchase price will be allocated to the TVX and Echo Bay assets acquired and liabilities assumed, based on their respective fair values, with the remaining unallotted portion to goodwill. The allocation of the aggregate purchase price reflected in the pro forma financial statements is preliminary. The actual purchase adjustment to reflect the fair values of the assets acquired and liabilities assumed will be based upon management's evaluation of such assets and liabilities and, accordingly, the adjustments that have been included in the pro forma financial statements may be subject to change. Such allocation may differ significantly from the preliminary allocation included herein. The accompanying unaudited pro forma financial statements as at and for the

nine months ended September 30, 2002, have been prepared by the Corporation's management based on the unaudited consolidated financial statements of the Corporation, TVX and Echo Bay, both as at and for the nine months ended September 30, 2002. The unaudited pro forma statement of operations for the year ended December 31, 2001 has been prepared by management based on the audited consolidated statements of operations of the Corporation, TVX and Echo Bay for the year ended December 31, 2001. The pro forma financial statements are presented as if the business combination had occurred on September 30, 2002 in respect of the pro forma consolidated balance sheet and on January 1, 2001 in respect of the pro forma consolidated statements of operations. The pro forma financial statements have been reclassified to reflect classifications consistent with the presentation adopted by the Corporation (Note 2). Accounting policies used in the preparation of the pro forma statements are those disclosed in the Corporation's consolidated financial statements. The financial statements of the Corporation, TVX and Echo Bay have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). Accordingly, the pro forma adjustments include only those adjustments necessary to conform the TVX and Echo Bay financial statements to the accounting policies used by the Corporation in the preparation of its consolidated financial statements in accordance with Canadian GAAP. In the opinion of management of the Corporation, these pro forma financial statements include all adjustments necessary for a fair presentation applicable to the preparation of pro forma financial statements. The pro forma financial statements are not necessarily indicative either of the results that actually would have been achieved if the transactions reflected therein had been completed on the dates indicated or the results which may be obtained in the future. In preparing these pro forma financial statements, other than described in Note 2 below, no adjustments have been made to reflect transactions which have occurred since the dates indicated or the operating synergies and general and administrative cost savings expected to result from combining the operations of the Corporation, TVX and Echo Bay. The pro forma financial statements should be read in conjunction with the description of the combination of the Corporation, TVX and Echo Bay in this information circular, the audited consolidated financial statements of the Corporation as at and for the year ended December 31, 2001 and notes thereto, and the unaudited consolidated financial statements of the Corporation as at and for the nine months ended September 30, 2002 and notes thereto attached, each contained elsewhere in this circular. In addition, the audited consolidated financial statements of TVX and Echo Bay as at and for the year ended December 31, 2001, and notes thereto, and the unaudited consolidated financial statements of TVX and Echo Bay as at and for the nine months ended September 30, 2002, and notes thereto, are contained elsewhere in this circular. The combination will be accounted for by Kinross using the purchase method of accounting in accordance with both Section 1581, "Business Combinations", of the Canadian Institute of Chartered Accountants Handbook ("CICA Handbook"), for purposes of Canadian GAAP and Statement of Accounting Standards ("SFAS") 141, "Business Combinations", for purposes of United States generally accepted accounting principles ("U.S. GAAP"). Pursuant to the purchase method of accounting under both Canadian and U.S. GAAP, the TVX and Echo Bay assets acquired and liabilities assumed will be recorded at their fair values as of the effective date of the combination. The excess of the purchase price over such fair value will be recorded as goodwill. In accordance with Section 3062, "Goodwill and Other Intangible Assets", of the CICA Handbook, for purposes of Canadian GAAP, and SFAS 142, "Goodwill and Other Intangible Assets", for purposes of U.S. GAAP, goodwill will be assigned to specific reporting units and will not be amortized. The goodwill resulting from the preliminary purchase price allocation is \$759.6 million. Goodwill is subject to a determination of fair value and will be reviewed for possible impairment at least annually or more frequently upon the occurrence of certain events or when circumstances indicate that a reporting unit's carrying value, including the goodwill which was allocated to it, is greater than its fair value. Kinross has not determined if an impairment exists and expects to make that determination in 2003 in accordance with Canadian and U.S. GAAP.

**2. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS** The pro forma financial statements incorporate the following assumptions: -- The business combination had occurred immediately prior to the proposed one for three consolidation of Kinross shares. -- Completion of the transactions contemplated by the combination agreement, as more fully described elsewhere herein, resulting in the combination of the businesses of the Corporation, TVX and Echo Bay. -- Approval of the combination by the shareholders of the Corporation, TVX and Echo Bay. -- Completion of the acquisition of the Newmont interest in the TVX Newmont Americas joint venture.

F-6 In respect of TVX and Echo Bay, certain adjustments as described more fully in 2.15 and 2.16 below, are required to achieve conformity with the accounting methods used by the Corporation and ultimately by the combined companies. These pro forma financial statements give effect to the above assumptions and the following adjustments: All common share information presented for TVX is after the one for ten

consolidation which became effective June 30, 2002. Transactions Giving Effect to the Business Combination and Agreements Related Thereto

**2.1 TO ACCOUNT FOR THE ACQUISITION OF TVX. IN MILLIONS EXCEPT SHARE PRICE AND NUMBER OF SHARES ACQUISITION OF 100% OF TVX** ----- Calculation of preliminary allocation of purchase price: Common shares of the Corporation to be issued to the TVX shareholders..... 280,442,552 The average closing market price of the Corporation's shares over the four trading days from June 6 through June 11, 2002..... \$ 2.38 ----- Fair value of the Corporation's common stock issued..... \$ 667.5 Plus -- fair value of TVX warrants and options to be assumed by the Corporation (100% vested)..... 2.5 ----- Total purchase price..... 670.0 Plus -- fair value of liabilities assumed by the Corporation: Accounts payable and accrued liabilities(1)..... 23.6 Current portion of site restoration accruals..... 2.0 Long-term debt (including current portion)..... 3.4 Site restoration obligations(1)..... 23.5 Future income tax liabilities..... 20.0 Minority interest and participation rights..... 180.0 Less -- fair value of assets acquired by the Corporation: Cash..... (108.4) Short-term investments..... (4.2) Accounts receivable..... (22.4) Inventories..... (21.2) Property, plant and equipment..... (399.2) Restricted cash..... (9.1) Future income tax assets..... (12.3) Purchased put options..... (1.6) Other non-current assets..... (14.9) ----- Residual purchase price allocated to non-amortizable goodwill..... \$ 329.2 ===== (1) TVX accrues site restoration obligations on a unit-of-production basis over proven and probable reserves. TVX estimated its share of closure costs on a non-discounted basis to be \$39.9 million as of December 31, 2001. Kinross confirmed the reasonableness of this estimate by reviewing the closure plans and discussing these plans with site environmental personnel. In determining the fair value of these site restoration obligations, Kinross discounted TVX's estimate of closure costs resulting in a fair value obligation of \$25.5 million. The fair valuing of these liabilities results in a net increase of \$0.9 million to site restoration obligations.

**F-7 2.2 TO ACCOUNT FOR THE ACQUISITION OF ECHO BAY. IN MILLIONS EXCEPT SHARE PRICE AND NUMBER OF SHARES ACQUISITION OF 100% OF ECHO BAY** ----- Calculation of preliminary allocation of purchase price: Common shares of the Corporation to be issued to the Echo Bay shareholders..... 281,461,271 The average closing market price of the Corporation's shares over the four trading days from June 6 through June 11, 2002..... \$ 2.38 ----- Fair value of the Corporation's common stock issued..... \$ 669.9 Plus -- fair value of Echo Bay warrants and options to be assumed by the Corporation (100% vested)..... 19.0 ----- Total purchase price..... 688.9 Plus -- fair value of liabilities assumed by the Corporation: Accounts payable and accrued liabilities(1)..... 25.2 Current portion of site restoration accruals..... 4.6 Site restoration obligations(1)..... 37.1 Commodity derivative contracts..... 2.3 Future income tax liabilities..... 0.9 Less -- fair value of assets acquired by the Corporation: Cash..... (20.9) Short-term investments..... (16.3) Interest and accounts receivable..... (7.5) Inventories..... (25.8) Property, plant and equipment..... (241.0) Other non-current assets..... (15.0) ----- Residual purchase price allocated to non-amortizable goodwill..... \$ 432.5 ===== (1) Echo Bay accrues site restoration obligations on a unit-of-production basis over proven and probable reserves. Echo Bay estimated its share of closure costs on a non-discounted basis to be \$48.0 million as of December 31, 2001. Kinross confirmed the reasonableness of this estimate by reviewing the closure plans and discussing these plans with site and corporate environmental personnel. In determining the fair value of these site restoration obligations, Kinross discounted Echo Bay's estimate of closure costs resulting in a fair value obligation of \$41.7 million. The decrease of \$10.3 million to site restoration obligations represents the removal of the McCoy/Cove closure liability since it will be assumed by Newmont on closing of the combination and the additional accrual required to site restoration cost accruals to fair value these obligations at September 30, 2002. 2.3 To record the estimated future costs of \$27.0 million associated with the combination transaction (including severance costs attributable to the departure of senior executives of TVX and Echo Bay of approximately \$10.0 million, investment banking fees of \$11.3 million and legal, accounting, printing, mailing and other of \$5.7 million) which are included in the cost of the acquisition resulting in additional goodwill. 2.4 To record the issuance of 50 million units for net proceeds of \$91.5 million on December 5, 2002. Each unit consists of one common share of the Corporation and one

half common share purchase warrant. One whole common share purchase warrant has an exercise price of Cdn. \$5.00 and is exercisable on or before December 5, 2007 for one Kinross common share. The fair value of the common share purchase warrants was \$9.4 million.

2.5 To account for the acquisition of Newmont's ownership interest in the TVX Newmont Americas joint venture for \$180.0 million cash, of which \$90.0 million will be financed from the units issue described in 2.4.

2.6 To eliminate the Corporation's 10.6% ownership interest in Echo Bay valued at \$70.7 million.

2.7 To reduce interest income by \$6.0 million for the year ended December 31, 2001 and \$2.2 million for the nine months ended September 30, 2002 to reflect the net change in cash resources arising from the expenditure described in 2.3 and the acquisitions described in 2.5 and 2.12.

2.8 To reduce minority interest and participation rights by \$10.0 million for the year ended December 31, 2001 and \$6.6 million for the nine months ended September 30, 2002 as a consequence of the acquisition of Newmont's interest in the TVX Newmont Americas joint venture described in 2.5.

2.9 To increase depreciation, depletion and amortization expense by \$32.0 million for the year ended December 31, 2001 and \$27.1 million for the nine months ended September 30, 2002 as a result of the preliminary allocation of the purchase price of the acquisitions described in 2.1, 2.2 and 2.5. The revised depreciation, depletion and amortization are computed on a unit of production basis, based on the Corporation's accounting policies and the estimated mine lives. For proven and probable reserves of Kinross, TVX and Echo Bay, see page S-72.

2.10 To reduce mining revenue by \$23.2 million (TVX -- \$4.6, Echo Bay -- \$18.6) and increase Echo Bay's operating costs by \$2.8 million, for the year ended December 31, 2001, and to reduce revenue by \$28.2 million (TVX -- \$4.0, Echo Bay -- \$24.2) for the nine months ended September 30, 2002, to reflect the elimination of deferred gains and losses on pro forma operations. The deferred gains and losses arise from derivative contracts that qualify for hedge accounting and have been realized as income over the original delivery schedule of the contracts. On F-8 fair valuing the deferred gains and losses, no value is allocated to these assets and liabilities as the cash has already been received by Echo Bay and TVX, respectively.

2.11 To reduce mining revenue, operating costs and depreciation, depletion and amortization, by \$59.2 million, \$51.0 million and \$12.6 million, respectively, for the year ended December 31, 2001, and to and to reduce mining revenue, operating costs and depreciation, depletion and amortization by \$12.1 million, \$13.5 million and \$4.4 million, respectively for the nine months ended September 30, 2002 to reflect the pro forma sale of the McCoy-Cove mine to Newmont concurrent with the Combination.

2.12 To account for the repurchase by Omolon Gold Mining Company ("Omolon") pursuant to purchase agreements with four of its Russian shareholders of 44.17% of its outstanding common shares and the cancellation of such shares, as a result of which the Corporation will indirectly acquire an additional 43.44% interest in Omolon. Following the closing of the share repurchases, the Corporation will own, in the aggregate, 98.14% of Omolon. The Corporation views this acquisition as "probable" since four Russian shareholders who represent the 44.17% have entered into binding purchase agreements. A "probable" acquisition may be defined as one that has progressed to a state where a reasonable person would believe that the likelihood of the acquisition being completed is high. The closing of each of these four purchase agreements is expected to take place prior to December 31, 2002. For further information on this transaction, please see page A-2 under "Recent Developments". The fair values of the assets and liabilities of the 43.44% interest in Omolon and the preliminary allocation of the purchase consideration are shown below, as if the acquisition had occurred on September 30, 2002. The Corporation does not believe that the final purchase price allocation will result in a materially different presentation than that shown below.

ACQUISITION OF 43.44% OF OMOLON ----- Fair value of assets acquired by the Corporation: Cash..... \$ 13.1 Accounts receivable..... 1.0 Inventories..... 16.6 Property, plant and equipment..... 22.8 Other non-current assets..... 3.5 Less -- fair value of liabilities assumed by the Corporation: Accounts payable and accrued liabilities..... (6.7) Current portion of site restoration accruals..... (1.6) Long-term debt (including current portion)..... (2.2) Site restoration obligations..... (1.6) Minority interest..... (1.4) ----- Total cash consideration..... \$ 43.5 ===== Financed by: Cash (including cash acquired -- \$13.1 million)..... \$ 27.6 Restricted cash..... 15.9 ----- \$ 43.5 ===== Kinross will utilize the restricted cash in Omolon to partially finance the acquisition of the Omolon shares as such cash will be released on closing of the acquisition for this purpose. In the event that Omolon cannot close the share purchase agreements and is ultimately unsuccessful in the legal proceedings, Omolon could be required to effectively repurchase 38.1% of the outstanding shares of Omolon for as much as \$67.0 million in order to settle the proceedings. There would be no impact on future revenues of this potential adverse ruling, but future dividends anticipated from Omolon would be



reduced by the increased cost of acquisition. F-9 The following adjustments are recorded in the statements of operations for the following periods to reflect the acquisition of 43.44% of Omolon as if it had occurred effective January 1, 2001. NINE MONTHS ENDED YEAR ENDED SEPTEMBER 30, DECEMBER 31, 2002 2001

-----	-----	REVENUE	Mining revenue.....	\$38.9	\$56.2	Interest and other
income.....	(1.6)	(2.8)	-----	37.3	53.4	-----
Expenses						
Operating.....	16.0	29.0	Exploration.....	0.9	1.7	Depreciation,
depletion and amortization.....	9.8	16.9	Foreign exchange loss.....	--	0.4	Interest expense
on long-term liabilities.....	0.2	1.7	-----	26.9	49.7	-----
Income before taxes.....						
10.4	3.7	Provision for income and mining taxes.....	(3.6)	(4.4)	Minority interests.....	
(0.3)	--	-----	Net (loss) income for the period.....	\$ 6.5	\$(0.7)	=====

Consistent with its accounting policies, the Corporation will commence accounting for its investment in Omolon on a consolidated basis for both Canadian and U.S. GAAP. After the closing of the share purchase agreements and all pending lawsuits are withdrawn, Kinross will appoint the entire board of directors of Omolon, the general director and all senior executive officers of Omolon. Since a shareholder owning a 1.86% interest in a Russian open joint stock company has limited rights as a minority shareholder under Russian law, neither the Magadan State Property Committee, the only remaining Russian shareholder, nor the Magadan Administration will have the ability to exert control over or have substantive participation rights in Omolon's operations in the future. As a consequence, Kinross will be able to determine Omolon's strategic operating, investing and financial policies without the cooperation of the minority shareholder. Given the political, legal and economic uncertainties that exist in Russia, the Corporation will continue to monitor its ability to determine Omolon's strategic operating, investing and financing policies without the cooperation of others. If the Corporation concludes that it no longer has the ability to exercise the requisite control over Omolon, it will cease consolidation and account for its investment in Omolon either on the equity or cost basis, depending on its assessment of its level of control at that time. The risks of operating in Russia are more fully disclosed in Note 21 to the 2001 audited financial statements of the Corporation.

2.13 To increase depreciation, depletion and amortization expense by \$6.8 million for the year ended December 31, 2001 and \$5.3 million for the nine months ended September 30, 2002 as a result of the preliminary allocation of the purchase price of the acquisition described in 2.12. The revised depreciation, depletion and amortization is computed on a unit of production basis, based on the Corporation's accounting policies and the estimated mine life.

2.14 To record future tax liabilities of \$34.9 million associated with the pro forma adjustments resulting from the impact of the purchase accounting of the acquisitions described in 2.1, 2.2 and 2.12 above. Future income taxes in respect of these adjustments have been recorded at the statutory rate that will be in force when the temporary differences reverse which are as follows: Ontario mining tax -- 8%, Manitoba mining tax -- 18%, Russia income tax -- 24% and Brazil income tax -- 34%. To record income tax recoveries of \$3.7 million for the year ended December 31, 2001 and \$3.0 million for the nine months ended September 30, 2002. The rates used for the pro forma condensed statement of operations are the enacted rates in each of the taxing jurisdictions as follows: Canada -- 40%, USA -- 35%, Chile -- 17%, Russia -- 24%, Brazil -- 34%, Ontario mining tax -- 12%, Manitoba mining tax -- 18% and Nunavut mining tax -- 13%. For Canada and the USA, no recognition was given to tax losses for purposes of the calculation of current period tax expense and future tax liabilities.

2.15 To reflect a reduction in the common share capital of Kinross, which is subject to shareholder approval, as required, at the special meeting which will be held in connection with the combination. Kinross expects such shareholder approval to be granted. For Canadian GAAP purposes, the reduction in common share capital will result in a reduction in Kinross' deficit of the same amount. For U.S. GAAP purposes, this reclassification is not permitted and will require an increase in common share capital and an increase in deficit of \$746.7 million. Conforming Adjustments

2.16 To decrease Echo Bay operating costs by \$6.1 million for the year ended December 31, 2001, and \$2.0 million for the nine months ended September 30, 2002, to reflect the impact of expensing stripping costs as incurred, in accordance with the Corporation's accounting policies.

2.17 To increase TVX operating costs by \$4.0 million and reduce amortization by \$1.3 million for the year ended December 31, 2001, and increase operating costs by \$2.5 million for the nine months ended September 30, 2002, to reflect the impact of expensing stripping costs as incurred, in accordance with the Corporation's accounting policies.

F-10 3. COMMON SHAREHOLDERS' EQUITY AND COMMON SHARES The components of the pro forma common shareholders' equity are: PRO FORMA PRO FORMA NOTES KINROSS TVX ECHO BAY ADJUSTMENTS CONSOLIDATED ----- (Note 1)

(Note 1)	(Note 1)	(Note 2)	Common share capital.....	\$965.3	\$641.5	\$1,042.6	\$1,567.4	2.1	--	--
----------	----------	----------	---------------------------	---------	---------	-----------	-----------	-----	----	----

667.5 2.1 -- -- (641.5) 2.2 -- -- 669.9 2.2 -- -- (1,042.6) 2.4 -- -- 82.1 2.6 -- -- (70.7) 2.15 -- -- (746.7)  
Common share purchase warrants and options..... -- -- 30.9 2.1 -- -- 2.5 2.2 -- -- 19.0 2.4 -- -- 9.4  
Contributed surplus..... 12.9 36.3 -- -- 12.9 2.1 -- -- (36.3) Equity component of convertible  
debentures..... 130.4 -- -- 130.4 Deficit..... (746.7) (452.2) (863.8) -- -- 2.1 -- -- --  
452.2 2.2 -- -- 863.8 2.15 -- -- 746.7 Cumulative translation adjustments..... (24.9) -- (27.7) -- (24.9) 2.2  
-- -- 27.7 ----- \$337.0 \$225.6 \$ 151.1 \$ 1,003.0 \$1,716.7 =====  
===== The number of pro forma common shares outstanding after giving effect to the transaction is:  
Kinross..... 358.4 TVX shares converted to equivalent Kinross shares..... 43.1 6.50  
280.4 Echo Bay shares converted to equivalent Kinross shares..... 541.3 0.52 281.5 Echo Bay shares adjusted  
pursuant to 2.6..... (57.1) 0.52 (29.7) Kinross shares adjusted pursuant to 2.4..... 50.0 ----- 940.6  
===== 4. ITEMS NOT ADJUSTED The pro forma statements do not give effect to operating efficiencies, cost  
savings and synergies that might result from the combination of the three corporations, including potential cost  
savings at the corporate level and potential synergies in exploration efforts. 5. PER SHARE INFORMATION The pro  
forma net loss per common share in the amount of \$(0.37) (\$1.11 after the one for three consolidation) for the year  
ended December 31, 2001 and in the amount of \$(0.20) (\$0.60 after the one for three consolidation) for the nine  
months ended September 30, 2002 have been calculated using the weighted average number of common shares of the  
Corporation outstanding during the year ended December 31, 2001 and the nine months ended September 30, 2002,  
respectively, plus the additional common shares of the Corporation that will be issued to acquire TVX and Echo Bay.  
The number of additional shares was computed using the exchange ratios of 6.50 and .52, for TVX and Echo Bay,  
respectively. The convertible debenture equity increase and dividends on convertible preferred shares of a subsidiary  
of the Corporation have been deducted in arriving at the net loss for the year attributable to common shares on the pro  
forma statement of operations in the determination of per share data. NINE MONTHS ENDED YEAR ENDED  
SEPTEMBER 30, DECEMBER 31, 2002 2001 ----- (millions of common shares) Weighted average  
number of common shares of the Corporation outstanding during the period..... 354.5 313.4 Additional  
common shares issued to acquire TVX..... 280.4 280.4 Additional common shares issued to acquire Echo  
Bay..... 251.8 251.8 Additional common shares issued pursuant to Kinross unit issue (Note  
2.4)..... 50.0 50.0 ----- 936.7 895.6 ===== F-11 6. RECONCILIATION OF  
UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FROM CANADIAN GAAP TO  
U.S. GAAP The tables below set out the material adjustments to pro forma consolidated net loss and shareholders'  
equity reflected in the unaudited pro forma consolidated financial information which would be required if U.S. GAAP  
had been applied. Under U.S. GAAP, the pro forma consolidated information only reflects the income (loss) from  
continuing operations, before nonrecurring charges or extraordinary items. These tables should be read in conjunction  
with Note 20 of the Corporation's audited financial statements and Note 13 of the Corporation's unaudited  
consolidated financial statements, Note 17 of TVX's audited consolidated financial statements and Note 9 of TVX's  
unaudited consolidated financial statements and Note 15 of Echo Bay's audited consolidated financial statements and  
Note 10 of Echo Bay's interim consolidated financial statements, all of which are included in this circular.  
RECONCILIATION OF PRO FORMA CONSOLIDATED NET LOSS (amounts in millions of U.S. dollars) NINE  
MONTHS YEAR ENDED ENDED SEPTEMBER 30, DECEMBER 31, 2002 2001 ----- PRO  
FORMA NET LOSS UNDER CANADIAN GAAP..... \$ (47.5) \$(340.6) ADJUSTMENTS FOR:  
Write-down of property, plant and equipment under U.S. GAAP(a)..... -- (49.9) Reduction  
in depreciation, depletion and amortization under U.S. GAAP(a)..... 8.1 8.9 Increase in  
convertible debenture interest(b)..... (7.8) (22.5) Recognition of exchange gains (losses) on convertible  
debentures(b)..... (0.1) 6.3 Change in market value of commodity and foreign exchange  
derivative contracts(c)..... (4.9) (8.4) Reclassification of realized earnings related to derivative  
contracts(f)..... 1.0 (3.1) Income tax recovery(e)..... -- 3.7 Minority interests and  
participation rights(d)..... (1.1) 2.1 Kettle River exploration expense(g)..... -- (2.2) Kettle River  
amortization expense(g)..... -- 2.1 Premium on flow through shares issued(i)..... 0.6 -- Loss on  
retirement of capital securities(j)..... 5.5 -- ----- PRO FORMA NET LOSS UNDER U.S.  
GAAP(j)..... \$ (46.2) \$(403.6) ===== RECONCILIATION OF PRO FORMA  
CONSOLIDATED SHAREHOLDERS' EQUITY (amounts in millions of U.S. dollars) AS AT SEPTEMBER 30,  
2002 ----- PRO FORMA SHAREHOLDERS' EQUITY UNDER CANADIAN GAAP..... \$1,716.7

ADJUSTMENTS FOR: Write-down of property, plant and equipment under U.S.

GAAP(a)..... (60.5) Reduction in depreciation, depletion and amortization under U.S.  
 GAAP(a)..... 23.9 Convertible debentures(b)..... (100.4) Premium on flow  
 through shares issued(i)..... (0.5) Unrealized gains on marketable securities and long term  
 investments(h)..... 59.9 Change in market value of commodity and foreign exchange derivative  
 contracts(c)..... (12.0) Reduction in common share capital net of decrease in  
 deficit(k)..... -- ----- PRO FORMA SHAREHOLDERS' EQUITY UNDER U.S.

GAAP..... \$1,627.1 ===== (a) In connection with an impairment evaluation, property, plant and equipment was written down to the fair value for the year ended December 31, 2001. The adjustment of \$49.9 million to the net loss in the year ended December 31, 2001 comprises an increase to the writedown of \$51.2 million for TVX and a reduction in the writedown of \$1.3 million for Echo Bay. GAAP differences arise from the requirement to discount future cash flows from impaired properties under U.S. GAAP and from using proven and probable reserves only. Under Canadian GAAP, future cash flows from impaired properties are not discounted and reserves are calculated to include current proven and probable reserves plus mineral resources expected to be converted to proven and probable reserves. The decrease to shareholders' equity of \$60.5 million arises from applying the U.S. GAAP approach to writedowns recognized by Kinross prior to January 1, 2001. Under U.S. GAAP, depreciation, depletion and amortization would be reduced accordingly, as capitalized costs are amortized over proven and probable reserves only. The adjustment to the net loss comprises \$6.0 million and \$2.1 million in the nine months ended September 30, 2002 for Kinross and TVX, respectively, and \$6.1 million and \$2.8 million in the year ended December 31, 2001 for Kinross and TVX, respectively. The adjustment of \$23.9 million to shareholders' equity represents the cumulative difference created by applying this policy to Kinross property, plant and equipment at September 30, 2002. F-12 (b) Under Canadian GAAP, convertible debentures are accounted for in accordance with their substance and, as such, are presented in the financial statements in accordance with their liability and equity component parts. Under U.S. GAAP, the entire principal amount of convertible debentures is treated as debt with interest expense based on the coupon rate of 5.5%. Adjustment to net loss to account for the interest expense amounted to \$7.8 million of which \$3.2 million and \$4.6 million relates to Kinross and Echo Bay, respectively for the nine months ended September 30, 2002. The increased interest expense amounted to \$22.5 million of which \$4.1 million, \$17.3 million and \$1.1 million relates to Kinross, Echo Bay and TVX, respectively, for the year ended December 31, 2001. In addition, under Canadian GAAP (prior to January 1, 2002), the unrealized foreign exchange gains and losses on the Canadian dollar denominated debentures are deferred and amortized over the term of the debentures. Effective January 1, 2002, Canadian GAAP no longer permits the deferral of unrealized foreign exchange gains and losses on the debt component of the debentures. Under U.S. GAAP, these gains and losses are recognized in income along with exchange gains and losses related to the portion of the convertible debentures included in equity under Canadian GAAP. Adjustments to the net loss, to recognize the unrealized exchange gains and (losses) amounts in Kinross are (\$0.1) million and \$6.3 million for the nine months ended September 30, 2002 and the year ended December 31, 2001 respectively. The adjustment of \$100.4 million to the shareholders' equity relates to Kinross. (c) On January 1, 2001, FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 113), and the corresponding amendments under FASB Statement No. 138 (SFAS 138) were adopted for purposes of U.S. GAAP. SFAS 133 requires that all derivative financial instruments be recognized in the financial statements and measured at fair value regardless of the purpose or intent for holding them. Changes in the fair value of derivative financial instruments are either recognized periodically in income or shareholders' equity (as a component of other comprehensive income), depending on whether the derivative is being used to hedge changes in fair value or cash flows. SFAS 138 amends certain provisions of SFAS 133 to clarify four areas causing difficulties in implementation. For derivatives designated as cash flow hedges, the effective portions of changes in fair value of the derivative are reported in other comprehensive income and are subsequently reclassified into other income when the hedged item affects other income. Changes in fair value of the derivative instruments used as economic instruments and ineffective portions of hedges are recognized in other income in the period incurred. Under Canadian GAAP, unrealized gains, losses, revenues and expenses associated with derivative financial instruments designated as hedges of anticipated transactions are accounted for off balance sheet until recorded in income as an adjustment to the underlying hedged item and realized gains and losses on derivative financial instruments hedging anticipated transactions are deferred and recognized in income when the underlying hedged item is recorded. Option premiums for purchased options in hedging

relationships are deferred and recognized in income as an adjustment to the underlying hedged item. Derivatives that are not designated in a hedging relationship are carried at fair value, consistent with U.S. GAAP requirements. U.S. GAAP differences relate primarily to the recognition of the balance sheet fair value of derivatives in hedging relationships and the associated other comprehensive income and ineffectiveness amounts for those same derivatives. The increase to the net loss of \$4.9 million is comprised of an increase in fair value of derivative financial instruments in designated hedging relationships of \$0.1 million in respect of Kinross and a decrease in fair value of \$3.1 million and \$1.9 million for TVX and Echo Bay, respectively, in the nine months ended September 30, 2002, whereas the adjustment of \$8.4 million in the year ended December 31, 2001 is comprised of \$3.6 million, \$0.8 million and \$4.0 million for Kinross, TVX and Echo Bay, respectively. At September 30, 2002, \$17.1 million of other comprehensive loss would have been recognized and \$5.8 million of deferred revenue would have been reclassified as other comprehensive income (\$3.6 million) and as a decrease to the deficit (\$2.2 million) under U.S. GAAP in respect of Kinross derivative financial instruments. (d) The effect of adjustments on minority interests and participation rights made to TVX's financial statements to comply with U.S. GAAP. (e) To account for the tax impact of adjustments made by TVX to comply with U.S. GAAP. Effective January 1, 2000, the liability method of accounting for income taxes was adopted for Canadian GAAP. (f) In accordance with Canadian GAAP, certain long-term foreign exchange contracts are considered to be hedges of the cost of goods to be purchased in foreign currencies in future periods. Gains and losses related to changes in market values of such contracts are recognized as a component of the cost of goods when the related hedged purchases occur. Under U.S. GAAP, foreign exchange contracts would be carried at market value and changes included in current earnings. The reduction in net loss of \$1.0 million relates to Echo Bay for the nine months ended September 30, 2002. The increase of \$3.1 million to the net loss for the year ended December 31, 2001 is comprised of \$0.3 million and \$2.8 million that relate to Kinross and Echo Bay, respectively. (g) The increase of \$2.2 million and the decrease of \$2.1 million to the net loss in the year ended December 31, 2001 relate to Echo Bay's Kettle River mine. Under Canadian GAAP, Echo Bay capitalized development costs of \$2.2 million in 2001 for the extension of the K -- 2 deposit at the Kettle River mine. Under Canadian GAAP, Echo Bay also expensed \$2.1 million as amortization of these costs in 2001. The reconciling difference arose because Canadian GAAP has lower standards for determining whether mining costs are assets than the standards for asset treatment under U.S. GAAP, resulting in lower earnings being reported for U.S. GAAP. Under Canadian GAAP, these mining costs may be capitalized; under U.S. GAAP, however, the expenditures would be classified as exploration expense. (h) Under Canadian GAAP, unrealized gains (losses) on long-term investments and marketable securities are not recorded. Under U.S. GAAP, unrealized gains (losses) on long-term investments and marketable securities that are classified as available for sale are charged to comprehensive income or loss in the current period. The adjustment of \$59.9 million as at September 30, 2002 represents the cumulative adjustment required to comply with U.S. GAAP and relates to Kinross. F-13 (i) Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. Kinross has accounted for the issue of flow-through shares using the deferral method in accordance with Canadian GAAP. At the time of issue, the funds received are recorded as share capital. For U.S. GAAP purposes the premium paid in excess of the market value is credited to other liabilities and included in income over the period in which the Company incurs the qualified expenditures. The adjustment made to income to comply with U.S. GAAP amounts to \$0.6 million in the nine month period ended September 30, 2002 and relates to Kinross. Also, notwithstanding that there is not a specific requirement to segregate the funds pursuant to the flow-through share agreements, the flow-through funds which are unexpended at the Consolidated Balance Sheet dates are considered to be restricted and are not considered to be cash or cash equivalent under U.S. GAAP. As at September 30, 2002 and December 31, 2001, unexpended flow-through funds were \$2.0 million and \$4.6 million, respectively. (j) In accordance with Canadian GAAP, the loss on the retirement of capital securities of Echo Bay was recorded proportionately between interest expense and deficit based on the debt and equity classifications of the capital securities. Under U.S. GAAP, the entire net loss of \$137.8 million relating to Echo Bay would be recorded as an extraordinary expense item in 2002. In accordance with Canadian GAAP, the gain on the conversion of the Gold linked convertible notes of TVX was recorded as contributed surplus. Under U.S. GAAP, this gain of \$34.2 million would be recorded as an extraordinary gain in 2001. As both these items would be treated as extraordinary items under U.S. GAAP, they have been excluded from the determination of the pro forma net loss under U.S. GAAP in accordance with Rule 11-02 (a) of Regulation S-X which requires to exclude extraordinary items from pro forma

financial information. (k) To reflect a reduction in the common share capital of Kinross. For Canadian GAAP purposes, the reduction in common share capital will result in a reduction in Kinross' deficit of the same amount. For U.S. GAAP purposes, this reclassification is not permitted and will require an increase in common share capital and an increase in deficit of \$746.7 million.

F-14 KINROSS GOLD CORPORATION INTERIM FINANCIAL STATEMENTS CONSOLIDATED BALANCE SHEETS (expressed in millions of U.S. dollars) (unaudited) AS AT AS AT SEPTEMBER 30, DECEMBER 31, 2002 2001 ----- (restated - Note 2) ASSETS Current assets Cash and cash equivalents..... \$ 84.5 \$ 81.0 Restricted cash (Note 3)..... 21.5 -- Accounts receivable and other assets..... 12.4 13.8 Inventories..... 39.4 42.4 Restricted bullion inventory (Note 11)..... 5.4 -- Marketable securities..... 0.3 1.5 ----- 163.5 138.7 Property, plant and equipment (Note 5)..... 348.5 415.0 Long-term investments..... 11.9 12.9 Deferred charges and other assets..... 8.5 11.0 ----- \$532.4 \$577.6 =====

LIABILITIES Current liabilities Accounts payable and accrued liabilities..... \$ 37.7 \$ 31.0 Current portion of long-term debt..... 23.3 33.1 Current portion of site restoration cost accruals..... 7.8 12.6 ----- 68.8 76.7 Long-term debt..... 28.4 31.0 Site restoration cost accruals..... 45.6 43.0 Future income and mining taxes..... 3.3 3.3 Deferred revenue..... 5.8 9.6 Other long-term liabilities..... 5.7 6.0 Debt component of convertible debentures..... 22.8 26.0 Redeemable retractable preferred shares..... 2.4 2.4 ----- 182.8 198.0 ----- Convertible preferred shares of subsidiary company (Note 5)..... 12.6 48.0 ----- COMMON SHAREHOLDERS' EQUITY Common share capital..... 965.3 945.7 Contributed surplus..... 12.9 12.9 Equity component of convertible debentures..... 130.4 124.8 Deficit..... (746.7) (723.2) Cumulative translation adjustments..... (24.9) (28.6) ----- 337.0 331.6 ----- \$532.4 \$577.6 =====

F-15 KINROSS GOLD CORPORATION INTERIM FINANCIAL STATEMENTS CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30 (expressed in millions of U.S. dollars except per share amounts) (unaudited) THREE MONTHS ENDED NINE MONTHS ENDED SEPTEMBER 30, ----- 2002 2001 2002 2001 ----- (restated - (restated - Note 2) Note 2) REVENUE Mining revenue..... \$ 56.5 \$ 65.0 \$184.5 \$199.8 Interest and other income..... 6.0 1.5 13.7 6.9 Mark-to-market loss on call options..... (0.3) (2.8) (1.9) (0.4) ----- 62.2 63.7 196.3 206.3 ----- EXPENSES Operating..... 39.0 42.6 126.9 133.9 General and administrative..... 3.2 2.0 8.0 7.6 Exploration and business development..... 2.4 1.9 6.5 6.3 Depreciation, depletion and amortization..... 19.9 21.3 61.3 64.4 Gain on sale of assets..... (0.5) -- (2.0) -- Foreign exchange loss..... -- (0.6) 3.0 (0.2) Interest expense on long-term liabilities..... 1.2 1.9 4.0 6.5 ----- 65.2 69.1 207.7 218.5 ----- (3.0) (5.4) (11.4) (12.2) Share in loss of investee companies..... (0.8) (0.2) (0.6) (0.9) ----- Loss before taxes and dividends on convertible preferred shares of subsidiary company..... (3.8) (5.6) (12.0) (13.1) Provision for income and mining taxes..... (1.7) (1.3) (4.7) (1.4) ----- Loss for the period before dividends on convertible preferred shares of subsidiary company..... (5.5) (6.9) (16.7) (14.5) Dividends on convertible preferred shares of subsidiary company..... (0.3) (0.9) (1.3) (4.3) ----- Net loss for the period..... (5.8) (7.8) (18.0) (18.8) Increase in equity component of convertible debentures... (1.3) (1.9) (5.5) (5.7) ----- Net loss attributable to common shares..... \$ (7.1) \$ (9.7) \$(23.5) \$(24.5) =====

NET LOSS PER SHARE Basic and diluted..... \$(0.02) \$(0.03) \$(0.07) \$(0.08) Weighted average number common shares outstanding..... 358.3 322.3 354.5 308.5 Total outstanding and issued common shares at September 30..... 358.4 328.1

F-16 KINROSS GOLD CORPORATION INTERIM FINANCIAL STATEMENTS CONSOLIDATED STATEMENT OF COMMON SHAREHOLDERS EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 (expressed in millions of U.S. dollars) (unaudited) CUMULATIVE COMMON CONTRIBUTED CONVERTIBLE TRANSLATION SHARES SURPLUS DEBENTURES DEFICIT ADJUSTMENTS TOTAL ----- (restated - Note 2) BALANCE, DECEMBER 31, 2001..... \$945.7 \$12.9 \$124.8 \$(723.2) \$(28.6) \$ 331.6 Issuance of common shares..... 19.6 -- -- -- 19.6 Increase in equity component of convertible debentures..... -- -- 5.6 (5.5) -- 0.1 Net loss for the period..... -- -- -- (18.0) -- (18.0) Cumulative translation

adjustments.....	--	--	--	--	3.7	3.7	-----	BALANCE, SEPTEMBER 30, 2002.....
\$965.3	\$12.9	\$130.4	\$(746.7)	\$(24.9)	\$(337.0)	=====	=====	F-17
KINROSS GOLD CORPORATION INTERIM FINANCIAL STATEMENTS CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30 (expressed in millions of U.S. dollars) (unaudited) THREE MONTHS ENDED NINE MONTHS ENDED SEPTEMBER 30, ----- 2002 2001 2002 2001 ----- (restated - (restated - Note 2) Note 2) NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:								
OPERATING: Loss for the period before dividends on convertible preferred shares of subsidiary company.....	\$	(5.5)	\$(6.9)	\$(16.7)	\$(14.5)	Items not affecting cash: Depreciation, depletion and amortization.....	19.9	21.3
64.4	Deferred revenue realized.....	(1.3)	(4.7)	(3.8)	(12.9)	Site restoration cost accruals.....	0.8	0.4
2.3	1.2	Other.....	(0.8)	(0.7)	(0.8)	0.1	-----	13.1
9.4	42.3	38.3	Proceeds on restructuring of gold forward sale contracts.....	--	--	21.1	Site restoration cash expenditures.....	(2.4)
(1.9)	(5.0)	(4.5)	Changes in non-cash working capital items Accounts receivable and other assets.....	6.9	(0.9)	5.9	0.8	Inventories.....
(6.3)	3.4	(2.7)	8.1	Marketable securities.....	--	2.5	--	Accounts payable and accrued liabilities.....
5.8	2.7	3.1	(4.1)	Effect of exchange rate changes on cash.....	0.4	(0.1)	2.4	(1.0)
-----	CASH FLOW PROVIDED FROM OPERATING ACTIVITIES.....	17.5	12.6	48.5	58.7	-----	-----	FINANCING: Issuance of common shares, net.....
0.2	2.3	19.5	2.8	Acquisition of preferred shares of subsidiary company... -- --	(11.4)	--	Reduction of debt component of convertible debentures... (1.3) (1.3) (3.8) (4.0)	Repayment of debt.....
(0.2)	(3.8)	(12.4)	(39.9)	-----	-----	-----	CASH FLOW USED IN FINANCING ACTIVITIES.....	(1.3)
(2.8)	(8.1)	(41.1)	-----	-----	-----	-----	INVESTING: Additions to property, plant and equipment.....	(8.9)
(9.2)	(18.1)	(25.3)	Long-term investments and other assets.....	0.2	(0.2)	2.1	(2.6)	Proceeds from the sale of property, plant and equipment.....
0.5	0.2	0.6	1.6	(Increase) decrease in restricted cash.....	(17.1)	--	(21.5)	2.9
-----	CASH FLOW USED IN INVESTING ACTIVITIES.....	(25.3)	(9.2)	(36.9)	(23.4)	-----	-----	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....
(9.1)	0.6	3.5	(5.8)	CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD.....	93.6	71.4	81.0	77.8
-----	CASH AND CASH EQUIVALENTS, END OF PERIOD.....	\$ 84.5	\$72.0	\$ 84.5	\$ 72.0	=====	=====	SUPPLEMENTARY

DISCLOSURE OF CASH FLOW INFORMATION: Cash paid for: Interest \$ 0.2 \$ 1.7 \$ 4.9 \$ 8.6 Income taxes \$ 2.1 \$ 0.5 \$ 3.7 \$ 1.4 F-18 KINROSS GOLD CORPORATION NOTES TO THE FINANCIAL STATEMENTS

(unaudited) 1. BASIS OF PRESENTATION The interim consolidated financial statements (the "financial statements") of Kinross Gold Corporation (the "Company") have been prepared in accordance with the accounting principles and methods of application disclosed in the consolidated financial statements for the year ended December 31, 2001, except for those indicated below. The accompanying interim unaudited consolidated financial statements include all adjustments that are, in the opinion of management, necessary for a fair presentation. These financial statements do not include all disclosures required by Canadian Generally Accepted Accounting Principles for annual financial statements and accordingly the financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's annual report for the year ended December 31, 2001. 2. NEW PRONOUNCEMENTS Effective January 1, 2002, the Company adopted the new Canadian Institute of Chartered Accountants ("CICA") recommendations for foreign currency translation. This standard eliminates the practice of deferring and amortizing unrealized translation gains and losses on foreign currency denominated monetary items that have a fixed or ascertainable life extending beyond the end of the fiscal year following the current reporting period. Foreign exchange gains and losses arising on translation of these monetary items are now included in the determination of current period losses. The Company previously had unrealized foreign exchange gains and losses on converting the debt component of Canadian dollar dominated convertible debentures to U.S. dollars. In addition, the Canadian dollar denominated redeemed retractable preferred shares were translated to U.S. dollars at the historical rate on the date of issue. The adoption of this new standard has been applied retroactively with prior year comparative amounts restated. The effects on the consolidated financial statements are as follows: CHANGE IN STATEMENT OF OPERATIONS AND DEFICIT AMOUNTS: (\$ MILLIONS) 2001 -----

Increase in foreign exchange gain for the nine months ended September 30, 2001.....	\$(0.8)
Decrease in net loss for the nine months ended September 30, 2001.....	\$(0.8) Decrease

in deficit -- December 31, 2000..... 2.2 Decrease in deficit -- December 31, 2001..... 2.8 3.

**RESTRICTED CASH** The Company has \$21.5 million of restricted cash, comprised of \$15.9 million of cash in Russia which was subject to a court ordered freeze at September 30, 2002 in response to a lawsuit against Omolon Gold Mining Company ("Omolon") by Russian shareholders (further explained in Note 11) and a further \$5.6 million securing outstanding letters of credit issued in excess of the current credit facility.

**4. FINANCIAL INSTRUMENTS** The Company manages its exposure to fluctuations in commodity prices, foreign exchange rates and interest rates by entering into derivative financial instrument contracts in accordance with the formal risk management policy approved by the Company's Board of Directors. The Company does not hold or issue derivative contracts for speculative or trading purposes. Realized and unrealized gains or losses on derivative contracts, that qualify for hedge accounting, are deferred and recorded in income when the underlying hedged transaction is recognized. Gains on the early settlement of gold hedging contracts are recorded as deferred revenue on the balance sheet and included in income over the original delivery schedule of the hedged production. Premiums received at the inception of written call options are recorded as a liability. Changes in the fair value of the liability are recognized currently in earnings. In the first nine months of 2002, the mark-to-market adjustments increased the liability by \$1.9 million.

**5. ACQUISITION OF CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY** During 2001, the Company acquired 945,000 convertible preferred shares of subsidiary company with a carrying value of \$48.9 million in exchange for 24,186,492 common shares of the Company valued at \$23.2 million. The \$25.7 million difference in value associated with this transaction was applied against the carrying value of certain property, plant and equipment. The Company completed an equity offering in February 2002, and issued 23,000,000 common shares from treasury for gross proceeds before costs of the issue of \$19.5 million. The majority of funds raised were used to complete a \$16.00 per share cash tender offer for the Kinam Preferred Shares owned by non-affiliated shareholders. On March 28, 2002, 652,992 Kinam Preferred Shares were tendered under the cash tender offer and after extending the offer an additional 17,730 Kinam Preferred Shares were tendered on April 4, 2002, leaving 223,878 or 12.2% of the issued and outstanding Kinam Preferred Shares held by non-affiliated shareholders. The Kinam Preferred Shares tendered had a book value of \$36.5 million and were purchased by the Company for \$10.7 million (\$11.4 million including costs of the tender offer). The \$25.1 million difference in value associated with these transactions was applied against the carrying value of certain property, plant and equipment.

**F-19 6. STOCK OPTIONS** Effective January 1, 2002, the Company adopted the recommendations of the CICA for stock-based compensation and other stock-based payments. This recommendation establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. The standard requires that all stock-based awards made to non-employees be measured and recognized using a fair value based method. The standard encourages the use of a fair value based method for all awards granted to employees, but only requires the use of a fair value based method for direct awards of stock, stock appreciation rights, and awards that call for settlement in cash or other assets. Awards that the Company has the ability to settle in stock are recorded as equity, whereas awards that the Company is required to or has a practice of settling in cash are recorded as liabilities. The Company's stock option plan is described in note 14 of the consolidated financial statements for the year ended December 31, 2001. The Company has elected not to use the fair value method of accounting for stock options. As a result it does not recognize compensation expense nor the fair value of the options issued to its employees. No stock-based awards are made available to non-employees. Had compensation expense for the stock-based compensation plans been determined based upon the fair value method of accounting for awards granted on or after January 1, 2002, the pro forma net loss attributed to common shares would have amounted to \$23.4 million and pro forma EPS would have remained at loss of \$0.05 per share for the nine month period ended September 30, 2002. The fair value of the options granted during the nine month period ended September 30, 2002 is estimated to be \$0.1 million. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in the nine months period ended September 30, 2002: dividend yield of 0%, expected volatility of 65%, risk-free interest rate of 4.1% and expected lives of 5 years. The Company has not included those options outstanding on the date of adoption of this new recommendation in the calculation of its proforma earnings per share for the period.

**7. SEGMENTED INFORMATION** The Company operates five gold mines: the Porcupine Joint Venture (49% ownership interest), located in Ontario; Kubaka (54.7% ownership), located in Russia; Fort Knox, located in Alaska, United States; Blanket, located in Zimbabwe; and Refugio (50% ownership), located in Chile. As of December 31, 2001, the Company no longer consolidates the

Zimbabwe operation as a result of the political situation in that country. See Note 15 to the 2001 Kinross Annual Report. In addition, the Company has an 88.2% interest in E-Crete, a producer of aerated concrete, several other gold mining assets in various stages of reclamation, closure, care and maintenance and development and two corporate offices in Canada and the United States. As the products and services in each of the reportable segments, except for the corporate activities, are essentially the same, reportable segments have been determined at the level where decisions are made on the allocation of resources and capital, and where complete internal financial statements are available. REPORTABLE OPERATING SEGMENTS -----

PORCUPINE JOINT CORPORATE VENTURE KUBAKA FORT KNOX BLANKET REFUGIO E-CRETE AND OTHER TOTAL ----- AS AT SEPTEMBER 30, 2002 AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002: (b) Mining revenue..... \$43.7 \$47.1 \$ 92.6 -- \$ 3.0 \$ -- \$ (1.9) \$184.5 Operating costs..... 27.9 20.6 72.8 -- 2.3 2.2 1.1 126.9 Interest revenue..... -- 0.2 -- -- -- -- 1.0 1.2 Interest expense..... -- 0.2 1.2 -- 0.1 0.4 2.1 4.0 Depreciation, depletion and amortization..... 13.0 13.9 37.1 -- -- 1.0 (3.7) 61.3 Segment profit (loss)..... 1.5 13.2 (19.4) -- 10.9 (3.3) (16.3) (13.4) Segment assets..... 84.0 61.4 279.9 -- 5.5 8.3 93.3(a) 532.4 Capital expenditures..... 5.0 0.1 12.0 -- -- 0.5 0.5 18.1 AS AT SEPTEMBER 30, 2001 AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001: (b) Mining revenue..... \$30.8 \$47.3 \$ 81.7 \$ 9.7 \$15.8 \$ -- \$ 14.5 \$199.8 Operating costs..... 22.8 24.4 59.3 7.6 15.5 1.7 2.6 133.9 Interest revenue..... -- 1.0 -- 0.1 -- -- 2.4 3.5 Interest expense..... -- 0.9 2.9 -- 0.3 0.2 2.2 6.5 Depreciation, depletion and amortization..... 10.4 17.9 31.7 1.8 -- 0.3 2.3 64.4 Segment profit (loss)..... (2.2) 3.7 (12.5) 1.3 1.4 (2.2) (1.7) (12.2) Segment assets..... 87.2 93.5 331.5 10.9 7.0 8.2 67.0(a) 605.3 Capital expenditures..... 6.3 0.4 16.9 0.6 -- 0.4 0.7 25.3 FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002: (b) Mining revenue..... \$13.8 \$13.9 \$ 29.6 -- \$(0.1) \$ -- \$ (0.7) \$ 56.5 Operating costs..... 11.0 5.6 20.8 -- 0.4 0.8 0.4 39.0 Interest revenue..... -- 0.1 -- -- -- -- 0.4 0.5 Interest expense..... -- -- 0.3 -- -- 0.2 0.7 1.2 Depreciation, depletion and amortization..... 4.3 4.1 13.8 -- -- 0.2 (2.5) 19.9 Segment profit (loss)..... (2.2) 4.7 (6.0) -- 4.3 (1.1) (3.2) (3.5) Capital expenditures..... 1.0 -- 7.5 -- -- 0.1 0.3 8.9 F-20 REPORTABLE OPERATING SEGMENTS -----

PORCUPINE JOINT CORPORATE VENTURE KUBAKA FORT KNOX BLANKET REFUGIO E-CRETE AND OTHER TOTAL -----

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2001: (b) Mining revenue..... \$11.0 \$17.1 \$ 25.9 \$ 4.0 \$ 2.8 \$ -- \$ 4.2 \$ 65.0 Operating costs..... 7.1 8.6 19.5 3.0 3.1 0.6 0.7 42.6 Interest revenue..... -- 0.2 -- 0.1 -- -- 0.4 0.7 Interest expense..... -- 0.2 0.8 -- 0.2 -- 0.7 1.9 Depreciation, depletion and amortization..... 3.2 5.9 12.3 0.6 -- 0.1 (0.8) 21.3 Segment profit (loss)..... 0.8 2.0 (7.2) 1.1 (0.4) (0.7) (1.0) (5.4) Capital expenditures..... 1.9 -- 6.6 0.4 -- -- 0.3 9.2 ----- (a) includes \$78.9 million (2001 -- \$51.9 million) in cash and cash equivalents held at the Corporate level. (b) includes Corporate and other non-core mining operations.

RECONCILIATION OF REPORTABLE OPERATING SEGMENT (LOSS) PROFIT TO NET LOSS FOR THE PERIOD: THREE MONTHS NINE MONTHS ENDED ENDED SEPTEMBER 30, SEPTEMBER 30, -----

	2002	2001	2002	2001	-----	Segment
loss.....	\$(0.3)	\$(4.4)	\$ 2.9	\$(10.5)	Add (deduct) items not included in segment (loss) profit:	
Corporate and other.....	(3.2)	(1.0)	(16.3)	(1.7)	-----	(3.5) (5.4) (13.4) (12.2)
Gain on sale of assets.....	0.5	-- 2.0	--	Share loss of investee companies.....		(0.8) (0.2)
(0.6) (0.9) (Provision for) recovery of income taxes.....	(1.7)	(1.3)	(4.7)	(1.4)	Dividends on convertible preferred shares of subsidiary company.....	(0.3) (0.9) (1.3) (4.3) -----
Net loss for the period.....	\$(5.8)	\$(7.8)	\$(18.0)	\$(18.8)	=====	=====

ENTERPRISE-WIDE DISCLOSURE: Geographic information: MINERAL MINING REVENUE PROPERTIES, PLANT ----- AND EQUIPMENT THREE MONTHS NINE MONTHS -----

	2002	2001	2002	2001	2002	2001	-----	United States.....
	\$28.7	\$28.8	\$ 90.2	\$ 92.3	\$244.8	\$ 298.7	Russia.....	13.8 17.3 47.0 47.3 15.9
	36.1	Chile.....	-- 2.7	3.1 16.1	--	Other.....	-- 3.9 -- 9.7	5.2 12.0 -----
	-----	Total foreign.....	42.5	52.7 140.3	165.4	265.9 346.8	Canada.....	14.0 12.3 44.2
	34.4	82.6 90.6	-----	Total.....	\$56.5	\$65.0 \$184.5	\$199.8 \$348.5	\$ 437.4

===== F-21 8. (LOSS) EARNINGS PER SHARE (Loss) earnings per share ("EPS") has been calculated using the weighted average number of shares outstanding during the period. Diluted



EPS is calculated using the treasury stock method in 2001. The calculation of diluted earning per share assumes that employee stock options were exercised at the beginning of the period, or time of issue, if later. Employee stock options with an exercise price greater than the average market price of the common shares were not included in the calculation of diluted earnings per share as the effect is anti-dilutive. The average price of the common shares during the nine month period was \$2.614 (2001 -- \$1.078). 2002 2001 ----- ----- Weighted average number of common shares outstanding at September 30th..... 354,489 308,456 Add: Options, warrants and participating securities as if issued, exercised and outstanding at January 1st Options..... 10,717 3,403 Restricted shares..... 2 -- Convertible debentures (a)..... 14,651 14,651 Redeemable retractable preferred shares (b)..... 3,175 3,175 Convertible preferred shares of subsidiary company (c).... 1,086 4,340 ----- ----- Weighted average number of common shares used for diluted earnings per share..... 384,120 334,025 ===== ===== ----- (a) Convertible debentures -- \$123.5 million (Cdn. \$195.8 million) principal issued and outstanding. (b) Redeemable retractable preferred shares -- 384,613 shares issued and outstanding. (c) Convertible preferred shares of subsidiary company -- 223,878 shares issued and outstanding to non-affiliated shareholders as at September 30, 2002. 9. 2001 FIGURES Certain of the 2001 figures have been reclassified to conform to the 2002 presentation. 10. PORCUPINE JOINT VENTURE Effective July 1, 2002, the Company formed a joint venture with a wholly owned subsidiary of Placer Dome Inc. ("Placer"). The formation of the joint venture combined the two companies gold mining operations in the Porcupine district in Timmins, Ontario, Canada. The ownership of this unincorporated joint venture is 51% by Placer and 49% by the Company. The joint venture operates pursuant to a contractual agreement and both parties receive their share of gold output in kind. Future capital, exploration, and operating costs will be funded in proportion to each party's ownership interest. Placer contributed the Dome mine and mill and the Company contributed the Hoyle Pond, Nighthawk Lake and Pamour mines, exploration properties in the Porcupine district as well as the Bell Creek mill. The formation of the joint venture has been accounted for as an exchange of non-monetary assets that does not represent the culmination of the earnings process, and accordingly, has been recorded at the carrying value of the assets contributed. The investment in the joint venture is being accounted for under Canadian GAAP using proportionate consolidation. For U.S. GAAP purposes, the Company has concluded it will account for this investment using the equity method, but for purposes of presentation of U.S. GAAP reconciliation information, the Company will rely on an accommodation provided for in Item 17(c)(2)(vii) of Form 20-F, which permits a company using the equity method for U.S. GAAP to omit disclosure of differences arising from the use of proportionate consolidation under Canadian GAAP. The Company qualifies for this accommodation on the basis that the joint venture is an operating entity, the significant financial operating policies of which are, by contractual arrangement, jointly controlled by both parties having an equity interest in the joint venture. 11. RECENT DEVELOPMENTS IN RUSSIA Two Russian shareholders and the Magadan Administration on behalf of a third Russian shareholder have launched lawsuits against Omolon Gold Mining Company ("Omolon") alleging that the shares they received were flawed as a result of registration deficiencies, which, therefore, entitles such shareholders to return of their original investments with interest compounded thereon. In mid September, the Company announced that Omolon was at an advanced stage of negotiating a settlement of this dispute. Draft language of an agreement was being settled when one of the Russian shareholders obtained an order to freeze Omolon's bank accounts and gold inventory in the total amount of the ruble equivalent of approximately \$47 million pending final resolution of its lawsuit. In the face of the inability of these shareholders to repay the loans, there has been an effort to shift the burden of repayment to Omolon. Underlying the lawsuits are unpaid loans made by the Magadan Administration to certain of Omolon's Russian shareholders at the time Omolon was capitalized. These lawsuits have been encouraged by the Magadan Administration as the major creditor of these shareholders. Omolon continues to defend these lawsuits and its advised by counsel that it has good defences available to it. Omolon's appeal of the court decision which froze its bank accounts, resulted, on October 14, 2002, in the court ruling that the amount of the assets covered by the arrest order should be lowered to the ruble equivalent of approximately \$22.1 million. Subsequently, Omolon's accounts in four banks and all of its gold inventory were released from the arrest order. F-22 Certain bank accounts of Omolon containing the ruble equivalent \$22.1 million are currently under arrest pursuant to the court order. For a description of the outstanding legal proceedings, see "Legal Proceedings -- Omolon Litigation" on page A-44. In order to resolve the pending lawsuits and lift the court order, Omolon reached agreements in principle with the Magadan Administration, representing itself and the two largest Russian shareholders of Omolon. The agreements in principle provide that: - Omolon will purchase up

to 45.3% of its outstanding shares currently held by its Russian shareholders for the ruble equivalent of \$45.4 million; - each Russian shareholder will withdraw any pending lawsuits asserted by it; - the court order arresting the accounts will be lifted; and - the purchase price for the shares to be paid by Omolon to each of the selling shareholders will be sufficient to repay their "gold" loans. On December 3, 2002, and in accordance with the agreements in principle, Omolon entered into separate binding purchase agreements with four of its five Russian shareholders (holding, in the aggregate, 44.17% of Omolon's shares). The fifth Russian shareholder (which is not a party to any of the pending lawsuits against Omolon) did not tender its shares to Omolon within the prescribed period. Assuming that each of the four share purchase agreements is implemented, the Company will own 98.14% of Omolon. As part of the implementation of each of the share purchase agreements, all pending lawsuits against Omolon will be withdrawn. The share purchase transactions with the four participating Russian shareholders are expected to close by December 31, 2002. The Company believes that completion of the transactions contemplated by the share purchase agreements is probable. A "probable" acquisition may be defined as one that has progressed to a state where a reasonable person would believe that the likelihood of the acquisition being completed is high. Consistent with its accounting policies, the Company will commence accounting for its investment in Omolon on a consolidated basis for both Canadian and U.S. GAAP. After the closing of the share purchase agreements and all pending shareholder lawsuits are withdrawn, the Company will appoint the entire board of directors of Omolon, the general director and all senior executive officers of Omolon. Since a shareholder owning a 1.86% interest in a Russian open joint stock company has limited rights as a minority shareholder under Russian law, the Company does not expect that there will be any significant influence exerted on Omolon's operations by the Magadan State Property Committee, the only remaining Russian shareholder, or the Magadan Administration over its operations in the future. As a consequence, the Company believes that it will be able to determine Omolon's strategic operating, investing and financial policies without the interference of the minority shareholder. Given the risks associated with the political, legal and economic uncertainties that exist in Russia, the Company will continue to monitor its ability to determine Omolon's strategic operating, investing and financing policies without the cooperation of others. If the Company concludes that it no longer has the ability to exercise the requisite control over Omolon, it will cease consolidation and account for its investment in Omolon either on the equity or cost basis, depending on its assessment of its level of control at that time. The risks of operating in Russia are more fully disclosed in Note 21 to the 2001 audited financial statements of the Company.

12. BUSINESS COMBINATION WITH TVX AND ECHO BAY On June 10, 2002, the Company, Echo Bay and TVX announced that they had entered into an agreement providing for the proposed combination of the companies. In a concurrent transaction, TVX agreed to acquire from Newmont Mining Corporation the interest in the TVX Newmont Americas joint venture that it does not already own. The combination is conditional upon the completion of this purchase.

13. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("CDN GAAP") which differ from those principles that the Company would have followed had its consolidated financial statements been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP").

F-23 Material variations between financial statement items under CDN GAAP and the amounts determined using U.S. GAAP are as follows:

	CDN GAAP	U.S. GAAP	ELIMINATION	U.S. GAAP
ASSETS				
Current assets				
Cash and cash equivalents.....	\$ 84.5	\$ --	\$ --	\$ --
Restricted cash.....	21.5	--	--	--
Accounts receivable.....	12.4	--	--	--
Inventories.....	39.4	--	--	--
Restricted bullion inventory.....	5.4	--	--	--
Marketable securities...	0.3	--	--	--
Property, plant and equipment.....	163.5	--	--	--
Long-term investments.....	348.5	(60.5)	23.9	--
Deferred charges and other assets.....	8.5	0.1	--	--
	\$532.4	\$ --	\$ 0.1	\$(60.5)
	\$23.9	\$ --	\$59.9	
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities.....	\$ 37.7	\$ --	\$ --	\$ --
Current portion of long-term debt.....	23.3	--	--	--



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convertible debentures...	28.1	--	94.7	--	--	--	Redeemable retractable preferred shares.....	3.1	--	--	--	-----			
-----	200.8	--	94.7	--	--	--	CONVERTIBLE								
PREFERRED SHARES OF SUBSIDIARY COMPANY.....	48.0	--		--			-----								
COMMON SHAREHOLDERS' EQUITY Common share capital.....	945.7	--		--			5.3 -- Contributed surplus.....								
12.9 -- -- -- -- Equity component of convertible debentures...	124.8	(20.2)	(104.6)	--	--		Deficit.....								
(726.0) 20.2 10.4 (60.5) 17.9 (5.3) -- Cumulative translation adjustments.....	(28.6)	--	--	--	--		Accumulated other comprehensive income.....	4.9	--	--					
4.9 -----	\$577.6	\$	0.5	\$(60.5)	\$	17.9	\$	--	\$	4.9	=====	=====			
=====							RECLASSIFICATION UNDER OF U.S. GAAP TO FLOW CUMULATIVE BEFORE								
ADJUST TO UNDER SFAS THROUGH TRANSLATION ADJUSTING TO EQUITY U.S. 133 SHARES							ADJUSTMENTS EQUITY BASIS BASIS GAAP -----								
(RESTATED- (E) (F) (H) (J) (I) AND (J) NOTE 10(I) ASSETS Current assets Cash and cash equivalents.....	\$--						\$--								
\$(4.6) \$ -- \$ 76.4 \$ (5.5) \$ 70.9 Restricted cash.....	--	4.6	--	4.6	--	4.6	Accounts receivable.....	--	--	13.8	5.7	19.5			
Inventories.....	--	--	42.4	(15.6)	26.8	Marketable securities.....	--	--	1.8	--	1.8	-----			
-- -- 139.0 (15.4) 123.6 Property, plant and equipment.....	--	--				372.4	(26.9)	345.5	Long-term investments.....						
-- -- 17.5 32.4 49.9 Deferred charges and other assets.....	--	--				11.5	(4.3)	7.2	-----						
\$-- \$ -- \$ -- \$540.4 \$(14.2) \$526.2 =====							LIABILITIES Current liabilities								
Accounts payable and accrued liabilities....	\$4.6	\$	1.1	\$ --	\$	36.7	\$(6.4)	\$	30.3	Current portion of long- term					
debt.....	--	--	33.1	(4.2)	28.9	Current portion of site restoration cost accruals.....	--	--	12.6	(1.9)	10.7	----			
-----			4.6	1.1	--	82.4	(12.5)	69.9	Long-term debt.....	--	--	31.0	(0.2)	30.8	Site restoration
cost accruals.....	--	--	43.0	(1.5)	41.5	Future income and mining taxes.....	--	--	3.3	--	3.3	Deferred			
revenue.....	(9.6)	--	--	--	--	Other long-term liabilities.....	--	--	6.0	--	6.0	Debt component of convertible			
debentures... -- -- 122.8 -- 122.8 Redeemable retractable preferred shares.....	--	--				3.1	--	3.1	-----						
-----	(5.0)	1.1	--	291.6	(14.2)	277.4	-----								
CONVERTIBLE PREFERRED SHARES OF							-----								
SUBSIDIARY COMPANY.....	--	--	48.0	--	--	48.0	-----								
COMMON SHAREHOLDERS'							-----								
EQUITY Common share capital.....	--	(1.1)	--	949.9	--	949.9	Contributed surplus.....	--	--	12.9	--	12.9	Equity		
component of convertible debentures...	--	--	--	--	--	--	Deficit.....	(3.9)	--	(747.2)	--	(747.2)	Cumulative		
translation adjustments.....	--	28.6	--	--	--	--	Accumulated other comprehensive income.....	8.9	--	(28.6)	(14.8)	--	(14.8)	-----	
-----							5.0	(1.1)	--	200.8	--	200.8	-----		
-----	\$--	\$	--	\$ --	\$	--	\$--	\$	--	\$	--	\$540.4	-----		
\$(14.2) \$526.2 =====							F-25 CONSOLIDATED STATEMENTS OF								
OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 ELIMINATION ADDITIONAL							RECOGNITION OF EFFECTS OF WRITEDOWN REDUCTION OF DEFERRED RECOGNITION OF								
PROPERTY, IN DEPRECIATION, EXCHANGE OF EQUITY PLANT AND DEPLETION AND REVERSAL							GAINS ON COMPONENT EQUIPMENT AMORTIZATION OF 1991 UNDER CONVERTIBLE OF								
CONVERTIBLE UNDER UNDER DEFICIT CDN GAAP DEBENTURES DEBENTURES U.S. GAAP U.S. GAAP							ELIMINATION -----	(A)	(A)	(B)	(B)	(C)	REVENUE		
Mining revenue.....	\$184.5	\$	--	\$ --	\$ --	\$ --	Interest and other income....	13.7	--	--	--	Mark to market			
gain (loss) on call options.....	(1.9)	--	--	--	--	--	-----	196.3	-----						
-----							EXPENSES Operating.....	126.9	--	--	--	General and administrative... 8.0			
-----							-----								
Exploration.....	6.5	--	--	--	--	Depreciation, depletion and amortization.....	61.3	--	--	(6.0)	--	Gain on			
sale of assets.....	(2.0)	--	--	--	--	Foreign exchange loss.....	3.0	0.1	--	--	--	Interest expense on long-term			
liabilities.....	4.0	--	3.2	--	--	Writedown of marketable securities and long-term investments.....	-----								
-- -- Writedown of property, plant and equipment.....	-----					207.7	0.1	3.2	--	--	--				
(6.0) -----						(11.4)	(0.1)	(3.2)	--	6.0	--	Share in income (loss) of investee companies.....			
(0.6) -----															
LOSS BEFORE TAXES AND DIVIDENDS ON CONVERTIBLE							-----								
PREFERRED SHARES OF SUBSIDIARY COMPANY.....	(12.0)	(0.1)	(3.2)	--	6.0	Provision for income and									
mining taxes.....	(4.7)	--	--	--	--	-----	LOSS FOR THE PERIOD BEFORE								
DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY.....	(16.7)	(0.1)	(3.2)				-----								
-- 6.0 -- DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY.....	(1.3)	--	--	--	--	--	-----								
-----							NET LOSS FOR THE PERIOD.....	(18)	(0.1)	(3.2)	--	6.0	INCREASE IN		
EQUITY COMPONENT OF CONVERTIBLE DEBENTURES....	(5.5)	--	5.5	-----			-----								

NET LOSS FOR THE PERIOD ATTRIBUTABLE TO COMMON SHAREHOLDERS..... \$(23.5) \$(0.1) \$ 2.3 \$ -- \$ 6.0 \$ -- =====

LOSS PER SHARE Basic and diluted..... \$(0.07)

WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (MILLIONS)..... 354.5

UNREALIZED UNDER GAINS ON RECLASSIFICATION U.S. GAAP MARKETABLE OF BEFORE TO SECURITIES AND FLOW CUMULATIVE ADJUSTING ADJUST TO UNDER LONG-TERM SFAS THROUGH TRANSLATION TO EQUITY U.S. INVESTMENTS 133 SHARES ADJUSTMENTS BASIS BASIS GAAP ----- (D) (E) (F) (H) (I) REVENUE Mining revenue..... \$ -- \$-- \$ -- \$ -- \$184.5 \$(46.9) \$137.6 Interest and other income.... -- 0.1 0.6 -- 14.4 2.0 16.4 Mark to market gain (loss) on call options..... -- -- -- -- (1.9) -- (1.9) ----- 0.1 0.6 -- 197.0 (44.9) 152.1 ----- EXPENSES Operating..... -- -- -- -- 126.9 (19.3) 107.6 General and administrative... -- -- -- -- 8.0 -- 8.0 Exploration..... -- -- -- -- 6.5 (1.1) 5.4 Depreciation, depletion and amortization..... -- -- -- -- 55.3 (11.8) 43.5 Gain on sale of assets..... -- -- -- -- (2.0) -- (2.0) Foreign exchange loss..... -- -- -- -- 3.1 (0.1) 3.0 Interest expense on long-term liabilities..... -- -- -- -- 7.2 (0.2) 7.0 Writedown of marketable securities and long-term investments..... -- -- -- -- -- Writedown of property, plant and equipment..... -- -- -- -- -- 205.0 (32.5) 172.5 ----- 0.1 0.6 -- (8.0) (12.4) (20.4) Share in income (loss) of investee companies..... -- -- -- -- (0.6) 8.0 7.4 ----- LOSS BEFORE TAXES AND DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... -- 0.1 0.6 -- (8.6) (4.4) (13.0) Provision for income and mining taxes..... -- -- -- -- (4.7) 4.4 (0.3) ----- LOSS FOR THE PERIOD BEFORE DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... -- 0.1 0.6 -- (13.3) -- (13.3) DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... -- -- -- -- (1.3) -- (1.3) ----- NET LOSS FOR THE PERIOD..... -- 0.1 0.6 -- (14.6) -- (14.6) INCREASE IN EQUITY COMPONENT OF CONVERTIBLE DEBENTURES.... -- -- -- -- ----- NET LOSS FOR THE PERIOD ATTRIBUTABLE TO COMMON SHAREHOLDERS..... \$ -- \$0.1 \$0.6 \$ -- \$(14.6) \$ -- \$(14.6) =====

LOSS PER SHARE Basic and diluted..... \$(0.04)

WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (MILLIONS)..... 354.5

F-26 CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001 ELIMINATION ADDITIONAL RECOGNITION OF EFFECTS OF WRITEDOWN REDUCTION UNREALIZED OF DEFERRED RECOGNITION OF PROPERTY, IN DEPRECIATION, GAINS ON EXCHANGE OF EQUITY PLANT AND DEPLETION REVERSAL MARKETABLE GAINS ON COMPONENT EQUIPMENT AND AMORTIZATION OF 1991 SECURITIES AND UNDER CONVERTIBLE OF CONVERTIBLE UNDER UNDER DEFICIT LONG-TERM CDN GAAP DEBENTURES DEBENTURES U.S. GAAP U.S. GAAP ELIMINATION INVESTMENTS ----- (A) (A) (B) (B) (C) (D) REVENUE Mining revenue..... \$199.8 \$ -- \$ -- \$ -- \$ -- \$ -- Interest and other income..... 6.9 -- -- -- -- Mark to market gain (loss) on call options..... (0.4) -- -- -- -- 206.3 ----- EXPENSES Operating..... 133.9 -- -- -- -- General and administrative..... 7.6 -- -- -- -- Exploration..... 6.3 -- -- -- -- Depreciation, depletion and amortization..... 64.4 -- -- -- (1.3) -- -- Gain on sale of assets..... -- -- -- -- -- Foreign exchange (loss) gain..... (0.2) (5.7) -- -- -- -- Interest expense on long-term liabilities..... 6.5 -- 4.0 -- -- -- Writedown of marketable securities and long-term investments..... -- -- -- -- -- Writedown of property, plant and equipment... -- -- -- -- -- 218.5 (5.7) 4.0 -- (1.3) -- -- -- -- (12.2) 5.7 (4.0) -- 1.3 -- -- Share in loss of investee companies.... (0.9) -- -- -- -- ----- LOSS BEFORE TAXES AND DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (13.1) 5.7 (4.0) -- 1.3 -- -- Provision for income and mining taxes..... (1.4) -- -- -- -- ----- LOSS FOR THE PERIOD BEFORE DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (14.5) 5.7 (4.0) -- 1.3 -- -- DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (4.3) -- -- -- -- ----- NET LOSS FOR THE PERIOD..... (18.8) 5.7 (4.0) -- 1.3 -- -- INCREASE IN EQUITY COMPONENT OF CONVERTIBLE DEBENTURES..... (5.7) -- 5.7 -- -- -- ----- NET LOSS FOR THE PERIOD ATTRIBUTABLE TO COMMON SHAREHOLDERS..... \$(24.5) \$ 5.7 \$ 1.7 \$ -- \$1.3 \$ -- \$ -- =====

===== LOSS PER SHARE Basic and diluted..... \$(0.08) WEIGHTED AVERAGE  
NUMBER OF COMMON SHARES OUTSTANDING (MILLIONS)..... 328.1 UNDER U.S. GAAP  
RECLASSIFICATION BEFORE FLOW OF CUMULATIVE ADJUSTING TO THROUGH TRANSLATION TO  
EQUITY ADJUST TO UNDER SFAS 133 SHARES ADJUSTMENTS BASIS EQUITY BASIS U.S. GAAP -----  
----- (E) (F) (H) (I) REVENUE Mining revenue..... \$ -- \$ -- \$ -- \$ 199.8  
\$(46.5) \$153.3 Interest and other income..... (9.1) -- -- (2.2) 1.2 (1.0) Mark to market gain (loss) on call  
options..... -- -- -- (0.4) -- (0.4) ----- (9.1) -- -- 197.2 (45.3) 151.9 -----  
----- EXPENSES Operating..... -- -- -- 133.9 (23.3) 110.6 General and administrative..... -- -- -- 7.6 --  
7.6 Exploration..... -- -- -- 6.3 (1.8) 4.5 Depreciation, depletion and amortization..... -- -- -- 63.1 (15.3) 47.8 Gain  
on sale of assets..... -- -- -- -- -- Foreign exchange (loss) gain..... -- -- -- (5.9) (0.2) (6.1) Interest  
expense on long-term liabilities..... -- -- -- 10.5 (3.2) 7.3 Writedown of marketable securities and long-term  
investments..... -- -- -- -- -- Writedown of property, plant and equipment... -- -- -- -- --  
----- 215.5 (43.8) 171.7 ----- (9.1) -- -- (18.3) (1.5) (19.8) Share in loss of  
investee companies.... -- -- -- (0.9) (1.3) (2.2) ----- LOSS BEFORE TAXES AND  
DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (9.1) -- -- (19.2)  
(2.8) (22.0) Provision for income and mining taxes..... -- -- -- (1.4) 2.8 1.4 ----- LOSS  
FOR THE PERIOD BEFORE DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY  
COMPANY..... (9.1) -- -- (20.6) -- (20.6) DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF  
SUBSIDIARY COMPANY..... -- -- -- (4.3) -- (4.3) ----- NET LOSS FOR THE  
PERIOD..... (9.1) -- -- (24.9) -- (24.9) INCREASE IN EQUITY COMPONENT OF CONVERTIBLE  
DEBENTURES..... -- -- -- -- -- NET LOSS FOR THE PERIOD  
ATTRIBUTABLE TO COMMON SHAREHOLDERS..... \$(9.1) \$ -- \$ -- \$ (24.9) \$ -- \$(24.9) =====

===== LOSS PER SHARE Basic and diluted..... \$(0.08) WEIGHTED AVERAGE  
NUMBER OF COMMON SHARES OUTSTANDING (MILLIONS)..... 328.1 F-27 Statement of Operations  
Presentation: Revenue would exclude the items "interest and other income" and "mark to market gain (loss) on call  
options". Accordingly, "mining revenue" would be the only category presented within revenue on the statement of  
operations under U.S. GAAP. For U.S. GAAP presentation purposes, the measure "loss before taxes and dividends on  
convertible preferred shares of subsidiary company" is not a recognized term and would therefore not be presented.  
The following table reconciles "loss before taxes and dividends on convertible preferred shares of subsidiary  
company" to "loss from operations". NINE MONTHS ENDED SEPTEMBER 30 ----- 2002 2001 -----

----- Loss before taxes and dividends on convertible preferred shares of subsidiary company.....  
\$(13.0) \$(22.0) Add (deduct): Interest and other income..... (16.4) 1.0 Mark to market loss on call  
options..... 1.9 0.4 Interest expense on long-term liabilities..... 7.0 7.3 Share in loss (income) of  
investee companies..... (7.4) 2.2 ----- Loss from operations for U.S. GAAP..... \$(27.9)  
\$(11.1) ===== In addition, "dividends on convertible preferred shares of subsidiary" are required to be  
presented as a component of non-operating loss: For U.S. GAAP purposes, the components of non-operating loss are  
as follows: NINE MONTHS ENDED SEPTEMBER 30 ----- 2002 2001 ----- Interest and other  
income..... \$16.4 \$ (1.0) Mark to market loss on call options..... (1.9) (0.4) Interest  
expense on long-term liabilities..... (7.0) (7.3) Dividends on convertible preferred shares of subsidiary  
company..... (1.3) (4.3) ----- Non-operating income (loss) for U.S.  
GAAP..... \$ 6.2 \$(13.0) =====

===== F-28 CONSOLIDATED STATEMENTS OF CASH FLOWS FOR  
THE NINE MONTHS ENDED SEPTEMBER 30, 2002 ELIMINATION ADDITIONAL REDUCTION  
RECOGNITION OF EFFECTS OF WRITEDOWN IN DEPRECIATION, OF DEFERRED RECOGNITION OF  
PROPERTY, DEPLETION EXCHANGE OF EQUITY PLANT AND AND REVERSAL UNDER GAINS ON  
COMPONENT EQUIPMENT AMORTIZATION OF 1991 CDN CONVERTIBLE OF CONVERTIBLE UNDER  
UNDER DEFICIT GAAP DEBENTURES DEBENTURES U.S. GAAP U.S. GAAP ELIMINATION -----  
----- (A) (A) (B) (B) (C) NET INFLOW (OUTFLOW) OF CASH  
RELATED TO THE FOLLOWING ACTIVITIES: OPERATING: Loss for the period before dividends on convertible  
preferred shares of subsidiary company..... \$(16.7) \$(0.1) \$(3.2) \$ -- \$ 6.0 \$ -- Items not affecting cash:  
Depreciation, depletion and amortization..... 61.3 -- -- -- (6.0) -- Writedown of property, plant and  
equipment..... -- -- -- -- -- Writedown of marketable securities and long-term investments..... --

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Gain on sale of assets.....	(2.0)	Foreign exchange on convertible debt.....	0.6
Future income and mining taxes...	2.3	Deferred revenue realized.....	(3.8)
Site restoration cost accruals...	2.3	Share in loss of investee companies.....	0.6
Convertible debentures.....	0.1	Unrealized foreign exchange gains on convertible debentures.....	0.1
Proceeds on restructuring of gold forward sales contracts.....	42.3	Site restoration cash expenditures.....	(5.0)
Changes in non-cash working capital items	5.9	Inventories.....	(2.7)
Accounts receivable.....	5.9	Marketable securities.....	2.5
Accounts payable and accrued liabilities.....	3.1	Effect of exchange rate changes on cash.....	2.4
CASH FLOW PROVIDED FROM OPERATING ACTIVITIES.....	48.5		
FINANCING: Issuance (repurchase) of common shares, net.....	19.5	Acquisition of preferred shares of subsidiary company.....	(11.4)
Reduction of debt component of convertible debentures.....	(3.8)	Repayment of debt.....	(12.4)
Dividends on convertible preferred shares of subsidiary company.....	3.2	CASH FLOW USED IN FINANCING ACTIVITIES.....	(8.1)
INVESTING: Additions to property, plant and equipment.....	(18.1)	Business acquisitions, net of cash acquired.....	2.1
Long-term investments and other assets.....	2.1	Proceeds from the sale of property, plant and equipment.....	0.6
Decrease (increase) in restricted cash.....	(21.5)	CASH FLOW USED IN INVESTING ACTIVITIES.....	(36.9)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	3.5	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	81.0
CASH AND CASH EQUIVALENTS, END OF PERIOD.....	\$ 84.5		
UNREALIZED UNDER GAINS ON U.S. MARKETABLE RECLASSIFICATION GAAP SECURITIES OF BEFORE TO AND FLOW CUMULATIVE ADJUSTING ADJUST TO LONG-TERM THROUGH TRANSLATION TO EQUITY UNDER INVESTMENTS SFAS 133 SHARES ADJUSTMENTS BASIS BASIS U.S. GAAP ----- (D) (E) (F) (H) (I) NET			
INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: OPERATING: Loss for the period before dividends on convertible preferred shares of subsidiary company.....			
	\$ --	\$ 0.1	\$ 0.6
	\$ --	\$(13.3)	\$(13.3)
Items not affecting cash: Depreciation, depletion and amortization.....		55.3	(11.8)
Writedown of property, plant and equipment.....		43.5	
Writedown of marketable securities and long-term investments.....			
Gain on sale of assets.....		(2.0)	(2.0)
Foreign exchange on convertible debt.....		0.6	0.6
Future income and mining taxes...		(0.1)	(3.9)
Site restoration cost accruals...		2.3	(0.5)
Share in loss of investee companies.....		0.6	(8.0)
Interest on convertible debentures.....		0.1	0.1
Unrealized foreign exchange gains on convertible debentures.....		0.6	39.7
Proceeds on restructuring of gold forward sales contracts.....		19.4	(20.3)
Site restoration cash expenditures.....		(5.0)	(5.0)
Changes in non-cash working capital items		5.9	2.0
Accounts receivable.....		7.9	2.0
Inventories.....		(2.7)	3.0
Marketable securities.....		2.5	2.5
Accounts payable and accrued liabilities.....		(0.6)	2.5
Effect of exchange rate changes on cash.....		2.4	2.4
CASH FLOW PROVIDED FROM OPERATING ACTIVITIES.....		45.3	(12.2)
FINANCING: Issuance (repurchase) of common shares, net.....		19.5	19.5
Acquisition of preferred shares of subsidiary company.....		(11.4)	(11.4)
Reduction of debt component of convertible debentures.....		(0.6)	(0.6)
Repayment of debt.....		(12.4)	1.8
Dividends on convertible preferred shares of subsidiary company.....		3.1	3.1
CASH FLOW USED IN FINANCING ACTIVITIES.....		(4.9)	1.8
INVESTING: Additions to property, plant and equipment.....		(18.1)	0.1
Business acquisitions, net of cash acquired.....		2.1	(0.1)
Long-term investments and other assets.....		2.0	2.0
Proceeds from the sale of property, plant and equipment.....		0.6	0.6
Decrease (increase) in restricted cash.....		(2.6)	(18.9)

-----	CASH FLOW USED IN INVESTING ACTIVITIES.....	--	2.6	--	(34.3)	15.9	(18.4)	
-----	INCREASE (DECREASE) IN CASH AND CASH							
-----	EQUIVALENTS.....	--	2.6	--	6.1	5.5	11.6	CASH AND CASH EQUIVALENTS, BEGINNING OF
-----	YEAR.....	--	(4.6)	--	76.4	(5.5)	70.9	----- CASH AND CASH
=====	EQUIVALENTS, END OF PERIOD.....	\$ --	\$ --	\$ --	\$(2.0)	\$ --	\$ 82.5	\$ -- \$ 82.5 =====
=====	F-29 CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001 ELIMINATION ADDITIONAL REDUCTION RECOGNITION OF EFFECTS OF WRITEDOWN IN DEPRECIATION, OF DEFERRED RECOGNITION OF PROPERTY, DEPLETION EXCHANGE OF EQUITY PLANT AND AND REVERSAL GAINS ON COMPONENT EQUIPMENT AMORTIZATION OF 1991 UNDER CONVERTIBLE OF CONVERTIBLE UNDER UNDER DEFICIT CDN GAAP DEBENTURES DEBENTURES U.S. GAAP U.S. GAAP ELIMINATION -----							
-----	(A) (A) (B) (B) (C) NET INFLOW (OUTFLOW) OF CASH							
-----	RELATED TO THE FOLLOWING ACTIVITIES: OPERATING: Loss for the period before dividends on convertible preferred shares of subsidiary company.....	\$	(14.5)	\$	5.7	\$(4.0)	\$ --	\$ 1.3 \$ -- Items not affecting cash:
-----	Depreciation, depletion and amortization.....	64.4	--	--	(1.3)	--	--	Writedown of property, plant and equipment.....
-----	Interest expense on long-term liabilities.....	--	--	--	--	--	--	Gain on sale of assets.....
-----	Foreign exchange on convertible debt.....	(0.8)	--	--	--	--	--	Future income and mining taxes.....
-----	Deferred revenue realized.....	(12.9)	--	--	--	--	--	Site restoration cost accruals.....
-----	Share in loss of investee companies.....	0.9	--	--	--	--	--	Interest on convertible debentures.....
-----	Unrealized foreign exchange gains on convertible debentures.....	(5.7)	--	--	--	--	--	-----
-----	38.3	(4.0)	--	--	--	--	--	Proceeds on restructuring of gold forward sales contracts.....
-----	21.1	--	--	--	--	--	--	Site restoration cash expenditures... (4.5) -----
-----	Accounts receivable.....	0.8	--	--	--	--	--	Changes in non-cash working capital items Inventories.....
-----	Inventories.....	8.1	--	--	--	--	--	Marketable securities.....
-----	Accounts payable and accrued liabilities.....	(4.1)	--	--	--	--	--	Effect of exchange rate changes on cash.....
-----	(1.0)	--	--	--	--	--	--	CASH FLOW PROVIDED FROM OPERATING ACTIVITIES.....
-----	58.7	(4.0)	--	--	--	--	--	-----
-----	FINANCING: Issuance (repurchase) of common shares, net.....	2.8	--	--	--	--	--	Reduction of debt component of convertible debentures.....
-----	(4.0)	4.0	--	--	--	--	--	Repayment of debt.....
-----	(39.9)	--	--	--	--	--	--	Dividends on convertible preferred shares of subsidiary company.....
-----	CASH FLOW USED IN FINANCING ACTIVITIES.....	(41.1)	--	4.0	--	--	--	-----
-----	INVESTING: Additions to property, plant and equipment.....	(25.3)	--	--	--	--	--	Business acquisitions, net of cash acquired.....
-----	Long-term investments and other assets.....	(2.6)	--	--	--	--	--	Proceeds from the sale of property, plant and equipment.....
-----	1.6	--	--	--	--	--	--	Decrease (increase) in restricted cash.....
-----	2.9	--	--	--	--	--	--	CASH FLOW USED IN INVESTING ACTIVITIES.....
-----	(23.4)	--	--	--	--	--	--	-----
-----	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(5.8)	--	--	--	--	--	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....
-----	77.8	--	--	--	--	--	--	-----
-----	CASH AND CASH EQUIVALENTS, END OF PERIOD.....	\$ 72.0	\$ --	\$ --	\$ --	\$ --	\$ --	=====
=====	UNREALIZED UNDER GAINS ON U.S. MARKETABLE RECLASSIFICATION GAAP SECURITIES OF BEFORE TO AND FLOW CUMULATIVE ADJUSTING ADJUST TO LONG-TERM THROUGH TRANSLATION TO EQUITY EQUITY UNDER INVESTMENTS SFAS 133 SHARES ADJUSTMENTS BASIS BASIS U.S. GAAP -----							
-----	(D) (E) (F) (H) (I) NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING							
-----	ACTIVITIES: OPERATING: Loss for the period before dividends on convertible preferred shares of subsidiary company.....	\$ --	\$(9.1)	\$ --	\$ --	\$(20.6)	\$ --	\$(20.6) Items not affecting cash: Depreciation, depletion and amortization.....
-----	63.1	(15.3)	47.8	Writedown of property, plant and equipment.....	--	--	--	-----
-----	Interest expense on long-term liabilities.....	--	--	--	--	--	--	Gain on sale of assets.....
-----	Foreign exchange on convertible debt.....	(0.8)	--	(0.8)	--	--	--	Future income and mining taxes.....
-----	Deferred revenue realized.....	9.1	--	(3.8)	--	(3.8)	--	Site restoration cost accruals.....
-----	1.2	(0.2)	1.0	Share in loss of investee companies.....	--	--	--	Interest on convertible debentures.....
-----	0.9	1.3	2.2	Unrealized foreign exchange gains on convertible debentures.....	--	--	--	-----



(5.7) -- (5.7) -----	34.3 (14.2) 20.1	Proceeds on restructuring of gold forward sales contracts.....	21.1 -- 21.1	Site restoration cash expenditures...	(4.5) -- (4.5)
Changes in non-cash working capital items	Accounts receivable.....	0.8 0.8 1.6			
Inventories.....	8.1 (1.6) 6.5	Marketable securities.....		Accounts payable and accrued liabilities.....	
	(4.1) 2.4 (1.7)	Effect of exchange rate changes on cash.....			
-- -- (1.0) -- (1.0) -----		CASH FLOW PROVIDED FROM OPERATING ACTIVITIES.....	54.7 (12.6) 42.1		FINANCING:
Issuance (repurchase) of common shares, net.....	2.8 -- 2.8	Reduction of debt component of convertible debentures.....		Repayment of debt.....	(39.9) 15.2 (24.7)
		Dividends on convertible preferred shares of subsidiary company.....			
CASH FLOW USED IN FINANCING ACTIVITIES.....	(37.1) 15.2 (21.9)				
-----		INVESTING: Additions to property, plant and equipment.....	(25.3) 0.4		
(24.9)		Business acquisitions, net of cash acquired.....		Long-term investments and other assets.....	
-- -- 1.6 -- 1.6	(2.6) -- (2.6)	Proceeds from the sale of property, plant and equipment.....			
		Decrease (increase) in restricted cash.....	(0.8) -- 2.1 -- (2.1)		
-----		CASH FLOW USED IN INVESTING ACTIVITIES.....	(0.8) -- (24.2) 0.4 (23.8)		
-----		INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(0.8) -- (6.6) 3.0 (3.6)		CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....
	(1.4) -- 76.4 (17.3) 59.1				CASH AND CASH EQUIVALENTS, END OF PERIOD.....
	\$ -- \$ -- \$(2.2) \$ -- \$ 69.8 \$ (14.3) \$ 55.5				=====

===== F-30 Consolidated statements of cash flows presented in accordance with U.S. GAAP would require the following changes from a consolidated statements of cash flows presented in accordance with Canadian GAAP. (1) A sub-total within the "cash flows provided from operating activities" sub-section is not permitted and therefore the reader should disregard the sub-totals \$19.4 million and \$20.1 million for the nine month period ended September 30, 2002 and 2001, respectively. (2) Within cash flows provided from operating activities, the determination should begin with "net loss", instead of the "loss for the year before dividends on convertible preferred shares of subsidiary company". (3) Under U.S. GAAP, the reduction of the debt component of convertible debentures is treated as interest expense and as a cash flow from operating activities. Under Canadian GAAP, the interest expense is classified as a financing activity. (4) Under U.S. GAAP, notwithstanding that there is not a specific requirement to segregate the funds pursuant to the flow-through share agreements, the flow-through funds which are unexpended at the Consolidated Balance Sheet dates are considered to be restricted and are not considered to be cash or cash equivalents. Consolidated Statements of Comprehensive Loss: The Company's statements of comprehensive income under U.S. GAAP are as follows: NINE MONTHS ENDED SEPTEMBER 30

-----	2002	2001	-----	Net (loss) income for the period under U.S. GAAP.....	\$(14.6) \$(24.9)
Change in currency translation adjustments.....	3.7	(5.5)	Change in unrealized (losses) gains on marketable securities and long-term investments(d).....	55.0	(0.2)
133(c).....	(17.1)	9.7	-----	Comprehensive income under U.S. GAAP.....	\$ 27.0 \$(20.9) =====

===== (a) Under CDN GAAP, the convertible debentures are accounted for in accordance with their substance and, as such, are presented in the financial statements in their liability and equity component parts. Under U.S. GAAP, the entire principal amount of the convertible debentures of \$123.3 million and \$122.8 million at September 30, 2002 and December 31, 2001 respectively, is treated as debt with interest expense based on the coupon rate of 5.5%. In addition, under CDN GAAP, the unrealized foreign exchange gains on the CDN dollar denominated debentures are deferred and amortized over the term of the debentures. Effective January 1, 2002, CDN GAAP will no longer permit the deferral of unrealized foreign exchange gains and losses on the debt component of the debentures. Under U.S. GAAP, these gains are recognized in income currently along with exchange gains related to the portion of the convertible debentures included in equity under CDN GAAP. (b) As a result of applying SFAS No. 121, property, plant and equipment is reduced and the deficit increased by \$60.5 million. This difference arises from the requirement to discount future cash flows from impaired properties under U.S. GAAP and from using proven and probable reserves only. Under CDN GAAP, future cash flows from impaired properties are not discounted. The write downs of property, plant and equipment which generate this difference occurred in periods prior to January 1, 2001. Under U.S. GAAP, depreciation, depletion and amortization would be reduced by \$6.0 million and \$1.3 million during the nine

months ended September 30, 2002 and 2001, respectively, to reflect the above and the requirement under U.S. GAAP to amortize capitalized costs over proven and probable reserves only. (c) CDN GAAP allows for the elimination of operating deficits by the reduction of stated capital attributable to common shares with a corresponding offset to the accumulated deficit. This reclassification is not permitted by U.S. GAAP and would require in each subsequent period an increase in share capital and an increase in deficit of \$5.3 million. (d) Under CDN GAAP, unrealized gains (losses) on long-term investments and marketable securities are not recorded. Under U.S. GAAP, unrealized gains (losses) on long-term investments, that are classified as securities available for sale, of \$59.9 million and \$4.6 million at September 30, 2002 and December 31, 2001, respectively, and marketable securities of \$0.3 million at December 31, 2001 are included as a component of comprehensive loss in the current period. (e) Under CDN GAAP, derivatives hedging forecasted transactions are off-balance sheet until the hedged transaction is recorded. Realized gains and losses on derivatives that are closed out early are initially recorded as deferred revenue or deferred charges and are recorded as an adjustment to net loss when the original hedged transaction is recorded. On January 1, 2001 the Company adopted FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging" (SFAS 133), and the corresponding amendments under FASB Statement No. 138 (SFAS 138). SFAS 133 requires that all derivative financial instruments be recognized in the financial statements and measured at fair value regardless of the purpose or intent for holding them. Changes in the fair value of derivative financial instruments are either recognized periodically in income or shareholders equity (as a component of other comprehensive income) depending on whether the derivative is being used to hedge changes in fair value or cash flows. SFAS 138 amends certain provisions of SFAS 133 to clarify four areas causing difficulties in implementation. For derivatives designated as cash flow hedges, the effective portions of changes in fair value of the derivative are reported in other comprehensive income and are subsequently reclassified into other income when the hedged item affects other income. Changes in fair value of the derivative instruments used as economic instruments and ineffective portions of hedges are recognized in other income in the period incurred. The adoption of SFAS 133 results in a cumulative decrease in deferred revenue of \$5.8 million, and \$9.6 million, a cumulative increase in accounts payable and accrued liabilities of \$17.8 million and \$4.6 million, a cumulative increase in deficit of \$3.8 million and increase in F-31 deficit of \$3.9 million, and a cumulative decrease in other comprehensive income of \$8.2 million and increase in other comprehensive income of \$8.9 million at September 30, 2002 and December 31, 2001 respectively. Additionally, as a result of applying SFAS 133, there would be a decrease in the net loss of \$0.1 million and an increase in net loss of \$9.1 million, for the nine months ended September 30, 2002 and the year ended December 31, 2001, respectively. On adoption of SFAS 133, the Company did not complete the required documentation and effectiveness assessments to achieve hedge accounting for the commodity derivatives hedging gold revenues and energy price risk. Although the contracts are considered to be effective economic hedges and they were accounted for as hedges for CDN GAAP purposes. For U.S. GAAP only, these derivatives are carried at fair value with the changes in fair value recorded as an adjustment to net loss. The SFAS requirements for foreign exchange forward contracts hedging and forecasted foreign currency exposures were completed on adoption of the standard and, as such, these contracts were accounted for as cash flow hedges from January 1, 2001. Realized and unrealized derivatives gains and losses included in OCI on transition and during 2001 were reclassified into mining revenue for cash-flow hedges of forecasted commodity sales and reclassified into foreign exchange (loss) gain for forecasted foreign currency revenues or expenses when the hedged forecasted revenue or expense is recorded. During the nine months ended September 30, 2002, \$5.1 million of derivative losses were reclassified out of other comprehensive income (twelve months ended December 31, 2001, \$11.6 million of comprehensive gains.) The Company estimates that \$8.5 million of net derivatives losses included in other comprehensive income will be reclassified into earnings within the next twelve months. There was no ineffectiveness recorded during the year. The effect of the transition adjustment as of January 1, 2001 was an increase in assets of \$10.7 million, a decrease in deferred revenue of \$10.1 million, an increase in other long-term liabilities of \$0.3 million and an increase in other comprehensive income of \$20.5 million. Beginning January, 2002, the Company met the required documentation requirements under SFAS 133 relating to the prospective and retrospective effectiveness assessments for the commodity derivatives: thus, these derivatives were designated as cash flow hedges. The effective portions of changes in fair values of these derivatives are now recorded in other comprehensive income and are recognized in the income statement when the hedged item affects earnings. Ineffective portions of changes in fair value of cash flow hedges are recognized in earnings. (f) Under Canadian income tax legislation, a company is permitted to issue shares whereby the company agrees to incur qualifying expenditures and renounce the related

income tax deductions to the investors. The Company has accounted for the issue of flow-through shares using the deferral method in accordance with CDN GAAP. At the time of issue the funds received are recorded as share capital. Qualifying expenditures did not begin to be incurred until 2002. For U.S. GAAP, the premium paid in excess of the market value of \$1.1 million is credited to other liabilities and included in income as the qualifying expenditures are made. Also, notwithstanding whether there is a specific requirement to segregate the funds, the flow-through funds which are unexpended at the Consolidated Balance sheet dates are considered to be restricted and are not considered to be cash or cash equivalent under U.S. GAAP. As at September 30, 2002, unexpended flow-through funds were \$2.0 million. (December 31, 2001: \$4.6 million) (g) The terms "proven and probable reserves", "exploration", "development", and "production" have the same meaning under both U.S. and CDN GAAP. Exploration costs incurred are expensed at the same point in time based on the same criteria under both U.S. and CDN GAAP. In addition, mining related costs are only capitalized after proven and probable reserves have been designated under both U.S. and Canadian GAAP. (h) Under CDN GAAP, the unrealized translation gains and losses on the Company's net investment in self-sustaining operations translated using the current rate method accumulate in a separate component of shareholders equity, described as cumulative translation adjustments on the consolidated balance sheet. Under U.S. GAAP, the unrealized foreign exchange gains and losses would not accumulate in a separate component of shareholders equity but rather as an adjustment to accumulated other comprehensive income. (i) Joint venture accounting The investments in Omolon, CMM and E-Crete, are proportionately consolidated under CDN GAAP. These investments are accounted for using the equity method under U.S. GAAP. The Company relies on an accommodation available under certain conditions, which permits a company using the equity method for U.S. GAAP to omit the differences arising from the use of proportionate consolidation under CDN GAAP. Each of the joint ventures listed, except Omolon, qualifies for this accommodation on the basis that it is an operating entity, the significant financial and operating policies of which are, by contractual arrangement, jointly controlled by all parties having an equity interest in the entity. With respect to Omolon, the Company has concluded that it does not meet the criteria outlined for the accommodation. Therefore, the financial information of Omolon has been disclosed using the equity method for U.S. GAAP purposes. Under the equity method, an investment in common shares is generally shown in the balance sheet of an investor as a single amount as "Investment in investee company". Likewise, an investor's share of earnings or losses from its investment is ordinarily shown in its income statement as a single amount as "Share of loss of investee company". (j) Restatement of U.S. GAAP reconciliation information In preparing the U.S. GAAP reconciliation balance sheet as at December 31, 2001, the Company incorrectly interpreted the applicability of an accommodation provided for in Item 17(c)(2)(vii) of Form 20-F. Pursuant to this incorrect interpretation, the Company did not reconcile its investment in Omolon, which is accounted for under the proportionate consolidation method pursuant to Canadian GAAP, to the equity method under U.S. GAAP. See note 10(i) above. The effect of this restatement was a decrease in total assets and total liabilities of \$14.2 million as at December 31, 2001. The impact of the reclassification on specific line items on the balance sheet has been provided in more detail in the above table. F-32 Notwithstanding the change in individual asset and liability amounts, there was no effect on the previously reported U.S. GAAP amounts for common shareholders' equity. The Company had not previously reported U.S. GAAP reconciliation information in its consolidated interim financial statement.

**STOCK-BASED COMPENSATION** For the purposes of this U.S. GAAP reconciliation, Kinross follows APB Opinion No. 25, "Accounting for Stock Issued to Employees", and its related interpretations, which results in a measurement of nil compensation expense at grant date of the stock options. Had compensation expense for the stock option plans been determined based upon fair value at the grant date for awards under these plans consistent with the methodology prescribed under SFAS No. 123, "Accounting for Stock-based Compensation", the Company's net loss under U.S. GAAP would have been increased by approximately \$0.1 million or \$NIL per share in the nine months ended September 30, 2002 and \$1.1 million or \$NIL per share in the year ended December 31, 2001. The fair value of the options granted during 2001, 2000 and 1999 is estimated to be \$1.1 million, \$2.4 million and \$3.0 million, respectively. The value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions used for grants in 2001, 2000 and 1999, dividend yield of 0%, expected volatility of 61%, 57% and 57%, respectively and an expected life of five years. F-33

**INDEPENDENT AUDITORS' REPORT** To The Directors and Shareholders of KINROSS GOLD CORPORATION We have audited the consolidated balance sheets of Kinross Gold Corporation (the "Company") as at December 31, 2001 and 2000 and the related consolidated statements of operations, common shareholders' equity and cash flows for each of the years in

the three-year period ended December 31, 2001. 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 Canadian generally accepted auditing standards and auditing standards generally accepted in the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance about 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, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2001 and 2000 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2001, in accordance with Canadian generally accepted accounting principles. As described in Note 20(k) to the consolidated financial statements, the Company has restated certain of the U.S. GAAP reconciliation information to disclose the effect of using the equity method of accounting for its investment in Omolon Gold Mining Company as required under U.S. GAAP as opposed to using proportionate consolidation as required under Canadian GAAP. Our previous audit report dated February 13, 2002, addressed to the Shareholders reporting under Canadian generally accepted auditing standards and our report dated March 7, 2002, addressed to the Directors reporting under Canadian generally accepted auditing standards and auditing standards generally accepted in the United States of America have been withdrawn. (SIGNED) DELOITTE & TOUCHE LLP CHARTERED ACCOUNTANTS Toronto, Canada March 7, 2002, except as to notes 20 and 22 which are as of October 28, 2002 F-34 KINROSS GOLD CORPORATION CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, CONSOLIDATED BALANCE SHEETS (expressed in millions of U.S. dollars) 2001 2000 ----- ASSETS CURRENT ASSETS Cash and cash equivalents..... \$ 81.0 \$ 77.8 Restricted cash..... -- 2.9 Accounts receivable (Note 3)..... 13.8 20.3 Inventories (Note 4)..... 42.4 54.6 Marketable securities (quoted market value: 2001 -- \$1.8; 2000 -- \$0.7)..... 1.5 0.7 ----- 138.7 156.3 Property, plant and equipment (Note 5)..... 415.0 505.6 Long-term investments (Note 6)..... 12.9 14.4 Deferred charges and other assets..... 11.0 23.7 ----- \$577.6 \$700.0 ===== LIABILITIES CURRENT LIABILITIES Accounts payable and accrued liabilities..... \$ 31.0 \$ 40.8 Current portion of long-term debt (Note 9)..... 33.1 31.5 Current portion of site restoration cost accruals (Note 10)..... 12.6 9.3 ----- 76.7 81.6 Long-term debt (Note 9)..... 31.0 79.8 Site restoration cost accruals (Note 10)..... 43.0 47.9 Future income and mining taxes (Note 16)..... 3.3 3.5 Deferred revenue (Note 8 (a))..... 9.6 10.1 Other long-term liabilities..... 6.0 10.1 Debt component of convertible debentures (Note 11)..... 28.1 33.4 Redeemable retractable preferred shares (Note 12)..... 3.1 3.1 ----- 200.8 269.5 ----- CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY (Note 13)..... 48.0 91.8 ----- COMMON SHAREHOLDERS' EQUITY Common share capital (Note 14)..... 945.7 913.2 Contributed surplus..... 12.9 12.9 Equity component of convertible debentures (Note 11)..... 124.8 117.0 Deficit..... (726.0) (681.4) Cumulative translation adjustments..... (28.6) (23.0) ----- 328.8 338.7 ----- \$577.6 \$700.0 ===== COMMITMENTS AND CONTINGENCIES (Note 21) Signed on behalf of the Board: (signed) John A. Brough (signed) John M.H. Huxley Director Director F-35 KINROSS GOLD CORPORATION CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, CONSOLIDATED STATEMENTS OF OPERATIONS (expressed in millions of U.S. dollars except per share amounts) 2001 2000 1999 ----- REVENUE Mining revenue..... \$270.1 \$ 271.0 \$ 304.0 Interest and other income..... 9.3 14.2 15.5 Mark to market gain (loss) on call options..... 3.5 4.1 (2.5) ----- 282.9 289.3 317.0 ----- EXPENSES Operating..... 180.7 189.6 209.4 General and administrative..... 10.1 10.4 11.2 Exploration..... 7.9 11.4 11.1 Depreciation, depletion and amortization..... 85.8 93.2 110.9 Gain on sale of assets..... (1.2) (4.1) (0.1) Foreign exchange loss (gain)..... 1.1 (0.5) (0.2) Interest expense on long-term liabilities..... 9.1 14.3 15.8 Write-down of marketable securities and long-term investments..... -- 13.1 4.6 Write-down of property, plant and equipment (Note 15)..... 16.1 72.1 184.9 ----- 309.6 399.5 547.6 ----- (26.7) (110.2) (230.6) Share in loss of investee

companies..... (2.2) (8.1) (0.3) ----- LOSS BEFORE TAXES AND DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (28.9) (118.3) (230.9) PROVISION FOR INCOME AND MINING TAXES (Note 16)..... (2.9) (0.9) (2.9) ----- LOSS FOR THE YEAR BEFORE DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (31.8) (119.2) (233.8) DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY (Note 13)..... (5.1) (6.9) (6.9) ----- NET LOSS FOR THE YEAR..... (36.9) (126.1) (240.7) INCREASE IN EQUITY COMPONENT OF CONVERTIBLE DEBENTURES (Note 11)..... (7.7) (7.2) (6.5) ----- NET LOSS FOR THE YEAR ATTRIBUTABLE TO COMMON SHAREHOLDERS... \$(44.6) \$(133.3) \$(247.2) ===== LOSS PER SHARE Basic and diluted..... \$(0.14) \$ (0.45) \$ (0.83) WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (millions)..... 313.4 298.1 299.2

F-36 KINROSS GOLD CORPORATION CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, CONSOLIDATED STATEMENTS OF CASH FLOWS (expressed in millions of U.S. dollars) 2001 2000 1999 ----- NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: OPERATING: Loss for the year before dividends on convertible preferred shares of subsidiary company..... \$(31.8) \$(119.2) \$(233.8) Items not affecting cash: Depreciation, depletion and amortization..... 85.8 93.2 110.9 Write-down of property, plant and equipment..... 14.6 72.1 184.9 Write-down of marketable securities and long-term investments..... -- 13.1 4.6 Gain on sale of assets..... (1.2) (4.1) (0.1) Future income and mining taxes..... -- (3.5) -- Deferred revenue realized..... (17.7) (13.5) (6.9) Site restoration cost accruals..... 1.9 2.6 3.1 Share in loss of investee companies..... 2.2 9.4 0.3 ----- 53.8 50.1 63.0 Proceeds on restructuring of gold forward sales contracts... 21.6 4.7 -- Site restoration cash expenditures..... (7.1) (9.6) (6.3) Changes in non-cash working capital items Accounts receivable..... 5.1 5.7 10.1 Inventories..... 9.6 0.6 3.3 Marketable securities..... -- 4.8 (3.2) Accounts payable and accrued liabilities..... (8.0) (8.3) 0.4 Effect of exchange rate changes on cash..... (0.5) (0.2) 2.2 ----- CASH FLOW PROVIDED FROM OPERATING ACTIVITIES..... 74.5 47.8 69.5 ----- FINANCING: Issuance of common shares..... 5.4 3.2 2.0 Repurchase of common shares..... -- (5.3) (7.5) Reduction of debt component of convertible debentures.... (5.4) (4.9) (4.4) Repayment of debt..... (46.5) (26.4) (14.7) Dividends on convertible preferred shares of subsidiary company..... -- (3.4) (6.9) ----- CASH FLOW USED IN FINANCING ACTIVITIES..... (46.5) (36.8) (31.5) ----- INVESTING: Additions to property, plant and equipment..... (30.4) (41.6) (44.0) Business acquisitions, net of cash acquired..... (1.2) -- (35.0) Long-term investments and other assets..... 2.1 (7.4) (0.8) Proceeds from the sale of property, plant and equipment... 1.8 4.8 2.3 Decrease (increase) in restricted cash..... 2.9 (2.9) -- ----- CASH FLOW USED IN INVESTING ACTIVITIES..... (24.8) (47.1) (77.5) ----- INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS..... 3.2 (36.1) (39.5) CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR..... 77.8 113.9 153.4 ----- CASH AND CASH EQUIVALENTS, END OF YEAR..... \$ 81.0 \$ 77.8 \$ 113.9 ----- Cash and cash equivalents consist of the following: Cash on hand and balances with banks..... \$ 12.9 \$ 20.0 \$ 27.0 Short-term investments..... 68.1 57.8 86.9 ----- \$ 81.0 \$ 77.8 \$ 113.9 ===== Supplementary disclosure of cash flow information: Cash paid for: Interest..... \$ 13.1 \$ 18.8 \$ 12.3 Income taxes..... \$ 3.9 \$ 2.3 \$ 3.0

F-37 KINROSS GOLD CORPORATION CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY (expressed in millions of U.S. dollars) EQUITY COMMON COMPONENT OF CUMULATIVE SHARE CONTRIBUTED CONVERTIBLE TRANSLATION CAPITAL SURPLUS DEBENTURES DEFICIT ADJUSTMENTS TOTAL ----- BALANCE, DECEMBER 31, 1998.... \$904.2 \$ 3.6 \$103.1 \$(296.4) \$(27.9) \$686.6 Issuance of common shares, net..... 16.1 4.3 -- -- 20.4 Increase in equity component of convertible debentures... -- -- 6.6 (6.5) -- 0.1 Net loss for the year..... -- -- -- (240.7) -- (240.7) Cumulative translation adjustments..... -- -- -- 9.2 9.2 ----- BALANCE, DECEMBER 31, 1999.... 920.3 7.9 109.7 (543.6) (18.7) 475.6 Adjustment for post-retirement benefits (Note 1)..... -- -- -- (4.5) --

(4.5) -----	BALANCE, JANUARY 1, 2000.....	920.3	7.9	109.7	(548.1)	(18.7)	471.1
Issuance (repurchase) of common shares, net.....	(7.1)	5.0	-- --	(2.1)	Increase in equity component of convertible debentures... -- --	7.3 (7.2)	-- 0.1
Net loss for the year.....	-- --	(126.1)	--	(126.1)	Cumulative translation adjustments.....	-- --	(4.3) (4.3)
-----	BALANCE, DECEMBER 31, 2000....	913.2	12.9	117.0	(681.4)	(23.0)	338.7
Issuance of common shares, net.....	32.5	-- --	--	32.5	Increase in equity component of convertible debentures... -- --	7.8 (7.7)	-- 0.1
Net loss for the year.....	-- --	(36.9)	--	(36.9)	Cumulative translation adjustments.....	-- --	(5.6) (5.6)
-----	BALANCE, DECEMBER 31, 2001....	\$945.7	\$12.9	\$124.8	\$(726.0)	\$(28.6)	\$328.8

===== F-38 KINROSS GOLD CORPORATION NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (All tabular dollar amounts are in millions of U.S. dollars except per share data) 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Kinross Gold Corporation (the "Company") have been prepared in accordance with Canadian generally accepted accounting principles which differ in certain material respects from those generally accepted in the United States, as described in Note 20. Note 20 to the consolidated financial statements of the Company has been restated to disclose the effect of accounting for the investment in the Russian joint venture under the equity method as required under U.S. GAAP as opposed to the proportionate consolidation method used under Canadian GAAP. The following is a summary of the accounting policies significant to the Company. The U.S. dollar is the reporting currency of the Company's business; accordingly, these consolidated financial statements are expressed in U.S. dollars.

**NATURE OF OPERATIONS** The Company is engaged in the mining and processing of gold and silver ore and the exploration for, and acquisition of, gold-bearing properties, principally in the Americas, Russia, Australia and Africa. The Company's products are gold and silver produced in the form of dore which is shipped to refineries for final processing.

**BASIS OF PRESENTATION** The consolidated financial statements include the accounts of the Company and the more-than-50%-owned subsidiaries that it controls. The Company also includes its proportionate share of assets, liabilities, revenues and expenses of jointly controlled companies and joint ventures in which it has an interest. Effective December 31, 2001, the Company discontinued the consolidation of its wholly-owned subsidiary company in Zimbabwe, which operates the Blanket mine. Extreme inflationary pressures within Zimbabwe, civil unrest and currency export restrictions have prevented the Company from exercising control over the Zimbabwean subsidiary. Kinross will continue to account for its investment in the Blanket mine on the cost basis (written down value) and revenue will be recorded only upon receipt of dividends or other cash payments and will be classified as other income (see Note 15).

**USE OF ESTIMATES** The preparation of the Company's consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Changes in estimates are accounted for in the period of change if the change affects the financial results of that period only or in the period of change and applicable future periods, if the change affects the financial results of both current and future periods. Actual results could differ from these estimates.

**TRANSLATION OF FOREIGN CURRENCIES DOMESTIC AND FOREIGN OPERATIONS** The Company reports its financial statements in U.S. dollars, while the currency of measurement for the Company's operations varies depending upon location. The currency of measurement for the Company's operations domiciled in Canada is the Canadian dollar. Canadian dollar amounts are translated to U.S. dollars for reporting purposes using the current rate method. Under the current rate method, assets and liabilities are translated at the exchange rates in effect at the balance sheet date and revenues and expenses are translated at average rates for the year. With the exception of Australia, the Company's non-Canadian subsidiaries and joint venture interests are self-sustaining operations whose economic activities are largely independent of those of the Company. The currency of measurement for the Company's self-sustaining operations in the United States and Chile is the U.S. dollar. Although the operations in Zimbabwe and Russia are self-sustaining, the temporal method is used to translate local currency amounts into U.S. dollars due to the highly inflationary economies in those countries. As mentioned above, the operations in Zimbabwe are no longer consolidated as of December 31, 2001. The temporal method is also used to translate the Company's operation in Australia which is considered to be an integrated foreign operation. Under the temporal method, all non-monetary items are translated at historical rates. Monetary assets and liabilities are translated at actual exchange rates in effect at the balance sheet date, revenues and expenses are translated at average rates for the year and gains

and losses on translation are included in income. The unrealized translation gains and losses on the Company's net investment in self-sustaining operations translated using the current rate method accumulate in a separate component of shareholders' equity, described in the consolidated balance sheet as cumulative translation adjustments. Such exchange gains and losses may become realized in the event of a disposition of the net investment in a self-sustaining operation, in which event an appropriate portion of the cumulative translation adjustment is recognized in income.

**FOREIGN CURRENCY TRANSACTIONS** Monetary assets and liabilities are translated at the rate of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenue and expenses are translated at the average rate of exchange for the year. Exchange gains and losses are included in income except for the unrealized gains or losses on long-term debt (including the debt component of the convertible debentures) which are deferred and amortized over the term of the debt (See Note 11).

**F-39 CASH AND CASH EQUIVALENTS** Cash and cash equivalents include cash and highly liquid investments with an original maturity of three months or less. The Company invests cash in term deposits maintained in high credit quality financial institutions.

**MARKETABLE SECURITIES** Marketable securities are carried at the lower of cost and quoted market value.

**INVENTORIES** Gold bullion and gold in process are valued at the lower of production cost and net realizable value. Mine operating parts and supplies are valued at the lower of cost and replacement cost.

**PROPERTY, PLANT AND EQUIPMENT** Property, plant and equipment are recorded at cost. Mine development costs are capitalized on properties after proven and probable reserves have been identified. Mine development costs for underground mines consist of shafts, ramps and primary level development and the associated infrastructure. Mine development costs for open pit mines primarily consist of costs to remove overburden to initially expose the ore body and the costs of haulage roads from the open pit to the processing plant. The cost of waste rock removal after the commencement of commercial production is expensed as incurred. Prior to identifying proven and probable reserves, exploration and development costs are expensed as incurred. Significant payments related to the acquisition of land and mineral rights are capitalized. The time it takes for management to make a decision to develop a property or dispose of it ranges from a few months to years, depending upon the particular circumstances of each property. Once commercial production is reached, the deferred costs of the project are amortized over their economic lives, on the basis described below. Commercial production occurs when the asset or property is substantially complete and ready for its intended use. If no proven and probable reserves are discovered or such rights are otherwise determined to have no value, such costs are expensed in the period in which it is determined the property has no future economic value. The Company expenses start-up activities, including pre-production losses and organizational costs, as incurred. In underground mines where ore bearing structures are open at depth or are open laterally, which is currently the case at the Hoyle Pond mine (see Note 5), the straight-line method of amortization is applied over the estimated life of the mine which is currently 10 years. Open pit mines, which consist of the Kubaka, Fort Knox and Refugio mines, are amortized on a unit of production method using proven and probable reserves only. After commercial production is achieved, stripping costs are expensed as incurred. Plant and equipment that have useful lives shorter than the mine life are depreciated on a straight-line or declining balance basis over their estimated useful lives. (As at December 31, 2001, the maximum useful life was five years)

**MINERAL EXPLORATION** Mineral exploration expenditures are charged to income as incurred.

**PROPERTY EVALUATIONS** Annually, or more frequently as circumstances require, the Company reviews and evaluates the recoverability of property, plant and equipment. The computation of reserve and mineral resource estimates is performed at least annually during the fourth quarter of the year. The evaluation of proven and probable reserve estimates may provide evidence that the carrying value of a mine is impaired. Based on the revised reserve and mineral resource calculations, estimated future net cash flows, on an undiscounted basis, from each property with the exception of acquired exploration properties, are calculated using estimated recoverable ounces of gold (considering current proven and probable reserves and mineral resources expected to be converted into mineral reserves. The inclusion of mineral resources is based on various circumstances, including but not limited to, the existence and nature of known mineralization, location of the property, results of recent drilling; and analysis to demonstrate the ore is commercially recoverable.), estimated future gold price realization (considering historical and current prices, price trends and related factors); and operating, capital and site restoration costs. Reductions in the carrying value of property, plant and equipment, with a corresponding charge to income, are recorded to the extent that the estimated future net cash flows are less than the carrying value. Estimates of future cash flows are subject to risks and uncertainties. It is possible that changes could occur which may affect the recoverability of property, plant and equipment.

**LONG-TERM INVESTMENTS** Long-term investments in shares of investee companies, over which

the Company has the ability to exercise significant influence, are accounted for using the equity method. The cost method is used for entities in which the Company owns less than 20% or cannot exercise significant influence. The Company periodically reviews the carrying value of its investments. When a decline in the value of an investment is other than temporary, the investment is written down accordingly.

**FINANCIAL INSTRUMENTS** The Company enters into derivative financial instrument contracts to manage certain market risks which result from the underlying nature of its business. The Company uses spot deferred contracts and fixed forward contracts to hedge exposure to commodity price risk for gold and silver; foreign exchange forward contracts to hedge exposure to fluctuations in foreign currency denominated revenues; and interest rate swaps to hedge exposure to changes in interest rates. The Company uses written gold call options to economically hedge exposure to commodity price risk for gold. Non-option derivative financial instruments are accounted for using the accrual method as management views the contracts as F-40 effective hedges and has designated the contracts as hedges of specific exposures. Hedge effectiveness is assessed based on the degree to which the cash flows on the derivative contracts are expected to offset the cash flows of the underlying position or transaction being hedged. Realized gains or losses on derivative contracts that qualify for hedge accounting are deferred and recorded in income when the underlying hedged transaction is recognized. The premiums received at the inception of written call options are recorded as a liability. Changes in the fair value of the liability are recognized currently in income. Gains or losses (realized or unrealized) for derivative contracts which no longer qualify as hedges for accounting purposes or which relate to a hedged transaction that has been sold or terminated are recorded in income. Gains on the early settlement of gold hedging contracts are recorded as deferred revenue on the balance sheet and included in income over the original delivery schedule of the hedged production.

**PENSION, POST-RETIREMENT AND POST-EMPLOYMENT BENEFITS** Pension expense, based on management assumptions, consists of the actuarially computed costs of pension benefits in respect of the current year's service; imputed interest on plan assets and pension obligations; and straight-line amortization of experience gains and losses; assumption changes and plan amendments over the expected average remaining service life of the employee group. In fiscal 2000, the Company adopted the new Canadian Institute of Chartered Accountants ("CICA") recommendation for costs of post-retirement and post-employment benefits other than pensions. The expected costs of post-retirement and post-employment benefits, other than pensions, to active employees are accrued for in the financial statements during the years employees provide service to the Company. As a result at January 1, 2000, a liability for post-retirement and post-employment benefits other than pension of \$4.5 million was recorded and the deficit was correspondingly increased by \$4.5 million.

**STOCK OPTION PLAN** The stock option plan is described in Note 14. No compensation expense is recognized under this plan when shares or share options are issued to employees. Shares issued under this plan are recorded at the issue price. Any consideration paid by employees on exercise of stock options or purchases of stock is credited to common share capital.

**REVENUE RECOGNITION** The Company changed its accounting policy for revenue recognition effective January 1, 2001 such that revenue is recognized upon shipment to third-party gold refineries, the sales price is fixed and title has passed to the customer. Previously, revenue was recognized when the production process was completed or when gold was poured in dore form at the mine. The Company retroactively adopted this new accounting policy and the prior periods have not been restated, as the net adjustment would not have a material impact on the reported amounts.

**SITE RESTORATION COSTS** Estimated costs of site restoration are accrued and expensed over the estimated life of the mine on a unit-of-production basis using proven and probable reserves. Ongoing environmental protection expenditures are expensed as incurred. Estimates of the ultimate site restoration costs are based on current laws and regulations and expected costs to be incurred (calculated on a non-discounted basis), all of which are subject to possible changes thereby impacting current determinations.

**INCOME AND MINING TAXES** The provisions for income and mining taxes are based on the liability method. Future income taxes arise from the recognition of the tax consequences of temporary differences by applying substantively enacted statutory tax rates applicable to future years to differences between the financial statements carrying amounts and the tax bases of certain assets and liabilities. The Company records a valuation allowance against any portion of those future income tax assets that it believes will, more likely than not, fail to be realized. On business acquisitions, where differences between assigned values and tax bases of assets acquired and liabilities assumed exist, the Company recognizes the future income tax assets and liabilities for the tax effects of such differences. Future withholding taxes are provided on the unremitted net earnings of foreign subsidiaries and associates to the extent that dividends or other repatriations are anticipated in the future and will be subject to such taxes.

**PER SHARE INFORMATION** Basic loss per common share has been calculated using the weighted average



number of common shares outstanding during the year and reflects an adjustment for the increase in the equity component of the convertible debentures. For the years ended December 31, 2001, 2000, and 1999, conversion or exercise of the convertible debentures, convertible preferred shares of subsidiary company, redeemable retractable preferred shares, stock options and common share purchase warrants would have no dilutive effect. NEW PRONOUNCEMENT Effective January 1, 2001, the Company adopted retroactively the new CICA recommendations for calculating earnings per share. Under the new rules, the treasury stock method is used in assessing the dilutive effect of stock options on the diluted earnings per share. The adoption of the new rules had no effect on the reported amounts. 2000 AND 1999 FIGURES Certain of the 2000 and 1999 figures have been reclassified to conform to the 2001 presentation.

F-41 2. BUSINESS AND PROPERTY ACQUISITIONS 2001 During 2001, the Company acquired a further 12.4% interest in E-Crete, LLC ("E-Crete") from its partner by funding its partner's share of cash calls, thereby increasing its ownership interest to 85.9%. On December 7, 2001, the Company completed the acquisition of a 100% interest in the George/Goose Lake gold project in the Nunavut Territories by issuing 4,000,000 common shares of the Company valued at \$3.8 million. The following is a summary of the 2001 acquisitions both of which were accounted for using the purchase method. GEORGE/ E-CRETE GOOSE LAKE TOTAL -----

----- Fair value ascribed to net assets acquired: Property, plant and equipment.....	\$1.7	\$3.8	\$5.5	Less liabilities assumed.....	0.5	--	0.5	----	----	\$1.2	\$3.8	\$5.0	=====	=====	=====	Purchase price: Cash.....	\$1.2	\$	--	\$1.2	Common shares.....	--	3.8	3.8	----	----
-----	\$1.2	\$3.8	\$5.0	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	2000	There were no business acquisitions during the year 2000.									

1999 On February 26, 1999, the Company acquired 100% of La Teko Resources Ltd. ("La Teko"). The purchase price of \$26.4 million was satisfied by the issuance from treasury of 10.5 million common shares of the Company and the payment of transaction costs of \$0.5 million. The assets of La Teko included a 35% ownership interest in the True North property and on 100% ownership interest in the Ryan Lode property. On March 1, 1999, the Company acquired 100% of Kershaw Gold Company, Inc. ("Kershaw") for \$2.0 million, thereby increasing its ownership interest in the Haile Mining Venture from 62.5% to 100%. On June 28, 1999, the Company acquired an additional 65% interest in the True North property in Alaska for cash of \$28.1 million, thereby increasing its interest in the True North property to 100%. On December 24, 1999, the Company acquired the Timmins assets of Royal Oak Mines Inc. ("Pamour") for cash of \$4.7 million and assumed certain environmental reclamation liabilities on the historic producing areas. On December 31, 1999, the Company acquired a further 1.7% of Omolon Gold Mining Company ("Omolon") (in addition to the 53% interest acquired in 1998) for cash of \$0.3 million. The following is a summary of the 1999 acquisitions all of which were accounted for using the purchase method. ADDITIONAL 1.7% INTEREST IN LA TEKO KERSHAW TRUE NORTH PAMOUR OMOLON TOTAL -----

----- Fair value ascribed to net assets acquired: Property, plant and equipment.....	\$26.3	\$2.0	\$28.1	\$8.0	\$1.3	\$65.7	Other assets (including cash of \$0.6 million).....	0.1	--	--	1.1	1.2	-----	-----	-----	Total assets.....	26.4	2.0	28.1	8.0	2.4	66.9	Less liabilities assumed.....	--	--	3.3	2.1	5.4	-----
-----	\$26.4	\$2.0	\$28.1	\$4.7	\$0.3	\$61.5	=====	=====	=====	=====	=====	=====	=====	=====	=====	Purchase price Cash.....	\$	0.5	\$2.0	\$28.1	\$4.7	\$0.3	\$35.6	Common shares.....	25.9	--	--	--	25.9
-----	\$26.4	\$2.0	\$28.1	\$4.7	\$0.3	\$61.5	=====	=====	=====	=====	=====	=====	=====	=====	=====	F-42	3.												

ACCOUNTS RECEIVABLE Accounts receivable are comprised of the following: 2001 2000 ----- Taxes, interest and miscellaneous..... \$ 8.3 \$15.7 Due from joint venture partners..... 5.5 4.6 ----- \$13.8 \$20.3 =====

4. INVENTORIES Inventories are comprised of the following: 2001 2000 ----- Gold bullion and gold in process..... \$15.1 \$17.2 Mine operating parts and supplies..... 27.3 37.4 ----- \$42.4 \$54.6 =====

5. PROPERTY, PLANT AND EQUIPMENT The components of property, plant and equipment are as follows: 2001 2000 -----

ACCUMULATED DEPRECIATION, COST, DEPLETION NET COST, DEPLETION NET OF AND BOOK NET OF AND BOOK WRITE-DOWN AMORTIZATION VALUE WRITE-DOWN AMORTIZATION VALUE -----	Producing properties Mineral properties.....	\$ 0.3	\$	--	\$ 0.3	\$ 8.3	\$	--	\$ 8.3	Plant and equipment (amortized on a straight-line basis).....	165.5	77.4	88.1	187.9	86.5	101.4	Plant and equipment (amortized on unit-of-production basis).....	615.2	305.8	309.4	684.4	301.9	382.5	Development properties.....	8.1	--	8.1	8.1	--	8.1
-----	Exploration properties.....	9.1	--	9.1	5.3	--	5.3	-----	-----	-----	\$798.2	\$383.2	\$415.0	\$894.0	\$388.4	\$505.6	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	The development properties above represent the

Company's investment in the Pamour mine. While the Pamour mine has final feasibility studies, it is subject to permitting from Canadian authorities. The necessary permits required to commence mining of the mineral reserves contained in the existing Pamour pit, north of Highway 101, referred to as the phase one mine plan, have been maintained in good standing and require only administrative reactivation. However, Kinross will require additional permit approvals to mine south of Highway 101, which is outside of the phase one mine plan. The Pamour mine is located in an active historical mining district. There is a clearly defined regulatory process under federal and Ontario law that governs the issuance of mining permits. There are no known technical, environmental, cultural or socio-economic impediments that would prevent the issuance of mining permits for the area south of Highway 101. Accordingly, Kinross believes there is a high level of assurance that the project will receive all required approvals for development. The permitting process has been initiated and environmental baseline studies are underway. A permitting schedule has been developed by Placer, the operator of the Porcupine joint venture, in consultation with the relevant government authorities, which contemplates that the expansion project will proceed in late 2004. See page A-18 for additional information. During the year ended December 31, 2001, the Company disposed of certain mining assets with a cost base of \$66.3 million and accumulated depreciation, depletion and amortization of \$60.9 million and ceased to consolidate the Zimbabwe operations. During the year ended December 31, 2000, the Company disposed of certain mining assets with a cost base of \$50.5 million and accumulated depreciation, depletion and amortization of \$39.8 million. 2001 The assets disposed of in 2001 were comprised primarily of the Macassa mine and mill complex and the Candelaria property. The Macassa mine located in Kirkland Lake, Ontario and the Candelaria property located near Hawthorne, Nevada had been previously written down to their net realizable value. The gain on sale of these assets of \$1.2 million is included in gain on sale of assets in the consolidated statement of operations. Since the assets were non-producing at the time of disposal, there are no amounts included in the results of operations for 2001. 2000 The assets disposed of in 2000 were comprised primarily of the Denton-Rawhide mine and other surplus tangible equipment. The Denton-Rawhide mine located near Falon, Nevada was in production when sold. The gain on sale of these assets of \$2.5 million is included in gain on sale of assets in the consolidated statement of operations. During 2000, prior to disposal on March 31, 2000, the Denton-Rawhide mine F-43 contributed \$4.4 million of mining revenue, \$0.6 million of interest income, \$4.1 million of operating costs and depreciation and amortization of \$1.0 million for a net loss of \$0.1 million. 1999 There was no asset disposals in 1999. In addition, the difference in value arising from the repurchase of the Convertible Preferred Shares of Subsidiary Company of \$25.7 million reduced the cost of property plant and equipment (see Note 14).

6. LONG-TERM INVESTMENTS The quoted market value of the Company's interest in long-term investments is \$17.5 million as at December 31, 2001 (December 31, 2000 -- \$14.8 million). The book value of the long-term investments is comprised of the following as at December 31. 2001

2000	-----	-----	Cost Basis.....	\$ 9.6	\$ 8.8	Equity Basis.....	3.3
5.6	-----	-----	\$12.9	\$14.4	=====	=====	

7. JOINT VENTURE INTERESTS The Company conducts a portion of its business through joint ventures under which the ventures are bound by contractual arrangements establishing joint control over the joint ventures. The Company records its proportionate share of assets, liabilities, revenue and operating expenses of the joint ventures. As at December 31, 2001, the Company had interests in four joint venture projects. (A) KAMGOLD JOINT STOCK COMPANY The Company owns a 25% interest in, and the right to operate, Kamgold, a Russian joint stock company and is responsible for negotiating project financing. Since inception, the Company, had capitalized \$6.4 million of acquisition costs and development expenditures. In light of depressed metal process and unsuccessful attempts to advance the project these costs were written off during 2000. (B) OMOLON GOLD MINING COMPANY The Company owns a 54.7% interest in Omolon, a Russian joint stock company, which operates the Kubaka mine located in eastern Russia. A 50% interest was acquired as a result of the Kinam Gold Inc. ("Kinam") acquisition, and additional interests of 3.0% and 1.7% were acquired in December 1998 and 1999, respectively (see Note 2). The Board of Directors of Omolon approves annual budgets, approves dividends, and approves major transactions prior to execution by management. The Company has four of seven director votes. The remaining three directors represent the Russian shareholders. The Russian shareholders nominate the Chairman of the Board, who exercises control over Board agenda items. All major transactions require a 75% majority of votes cast at any directors meeting. The shareholders are entitled to their pro-rata share of profits in the form of dividends and are obliged to make their pro-rata share of contributions if required. (C) COMPANIA MINERA MARICUNGA The Company owns a 50% interest in Compania Minera Maricunga ("CMM"), a Chilean contractual mining company, which was acquired as a result of the Kinam acquisition. CMM owns the Refugio mine located in Central Chile. On

June 1, 1999, the Company was appointed Operator of the Refugio mine and continues in that capacity. The Company provides services to CMM in the planning and conduct of exploration, development and mining, and related operations with respect to the Refugio Project Properties and the Refugio mine. The investment in CMM was written-off during 2000 (see Note 15). The Board of Directors of CMM approves annual budgets, approves distributions and approves major transactions prior to execution by management. The Company has 50 votes of 100 on all matters to be decided by the Board of Directors. In addition, suspension and recommencement of operations require unanimous consent of the Directors. The shareholders are entitled to their pro-rata share of profits in the form of distributions and are obliged to make their pro-rata share of contributions if required. (D) E-CRETE, LLC The Company owns an 85.9% interest in E-Crete, an Arizona limited liability company. A 73.5% interest was acquired in 2000 by contributing assets and cash to the newly formed LLC. An additional 12.4% was acquired during 2001 by funding certain cash calls owed by the partner to the LLC. Project financing debt of \$3.9 million has been guaranteed by the Company. The Board of Directors of E-Crete approves annual budgets, approves distributions and approves major transactions prior to execution by management. The Board of Directors vote on all matters in accordance with their ownership interest. The production facility was designed and built by the partner to the LLC and the partner provides the exclusive rights for the marketing and processing of the product. The shareholders are entitled to their pro-rata share of profits in the form of distributions and are obliged to make their pro-rata share of contributions if required. F-44 The following table summarizes information contained in the consolidated financial statements relative to these joint venture interests:

	2001	2000	1999	
Revenue.....	\$ 87.4	\$ 98.9	\$ 115.6	
Operating costs.....	57.9	66.4	80.8	
Depreciation, depletion and amortization.....	21.6	30.9	35.8	
Exploration.....	2.1	2.4	1.8	
Interest.....	3.6	6.0	7.0	
Write-down of property, plant and equipment.....	--	42.6	16.9	
Income (loss) before taxes.....	\$ 2.2	\$ (49.4)	\$ (26.7)	
Current assets.....	\$ 30.2	\$ 56.6	\$ 65.3	
Property, plant and equipment.....	39.4	53.2	116.0	
Current liabilities.....	20.3	40.0	39.7	
Long-term liabilities.....	13.1	33.2	53.3	
Net investment in joint ventures.....	\$ 36.2	\$ 36.6	\$ 88.3	
Cash flow provided from operating activities.....	\$ 35.8	\$ 24.1	\$ 25.1	
Cash flow used in investing activities.....	\$ (0.6)	\$ (7.8)	\$ (10.4)	
Cash flow used in financing activities.....	\$ (21.9)	\$ (20.2)	\$ (9.6)	

The following tables present financial information for the Company's ownership interest for each material entity Kinross proportionately consolidates:

	2001	2000	1999	
OMOLON GOLD MINING COMPANY				
Revenue.....	\$ 67.8	\$ 67.7	\$ 71.0	
Operating costs.....	37.9	34.8	37.2	
Depreciation, depletion and amortization.....	20.5	26.0	26.2	
Exploration.....	2.1	2.3	1.8	
Interest.....	2.9	4.8	6.3	
Writedown of property, plant and equipment.....	--	5.7	63.4	
Income (loss) before taxes.....	\$ 4.4	\$ (0.2)	\$ (6.2)	
Current assets.....	\$ 23.8	\$ 47.0	\$ 46.3	
Property, plant and equipment.....	31.2	45.6	69.6	
Current liabilities.....	18.1	34.7	31.0	
Long-term liabilities.....	4.5	24.7	47.9	
Net investment in joint venture.....	\$ 32.4	\$ 33.2	\$ 37.0	
Cash flow provided from operating activities.....	\$ 37.7	\$ 23.3	\$ 24.9	
Cash flow used in investing activities.....	\$ (0.4)	\$ (0.1)	\$ (1.1)	
Cash flow used in financing activities.....	\$ (21.5)	\$ (21.0)	\$ (13.1)	

	2001	2000	1999	
F-45 2001 2000 1999				
COMPANIA MINERA MARICUNGA				
Revenue.....	\$ 19.5	\$ 26.7	\$ 27.0	
Operating costs.....	17.4	26.4	28.0	
Depreciation, depletion and amortization.....	--	3.9	4.8	
Exploration.....	--	--	--	
Interest.....	0.3	0.6	0.7	
Writedown of property, plant and equipment.....	--	36.1	11.2	
Income (loss) before taxes.....	\$ 1.8	\$ (40.3)	\$ (17.7)	
Current assets.....	\$ 6.2	\$ 9.4	\$ 10.5	
Property, plant and equipment.....	--	33.2	6.2	
Current liabilities.....	1.7	4.8	7.8	
Long-term liabilities.....	5.2	6.0	3.2	
Net investment in joint	6.9	10.8	11.0	

venture.....	\$ (0.7)	\$ (1.4)	\$ 32.7	=====	=====	=====	Cash flow provided from (used in)
operating activities.....	\$ 2.2	\$ (0.8)	\$ (0.9)	=====	=====	=====	Cash flow used in investing
activities.....	\$ --	\$ (3.3)	\$ (8.0)	=====	=====	=====	Cash flow provided from (used in) financing
activities.....	\$ (0.4)	\$ (2.0)	\$ 3.5	=====	=====	=====	E-CRETE Revenue.....
0.1 \$ --	\$ --	-----	-----	-----	-----	-----	Operating costs.....
amortization.....	1.1	--	--	-----	-----	-----	2.5 1.3 -- Depreciation, depletion and
Interest.....	0.3	--	--	-----	-----	-----	Writedown of property, plant and equipment.....
-----	3.9	1.3	--	-----	-----	-----	Income (loss) before taxes.....
=====	=====	=====	=====	=====	=====	=====	\$ (3.8) \$ (1.3) \$ --
=====	=====	=====	=====	=====	=====	=====	Current assets.....
equipment.....	8.2	7.6	--	-----	-----	-----	8.4 7.8 --
liabilities.....	0.5	0.5	--	-----	-----	-----	Long-term liabilities.....
3.9 3.0	--	-----	-----	-----	-----	-----	Net investment in joint venture.....
Cash flow provided from operating activities.....	\$ (4.1)	\$ (0.3)	\$ --	=====	=====	=====	Cash flow used
in investing activities.....	\$ (0.2)	\$ (4.3)	\$ --	=====	=====	=====	Cash flow provided from financing
activities.....	\$ --	\$ 2.8	\$ --	=====	=====	=====	

8. FINANCIAL INSTRUMENTS The Company manages its exposure to fluctuations in commodity prices, foreign exchange rates and interest rates by entering into derivative financial instrument contracts in accordance with the formal risk management policies approved by the Company's Board of Directors. The Company does not hold or issue derivative contracts for speculative or trading purposes. (a) COMMODITY RISK MANAGEMENT The profitability of the Company is directly related to the market price of gold and silver. The Company uses spot deferred contracts and fixed forward contracts to hedge against changes in commodity prices for a portion of its forecasted gold and silver production. Spot deferred contracts are forward sale contracts with flexible delivery dates that enable management to choose to deliver into the contract on a specific date or defer delivery until a future date. If delivery is postponed, a new contract price is established based on the old contract price plus a premium (referred to as "contango"). The Company uses written call options to economically hedge exposure to changes in spot gold prices. The outstanding number of ounces, average expected realized prices and maturities for the gold commodity derivative contracts as at December 31, 2001 are as follows:

YEAR OF DELIVERY	'000 OZ.	PRICE SOLD	'000 OZ.	PRICE
-----	-----	-----	-----	-----
2002.....	113	\$271	50	\$340
2003.....	100	\$270	100	\$320
2004.....	100	\$270	50	\$340
--- --- Total.....	313	200		

There were no silver commodity derivative contracts outstanding as at December 31, 2001. As at December 31, 2000, the Company had spot deferred contracts for 550,000 ounces of gold and call options sold for 450,000 ounces of gold. In August 2000, the Company closed out 150,000 ounces of gold forward sales contracts that were designated as hedges for 2001 and realized a gain of \$4.7 million. This gain was deferred and will be included in income over the original delivery schedule of the various contracts. In February of 2001, the Company closed out 500,000 ounces of spot deferred contracts that were designated as hedges for 2001 to 2004 and realized proceeds of \$21.1 million. This gain has been deferred and will be included in income over the original delivery schedule of the various contracts. (b) FOREIGN CURRENCY RISK MANAGEMENT All sales revenues for the Company are denominated in U.S. dollars. The Company is exposed to currency fluctuations on expenditures which are denominated in Canadian dollars, Zimbabwe dollars, Russian rubles, Chilean pesos and other currencies. These potential currency fluctuations could have a significant impact on the cost of producing gold and the profitability of the Company. This risk is reduced, from time to time, through the use of foreign exchange forward contracts to lock in the exchange rates on future revenue flows. As at December 31, 2001, the Company has foreign currency forward contracts to sell U.S. dollars and buy Canadian dollars of \$24 million (2000 -- \$54 million) at an average exchange rate of CDN \$1.4934 per U.S. dollar. These contracts mature over a 24 month period ending December 2003. (c) INTEREST RATE RISK MANAGEMENT The Company is exposed to interest rate risk as a result of its issuance of variable rate debt. There are no interest rate hedging transactions outstanding as at December 31, 2001. (d) ENERGY PRICE RISK The Company is exposed to changes in crude oil prices as a result of diesel fuel consumption at its operating mines, primarily Fort Knox and Kubaka. The potential fluctuations in crude oil prices could have a significant impact on the cost of producing gold and the profitability of the Company. This risk is reduced, from time to time, through the use of crude oil forward purchase contracts to lock in firmly committed future operating costs. As

at December 31, 2001, the Company had agreements to buy 28,500 barrels of crude oil forward at a price of \$20.83 per barrel. The fair value of these crude oil forward contracts approximates their carrying value at December 31, 2001.

(e) CREDIT RISK MANAGEMENT Credit risk relates to accounts receivable and derivative contracts and arises from the possibility that a counterparty to an instrument fails to perform. The Company only transacts with highly-rated counterparties and a limit on contingent exposure has been established for each counterparty based on the counterparty's credit rating. At December 31, 2001, the Company's gross credit exposure was \$13.8 million (December 31, 2000 -- \$31.1 million). (f) FAIR VALUES OF FINANCIAL INSTRUMENTS Carrying values for primary financial instruments, including cash and cash equivalents, bullion settlements and other accounts receivable, marketable securities, accounts payable and accrued liabilities, approximate fair values due to their short-term maturities. The carrying value for long-term debt (other than convertible debentures and redeemable retractable preferred shares) approximates fair value primarily due to the floating rate nature of the debt instruments. The fair value of the outstanding convertible debentures is based on the quoted market price of the debentures at the respective balance sheet dates and, as at December 31, 2001 and 2000, was approximately \$71.8 million (CDN \$114.3 million) and \$57.3 million (CDN \$85.9 million), respectively. Fair value estimates for derivative contracts are based on quoted market prices for comparable contracts and represent the amount the Company would have received from, or paid to, a counterparty to unwind the contract at the market rates in effect at December 31. The following table represents the fair value (loss) gain relating to derivative contracts outstanding as at December 31: 2001 2000 ----- Gold and silver forward sales contracts(1)..... \$(3.6) \$10.7 Foreign currency contracts(2)..... (1.5) (0.3) ----- (1) Based on a spot gold price of \$277 and \$273 as at December 31, 2001 and 2000, respectively. F-47 (2) Based on a Canadian Dollar exchange rate of 1.5926 and 1.5002 at December 31, 2001, and 2000, respectively. The fair value of written call options is now recorded in the financial statements at each measurement date. 9.

LONG-TERM DEBT PRINCIPAL REPAYMENT SCHEDULE AS AT DECEMBER 31, 2001									
	2000	2001	2002	2003	2004				
INTEREST RATES	2000	2001	2002	2003	2004				
Kubaka project-financing debt.....	Variable	\$20.0	\$ 4.2	\$ 4.2	\$ --	\$ --			
Kubaka subordinated debt.....	Variable	5.7	--	--	--	--			
Fort Knox industrial revenue bonds.....	Variable	71.0	49.0	23.0	26.0	--			
E-Crete project financing debt.....	Variable	2.8	3.3	--	3.3	--			
Capital leases.....		8.0%	9.5%		11.8				
Less current portion.....		7.6	5.9	0.8	0.9				
		111.3	64.1	\$33.1	\$30.1	\$ 0.9			
		31.5	33.1			\$79.8	\$31.0		

=====  
 All long-term debt is denominated in US dollars. The European Bank for Reconstruction and Development ("EBRD") and the U.S. Overseas Private Investment Corporation ("OPIC") provided project-financing debt on the Kubaka mine. As at December 31, 1999, this debt was \$67.5 million. In 2000, Omolon repaid \$30.9 million and in 2001 repaid \$28.9 million leaving \$7.75 million outstanding to EBRD as at December 31, 2001 (December 31, 2000 -- \$36.6 million). The Company's 54.7% proportionate share of these obligations is \$4.2 million as at December 31, 2001 (December 31, 2000 -- \$20.0 million). Interest on the project-financing debt is variable based upon LIBOR and as at December 31, 2001 is approximately 6.2% per annum (December 31, 2000 -- 11.8%). The project-financing debt has become recourse solely to Omolon after completion tests were passed in late 1999. The project financing debt was originally scheduled to be repaid by December 15, 2001. However, the project financing debt loan has been extended until December 15, 2002, and EBRD has the right to extend the project financing debt an additional 12 months to December 15, 2003. A bank licensed to do business in Russia provided subordinated debt to finance the Kubaka mine. This loan was secured by a letter of credit issued pursuant to the syndicated credit facility. During 2001, the Company repaid \$5.7 million to fully satisfy the remaining balance of the loan and the guarantees and letters of credit were released. The solid waste disposal facility at the Fort Knox mine was financed by \$71.0 million of tax-exempt industrial revenue bonds. The variable rate bonds, maturing in May 2009, were issued by the Alaska Industrial Development and Export Authority and are supported by a letter of credit issued by the Company pursuant to the syndicated credit facility. The floating interest rate on the bonds was approximately 1.9% as at December 31, 2001 (December 31, 2000 -- 4.5%). On April 4, 2001, the Company repaid \$22.0 million of principal leaving a balance of \$49.0 million outstanding. On January 2, 2002, the Company repaid \$9.0 million of principal leaving a balance outstanding of \$40.0 million. In March 2000, the Company arranged a syndicated credit facility for \$110.0 million. The primary purpose of this facility is to provide credit support that enables the Company to issue letters of credit on the Fort Knox Industrial Revenue bonds. This facility matures in January 2003 and as a result, the debt supported by these letters of credit has been shown as maturing at the same time as the facility. Management will aggressively remarket this facility and expects to extend

the maturity date of the \$30.0 million final balance. During the life of the credit facility the Company must either reduce its letters of credit according to an agreed upon amortization schedule or post cash in order to defease the debt. The assets of the Fort Knox mine have been pledged as collateral under this credit facility (Note 17). LOAN

AMORTIZATION SCHEDULE DATE AMORTIZATION CREDIT FACILITY BALANCE ---- -----  
 ----- December 2000..... \$ -- \$90.0 February

2001..... 20.0 70.0 January 2002..... 20.0 50.0 June  
 2002..... 20.0 30.0 January 2003..... Facility expires -- As at  
 December 31, 2001, the loan facility had been reduced to \$59.0 million. The letters of credit issued at December 31, 2001 were as follows: PURPOSE AMOUNT ----- Credit Support for Fort Knox industrial revenue bonds..... \$49.9 Credit Support E-Crete project financing..... 3.9 Reclamation and other obligations..... 5.2 ----- \$59.0 ===== On January 2, 2002, the Company repaid \$9.0 million of principal against the Industrial Revenue Bonds. Consequently, the letter of credit supporting those bonds was reduced by \$9.2 million bringing the total letters of credit outstanding down to \$49.8 million. F-48 The Company has capital leases for certain production equipment at its various operations. Interest on these leases ranges from 8.0%-9.5% per annum. In May 2000, E-Crete arranged a project finance loan which enabled it to finance construction of its first production plant in Phoenix, Arizona. The loan facility is guaranteed by a letter of credit issued pursuant to the syndicated credit facility. 10. SITE RESTORATION COSTS Although the ultimate amount of site restoration costs is uncertain, the Company estimates this obligation at \$72.9 million based on information currently available including closure plans and applicable regulations. As at December 31, 2001, the Company has accrued \$55.6 million of this estimated obligation (December 31, 2000 -- \$57.2 million). In addition, the Company has posted bonds and letters of credit totaling \$57.3 million as requested by various regulatory agencies. In view of uncertainties concerning future site restoration costs, ultimate costs could differ from the estimated amounts. Future changes, if any, in regulations and cost assumptions may be significant and will be recognized when applicable. 11. CONVERTIBLE DEBENTURES On December 5, 1996, the Company issued unsecured subordinated convertible debentures in the aggregate principal amount of \$146.0 million (CDN \$200.0 million). The debentures bear interest at 5.5% per annum, mature on December 5, 2006 and, at the holders' option, are convertible into common shares of the Company at a conversion price of CDN \$13.35 per share, being a rate of 74.906 common shares per CDN \$1,000 principal amount of debentures. Interest is payable in cash; however, the Company has the right to settle the principal amount by the issuance of common shares. The debentures were redeemable after June 30, 2000 until December 31, 2001 at par plus accrued and unpaid interest under certain conditions relating to the price of the common stock. On or after December 31, 2001, the debentures are redeemable at par plus accrued and unpaid interest. No debentures were redeemed in either 2000 or 2001. The Company may, at its option, elect to satisfy its obligation to pay the principal amount of the debentures upon redemption or at maturity by issuing and delivering to the holders, for each \$1,000 principal amount of debentures, that number of common shares obtained by dividing such amount by 95% of the weighted average trading price of the common shares on The Toronto Stock Exchange for the 20 consecutive trading days ending on the fifth trading day prior to the date that the requisite notice of such election is given. The debentures are being accounted for in accordance with their substance and are presented in the financial statements in their component parts, measured at their respective fair values at the time of issue. The debt component has been calculated as the present value of the required interest payments discounted at a rate approximating the interest rate that would have been applicable to non-convertible debt at the time the debentures were issued. Interest expense is determined on the debt component, such component being reduced by the required semi-annual interest payments. The difference between the debt component and the face value of the debentures is classified as equity, net of issue costs adjusted for income taxes. The equity component of the debentures, net of the value ascribed to the holders' option, is increased over the term to the full face value by charges to retained earnings (deficit). The debentures are denominated in Canadian dollars. As a result of changes in the exchange rate between the U.S. and Canadian dollars, the U.S. dollar equivalent of the debt component has been reduced. This unrealized foreign exchange gain is being deferred and included in income over the term of the debentures. Accordingly, included in the debt component of the debentures at December 31, 2001 is a deferred unrealized foreign exchange gain totalling \$2.2 million (December 31, 2000 -- \$1.7 million). During 2000, the Company bought back \$0.15 million (CDN \$0.2 million) principal amount of the debentures for \$0.07 million (CDN \$0.1 million). None were bought back in 2001. As at December 31, 2001, the outstanding principal amount of the debentures was \$122.8 million (CDN \$195.6 million) (December 31, 2000 -- \$130.4 million (CDN \$195.6 million)).

12. REDEEMABLE RETRACTABLE PREFERRED SHARES As at December 31, 2001 and 2000, 384,613 redeemable retractable preferred shares are outstanding and held by a senior officer and director of the Company. The holder of the redeemable retractable preferred shares is entitled to receive a CDN \$0.80 per share fixed cumulative annual preferential cash dividend, payable in equal quarterly installments and, is entitled at any time to convert all or any part of the redeemable retractable preferred shares into common shares on the basis of 8.2555 common shares for each redeemable retractable preferred share so converted, subject to anti-dilution adjustments. The Company may at any time redeem, upon a minimum thirty day notice, all or any part of the redeemable retractable preferred shares at a price of CDN \$10.00 per share, together with unpaid dividends accrued to the date of redemption. The holder of the redeemable retractable preferred shares is entitled to require the Company to redeem for cash all or any part of the redeemable retractable preferred shares at this price. On July 27, 2000, the Company suspended the payment of dividends on the redeemable retractable preferred shares as permitted under the terms of the shares. As at December 31, 2001, \$0.3 million of cumulative dividends are accrued and included in accounts payable and accrued liabilities.

13. CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY The convertible preferred shares of subsidiary company comprise 1,840,000 shares of \$3.75 Series B Convertible Preferred Shares of Kinam ("Kinam Preferred Shares"). The Kinam Preferred Shares are convertible into common shares of the Company at a conversion price of \$10.3073 per share (equivalent to a conversion rate of 4.8512 common shares for each preferred share), subject to adjustment in certain events. The Kinam Preferred Shares are redeemable at the option of the Company at any time on or after August 15, 1997, in whole or in part, for cash initially at a redemption price of \$52.625 per share declining ratably annually to \$50.00 per share on or after August 15, 2004, plus accrued and unpaid dividends. F-49 Annual cumulative dividends of \$3.75 per share are payable quarterly on each February 15, May 15, August 15 and November 15, as and if declared by Kinam's Board of Directors. On July 12, 2001, the Company acquired 945,400 Kinam Preferred Shares in exchange for 24,186,492 common shares of the Company (Note 14), leaving 894,600 owned by non-controlling shareholders. No dividends were paid on the Kinam Preferred Shares during 2001 (2000 -- \$3.4 million). Due to low gold prices and reduced cash flow from operations, dividend payments on these shares were suspended in accordance with their terms in August 2000 and continue to remain suspended. The cumulative dividends in arrears on the Kinam Preferred Shares owned by non-controlling shareholders of \$5.1 million as at December 31, 2001 have been accrued and included in the carrying value of the convertible preferred shares of subsidiary company. If all of the Kinam Preferred Shares owned by non-controlling shareholders were converted, an additional 4,339,884 common shares of the Company would be issued.

14. COMMON SHARE CAPITAL The authorized share capital of the Company is comprised of an unlimited number of common shares. A summary of common share transactions for the three years ended December 31, 2001 is as follows:

	2001	2000	1999
	NUMBER OF SHARES	NUMBER OF SHARES	NUMBER OF SHARES
	(MILLIONS)	(MILLIONS)	(MILLIONS)
Balance, January 1,.....	300.9	\$913.2	300.3
Issued: Upon acquisition of Kinam preferred shares.....	24.2	23.2	-- -- -- Pursuant to the La Teko acquisition.....
Under restricted share plan.....	0.1	0.1	-- -- -- Under employee share purchase plan.....
Upon buy-back of common shares under normal course issuer bid.....	(10.3)	(3.7)	(11.8)
Upon the acquisition of George/Goose Lake Gold Project.....	4.0	3.8	-- -- --
Private placement for cash.....	4.3	4.6	2.0
Balance, December 31,.....	334.7	\$945.7	300.9

On July 12, 2001, the Company issued 24,186,492 common shares valued at \$23.2 million to acquire 945,400 Kinam Preferred Shares plus rights to accrued but unpaid dividends with a book value of \$48.9 million (Note 13). The \$25.7 million difference between the fair value of the Company's common stock on the date of announcement and the book value of the Kinam Preferred Shares owned by the non-controlling shareholders was applied against the carrying values of certain property, plant and equipment. On September 27, 2001, the Company issued 2,000,000 flow-through common shares under a private placement transaction, for cash consideration of \$2.1 million. On December 10, 2001 an additional 2,250,000 flow-through common shares were issued under a private placement transaction for cash consideration of \$2.5 million. On December 14, 2001, the Company issued 4,000,000 common shares to acquire a 100% interest in the George/Goose Lake gold project in Nunavut valued at \$3.8 million. On December 22, 2000, the Company issued 2,000,000 flow-through common shares under a private placement transaction, for cash consideration of \$1.4 million. Flow-through common shares require the Company to expend an amount equivalent to the proceeds

of the issue on prescribed resource expenditures. If the Company does not incur the committed resource expenditures or fails to renounce the expenditures to the benefit of the holders of the shares, the Company will be subject to a penalty imposed by the Canada Customs and Revenue Agency equal to one-tenth of the unspent amount and, pursuant to the flow-through share subscription agreements, the Company will be required to indemnify the holders of the shares for any tax and other costs payable by them as a result of the Company not making the required resource expenditures. As at December 31, 2001 and 2000, the Company's remaining commitment with respect to unspent resource expenditures under flow-through common share agreements was \$4.6 million and \$1.4 million, respectively. During the years 2000 and 1999, the Company initiated normal course issuer bids for the purchase of common shares of the Company. The excess of the stated capital of the shares purchased over their cost has been recorded as contributed surplus as follows: NUMBER OF COMMON SHARES PURCHASED COST OF STATED CONTRIBUTED (MILLIONS) ACQUISITION CAPITAL SURPLUS -----

2000.....	3.5	\$5.3	\$10.3	\$5.0	1999.....	3.7	\$7.5	\$11.8
-----------	-----	-------	--------	-------	-----------	-----	-------	--------

\$4.3 On February 26, 1999, the Company issued 10.5 million common shares pursuant to the La Teko acquisition.

F-50 Share Purchase Plan: the Company has an employee share purchase plan whereby employees of the Company have an opportunity to purchase common shares. The plan allows employees to contribute up to a maximum of 10% of their base annual salary. In addition, the Company matches the employees' contributions. Quarterly, the Company issues from treasury common shares equal to the employees' contribution and the Company's contribution. The common shares are purchased based on the average of the last twenty trading sessions prior to the end of the quarter.

The Company issued from treasury 1.2 million common shares pursuant to the plan during 2001 (2000 -- 2.1 million). Restricted Share Plan: on February 15, 2001, the Company approved the adoption of a restricted share plan. The restricted share plan provides that restricted share rights may be granted to employees, officers, directors and consultants of the Company as a discretionary payment in consideration of past services. A restricted share right is exercisable into one common share entitling the holder to acquire the common share for no additional consideration.

The maximum number of common shares issuable under the restricted share plan is currently 1,000,000. A participant of this plan would have the right to receive cash instead of restricted shares upon exercise of the restricted share rights. As at December 31, 2001, the Company had no restricted share rights outstanding. Stock Option Plan: the Company has a stock option plan for directors, officers and employees, enabling them to purchase common shares. The total number of options outstanding at any time cannot exceed 10% of the total number of outstanding common shares.

Each option granted under the plan is for a maximum term of five years and options granted before July 20, 2000 are exercisable as to 33.33% each year, commencing one year after the date of grant. Options granted from July 20, 2000 to September 19, 2001 are exercisable 50% immediately and 50% on or after the first anniversary date of such grant. Options granted to the Chairman, President and Directors, subsequent to September 19, 2001 are exercisable as to 33.33% each year commencing one year after the date of grant. Options granted to all other officers and employees, subsequent to September 19, 2001, are exercisable as to 50% each year commencing one year after the date of grant.

The exercise price is determined by the Company's Board of Directors at the time the option is granted, subject to regulatory approval and may not be less than the closing market price of the common shares on the trading day prior to the grant of the option or, if no stock was traded on that day, on the last trading day prior to the grant of the option. The stock options outstanding at December 31, 2001 expire at various dates to September 20, 2006. As at December 31, 2001, 0.6 million common shares, in addition to those outstanding at year end, were available for granting of options. A summary of the Company's outstanding stock option transactions is as follows: 2001 2000 1999 -----

----- (millions) (millions) (millions) Outstanding at beginning of year.....	11.3	10.5	8.4
--	------	------	-----

Exercised.....	--	--	--	Granted.....	1.4	3.6	2.1	Exchanged pursuant to the La Teko acquisition.....	--	--	0.6	Cancelled.....	(1.0)	(2.8)	(0.6)
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----- Outstanding at end of year.....	11.7	11.3	10.5	====	====	====
---------------------------------------	------	------	------	------	------	------

The following table summarizes information about the stock options outstanding at December 31, 2001: OPTIONS OUTSTANDING OPTIONS EXERCISABLE ----- NUMBER NUMBER OUTSTANDING WEIGHTED EXERCISABLE AS AT AVERAGE WEIGHTED AS AT WEIGHTED DECEMBER 31, REMAINING AVERAGE DECEMBER 31, AVERAGE 2001 CONTRACTUAL EXERCISE 2001 EXERCISE RANGE OF EXERCISE PRICES (000'S) LIFE PRICE (000'S) PRICE -----

----- \$0.65 - \$2.00.....	6,958	3 years, 167 days	\$1.05	3,372	\$0.70
\$2.01 - \$4.00.....	4,580	1 year, 102 days	\$2.60	4,565	\$2.60 \$4.01 - \$10.93.....



212 2 years, 157 days \$6.89 212 \$6.89 Common Share Purchase Warrants There were 8.8 million common share purchase warrants issued in 1998 to Cyprus Amax as part of the Kinam acquisition which expired on June 1, 2001 without being exercised.

15. WRITE-DOWN OF PROPERTY, PLANT AND EQUIPMENT The Company periodically reviews the carrying values of its portfolio of mining development and reclamation properties. Through this process the Company determined that the following assets had been impaired and therefore have been written down to their estimated recoverable amount. F-51 The components of the write-down are as follows: 2001 2000 1999

Fort Knox mine -- producing mine.....	\$ --	\$ --	\$108.8
Kubaka mine -- producing mine.....	--	--	36.1
Refugio mine -- producing mine.....	--	--	11.2
Denton-Rawhide mine -- producing mine.....	--	--	10.0
Blanket mine -- producing mine.....	--	--	11.8
Goldbanks property -- development project.....	--	--	27.7
Aginskoe project -- development project.....	--	--	6.5
Delamar property -- reclamation project.....	--	--	4.3
Haile property -- reclamation project.....	--	--	7.2
Macassa property -- reclamation project.....	--	--	0.1
Sleeper property -- reclamation project.....	--	--	16.5
Hayden Hill property -- reclamation project.....	--	--	7.5
Candelaria property -- reclamation project.....	--	--	2.8
Guanaco property -- reclamation project.....	--	--	2.1
Q.R. property -- reclamation project.....	--	--	2.1
Other.....	--	--	1.8
	\$ 16.1	\$ 72.1	\$184.9

===== The 2001 fourth quarter review was performed using a gold price assumption of \$300 per ounce. In the fourth quarter of 2001, following a comprehensive review of its mining properties on the basis set out in Note 1, the Company determined that the estimated cost to reclaim the DeLamar mine was insufficient and required a further \$4.3 million accrual. This adjustment was required due to a reassessment of the amount of water to be reclaimed from this site. In addition, as a result of the extreme inflationary pressures within Zimbabwe, difficulty in accessing foreign currency to pay for imported goods and services and the current civil unrest, the Company has recorded a write-down of the carrying value of the Blanket mine by \$11.8 million (including cash of \$1.5 million). Furthermore, the current political situation in Zimbabwe and the related social and economic instability have prevented the Company from continuing to exercise control of its subsidiary in Zimbabwe, which operates the Blanket mine. Consequently, the imposition of severe foreign exchange and currency export restrictions and the uncertainty as to whether the Zimbabwean subsidiary had the ability to distribute its earnings, the Company has discontinued the consolidation of the Zimbabwean subsidiary effective December 31, 2001. The investment in the subsidiary is nil following the write-down of the Blanket mine described above. In the fourth quarter of 2000, following a comprehensive review of its mining properties on the basis set out in Note 1, the Company determined that the net recoverable amounts of the Refugio mine and other non-core assets and development projects (principally Aginskoe, DeLamar, Macassa, Guanaco, Sleeper, QR and Hayden Hill) were less than the net book value of the related assets. As a result of this review, the Company recorded a pre-tax write-down totaling \$72.1 million to write-down these mining properties and other development projects and non-core assets to their estimated recoverable amounts. The 2000 fourth quarter review was performed using a gold price assumption of \$300 per ounce. In the fourth quarter of 1999, following a comprehensive evaluation of its mining properties on the basis set out in Note 1, the Company determined that the net recoverable amounts of the Fort Knox, Kubaka, Refugio, and Denton-Rawhide mines were less than the net book value of the related assets. As a result of this review, the Company recorded a pre-tax write-down totalling \$184.9 million to write-down these mining properties and other development projects and non-core assets to their estimated recoverable amounts. The 1999 fourth quarter review was performed using a gold price assumption of \$300 per ounce.

16. INCOME AND MINING TAXES (a) The provision for (recovery of) income and mining taxes is as follows: 2001 2000 1999

Income taxes Current			
Canada(i).....	\$0.2	\$ 0.3	\$0.3
Foreign.....			2.7
Future			4.1
Canada.....	--	--	2.6
Foreign.....	--	--	--
Mining taxes Current --			
Canada.....	--	--	--
Future --			
Canada.....	--	--	(3.5)
	\$2.9	\$ 0.9	\$2.9

==== (i) Represents Large Corporations Tax. F-52 (b) The reconciliation of the combined Canadian federal and provincial statutory income tax rate to the effective tax rate is as follows: 2001 2000 1999

Combined statutory income tax rate.....	(41.1)%	(42.0)%	(43.0)%
Increase (decrease) resulting from:			
Mining taxes.....	--	--	--
Resource allowance and depletion.....	4.7	0.2	0.1
Difference in foreign tax rates.....	10.2	12.0	9.8
Non-recognition of benefit of losses.....	35.7	33.1	31.3
Other.....	0.6	0.4	3.1
Effective tax rate.....	10.1%	0.8%	1.3%

===== (c) At December 31, 2001, the Company has

Canadian net operating loss carryforwards of approximately \$20.3 million which expire in 2006 to 2008. (d) At December 31, 2001, the Company has U.S. net operating losses carryforward of approximately \$244.5 million and alternative minimum tax net operating losses of approximately \$153.5 million expiring in 2004 through 2021. The use of the U.S. losses carryforward will be limited in any given year as a result of previous changes in ownership of the Company. (e) At December 31, 2001, the Company has Chilean net operating losses carryforward of approximately \$131.8 million which do not expire. (f) At December 31, 2001, the Company has Australian net operating losses carryforward of approximately \$8.1 million which do not expire. (g) The following information summarizes the principal temporary differences and the related future tax effect.

2001	2000	1999	-----	-----	-----	Future tax assets
Accrued expenses and other.....	\$ 4.4	\$ 5.1	\$ 1.8	Site restoration cost accruals.....	5.9	
10.5	10.8	Deferred revenue.....	--	1.4	3.3	Alternative minimum tax credits.....
5.7	9.5	Non-capital loss carryforwards.....	123.7	129.1	103.8	Inventory
capitalization.....	0.2	0.5	1.9	-----	-----	Gross future tax assets.....
152.3	131.1	Future tax liabilities	Property, plant and equipment.....	41.9	20.0	29.6
Gross future tax liabilities.....	41.9	20.0	29.6	-----	-----	-----
allowance.....	103.6	135.8	108.8	-----	-----	-----
\$ 3.3	\$ 3.5	\$ 7.3	=====	=====	=====	Net future tax liabilities.....

17. SEGMENTED INFORMATION The Company operates five gold mines: Hoyle Pond, located in Ontario; Kubaka (54.7% ownership), located in Russia; Fort Knox, located in Alaska; Blanket, located in Zimbabwe and Refugio, located in Chile. In addition to its producing gold mines, the Company has an 85.9% interest in E-Crete, a producer of aerated concrete, and several other gold mining assets in various stages of reclamation, closure, care and maintenance and development, and two corporate offices in Canada and the United States. The accounting policies used by these segments are the same as those described in the Summary of Significant Accounting Policies (see Note 1). As the products and services in each of the reportable segments, except for the corporate activities, are essentially the same, the reportable segments have been determined at the level where decisions are made on the allocation of resources and capital, and where complete internal financial statements are available.

F-53 REPORTABLE OPERATING SEGMENTS -----  
 BLANKET CORPORATE HOYLE KUBAKA FORT KNOX (SEE NOTE 15) REFUGIO E-CRETE AND OTHER(C) TOTAL ----- AS AT AND FOR THE YEAR

ENDED DECEMBER 31, 2001	Mining revenue.....	\$ 41.7	\$ 67.8	\$ 109.0	\$ 13.3	\$ 18.4	\$ --	\$ 19.9	\$ 270.1
Interest income.....	--	2.2	--	0.1	--	2.9	5.2	Interest expense.....	--
depletion and amortization.....	13.2	24.0	42.9	2.3	--	1.1	2.3	85.8	Write-down of mineral properties.....
--	--	11.8	--	4.3	16.1	Segment (loss) profit(a).....	(0.7)	8.7	(20.9)
86.6	70.3	324.3	--	7.0	8.5	80.9	(b)	577.6	Capital expenditures.....
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2000	Mining revenue.....	\$ 38.4	\$ 67.7	\$ 102.8	\$ 9.3	\$ 23.8	\$ --	\$ 29.0	\$ 271.0
Interest income.....	--	2.1	--	0.5	--	6.6	9.2	Interest expense.....	--
depletion and amortization.....	13.1	30.8	31.9	2.2	3.9	--	11.3	93.2	Write-down of mineral properties.....
--	--	36.1	--	36.0	72.1	Segment (loss) profit(a).....	(8.3)	2.2	(9.7)
(42.5)	(101.2)	Segment assets.....	96.8	122.6	345.0	12.0	9.4	7.9	106.3
13.9	0.1	17.6	1.5	3.2	4.3	1.0	41.6	AS AT AND FOR THE YEAR ENDED DECEMBER 31, 1999	Mining

revenue.....	\$ 38.1	\$ 71.0	\$ 98.3	\$ 10.3	\$ 25.2	--	\$ 61.1	\$ 304.0	Interest income.....	--	3.0	0.3	0.7	0.1	--
6.8	10.9	Interest expense.....	--	5.4	5.7	--	0.8	--	3.9	15.8	Depreciation, depletion and amortization.....	12.2	35.9	43.9	1.0
4.9	--	13.0	110.9	Write-down of mineral properties.....	--	10.6	108.8	--	11.2	--	54.3	184.9	Segment (loss) profit(a).....	(2.9)	(13.5)
(129.2)	1.7	(17.5)	--	(64.7)	(226.1)	Segment assets.....	102.7	148.3	357.7	8.7	47.1	--	217.9	(b)	882.4
18.6	1.1	9.5	0.9	8.0	--	5.9	44.0	-----	(a)	Segment					

(loss) profit includes the write-down of property, plant and equipment. (b) Includes \$64.4 million (2000 -- \$53.4 million, 1999 -- \$86.5 million) in cash and cash equivalents held at the Corporate level. (c) Includes Corporate and other non-core mining operations.

RECONCILIATION OF REPORTABLE OPERATING SEGMENT LOSS TO NET LOSS FOR THE YEAR: 2001 2000 1999 -----

Segment loss.....	\$(25.9)	\$(58.7)	\$(161.4)	Add (deduct) items not included in segment loss: Corporate and other.....	(2.0)	(42.5)	(64.7)	-----	-----	-----
(27.9)	(101.2)	(226.1)	Gain on sale of assets.....	1.2	4.1	0.1	Share in loss of investee companies.....	(2.2)	(8.1)	(0.3)
Write-down of marketable securities and long-term investments.....	--	(13.1)	(4.6)	Provision for income and mining taxes.....	(2.9)					

(0.9) (2.9) Dividends on convertible preferred shares of subsidiary company.....	(5.1)
(6.9) (6.9) ----- Net loss for the year.....	\$(36.9) \$(126.1) \$(240.7) =====
===== F-54 ENTERPRISE-WIDE DISCLOSURE: Geographic information: PROPERTY, PLANT AND MINING REVENUE EQUIPMENT ----- 2001 2000 1999 2001 2000 -----	
----- United States.....	\$123.3 \$123.9 \$134.1 \$289.8 \$339.2
Russia.....	67.8 67.7 71.0 31.0 53.2
Chile.....	18.7 28.1
31.7 -- -- Other.....	13.3 9.3 10.3 5.3 15.4 ----- Total
foreign.....	223.1 229.0 247.1 326.1 407.8
Canada.....	47.0
42.0 56.9 88.9 97.8 ----- Total.....	\$270.1 \$271.0 \$304.0 \$415.0
\$505.6 =====	=====

The Company is not economically dependent on a limited number of customers for the sale of its product because gold can be sold through numerous commodity market traders worldwide. In 2001, sales to four customers totalled \$46.5 million, \$43.3 million, \$32.0 million and \$26.8 million, respectively. In 2000, sales to three customers totalled \$42.3 million, \$26.0 million and \$24.6 million, respectively. In 1999, sales to four customers totalled \$80.0 million, \$58.4 million, \$40.7 million and \$37.7 million, respectively. 18.

**EMPLOYEE PENSION AND RETIREMENT PLANS** Defined Contribution Pension and Retirement Plans: The Company has several defined contribution pension and retirement plans covering substantially all employees in North America and certain foreign countries. Under these plans the Company either contributes a set percentage of the employees salary into the plan or matches a percentage of the employees contributions. The employees are able to direct the contributions into a variety of investment funds offered by the plans. Company contributions to these plans amounted to \$2.1 million in 2001, \$2.2 million in 2000, and \$2.3 million in 1999. Defined Benefit Pension Plans: In Canada, the Company has a defined benefit pension plan covering the hourly employees of the Macassa mine. The plan is currently in the process of being wound up as of November 30, 2001. No further benefit will be earned by employees under that plan and there were no material curtailment gains or losses that the Company was able to estimate at December 31, 2001. In the United States, defined benefit plans cover former employees of the Candelaria and DeLamar mines, and certain U.S. employees of the mines previously owned by Kinam. Prior to the Kinam acquisition, all employees in the U.S. employed by Kinam were covered by a non-contributory defined benefit pension plan. That plan was frozen on June 1, 1998 and all active employees were transferred into the Company's defined contribution pension plan. Benefits under these plans are based on either the employee's compensation prior to retirement or stated amounts for each year of service with the Company. The Company makes annual contributions to the plans in accordance with applicable provincial legislation for the Canadian plan and the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) for U.S. plans. Net annual pension expense includes the following components: 2001 2000 1999 ----- Service cost..... \$ 0.1 \$ 0.1 \$ 0.1 Interest cost..... 0.7 0.7 0.7 Expected return on assets..... (0.8) (0.8) (0.3) ----- Net periodic expense..... \$ -- \$ -- \$ 0.5 =====

The following table summarizes the change in benefit obligations: 2001 2000 ----- Benefit obligation, beginning of year..... \$10.8 \$ 9.9 Service cost..... 0.1 0.1 Interest cost..... 0.7 0.7 Actuarial loss..... 0.6 0.7 Benefits paid..... (0.6) (0.6) -----

Benefit obligation, end of year..... \$11.6 \$10.8 ===== F-55 The following table summarizes the funded status of the plans and the related amounts recognized in the Company's financial statements at December 31: 2001 2000 ----- Projected Benefit obligations..... \$11.6 \$10.8 Plan assets at fair value..... (10.3) (9.6) ----- Plan assets less than projected Benefit obligations..... 1.3 1.2 Unrecognized net gain (loss)..... (0.9) 0.3 ----- Accrued pension liability..... \$ 0.4 \$ 1.5 =====

The following table summarizes the change in fair value of plan assets: 2001 2000 ----- Fair value of plan assets, beginning of year..... \$ 9.6 \$9.0 Actual return..... 0.4 0.5 Employer contributions..... 1.0 0.8 Benefits paid..... (0.6) (0.6) Other..... (0.1) (0.1) ----- Fair value of plan assets, end of year..... \$10.3 \$9.6 =====

The following assumptions were used in calculating the funded status of the plans at December 31 and the pension cost for the subsequent year: 2001 2000 ----- Expected long-term rate of return on assets..... 7.5% 8.0% Discount rate..... 7.0% 7.5% Rate of increase in compensation levels..... n/a n/a

**19. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS** The Company also provides certain health care and life insurance benefits to retired employees in the United States. The post-retirement

health care plans are contributory in certain cases based upon years of service, age, and retirement date. The Company does not fund post-retirement benefits other than pensions and may modify plan provisions at its discretion. Net periodic post-retirement costs for the years ended December 31, 2001 and 2000 were insignificant. The following table sets forth the status of the plans and the related amounts recognized in the Company's financial statements at December 31: 2001 2000 ----- Accumulated post-retirement benefit obligation:

Retirees.....	\$ 2.8	\$ 2.5	Active plan participants.....	-- --	-----	Total
accumulated post-retirement benefit obligation.....	2.8	2.5	Plan assets at fair value.....	-- --	-----	
----- Accumulated post-retirement benefit obligation in excess of plan assets.....	(2.8)	(2.5)	Unrecognized prior service cost.....	-- --	-----	
Unrecognized prior service cost.....	-- --	-----	Unrecognized net loss (gain).....	0.1	(0.1)	-----
----- Accrued post-retirement benefit cost.....	\$(2.7)	\$(2.6)	=====	=====	=====	The accumulated post-retirement

benefit obligation was determined using a weighted average annual discount rate of 7.0% in 2001 and 7.75% in 2000. The assumed health care trend rate for 2001 is 10.65% declining gradually to 5.50% in 2017 when Company costs associated with the plan are capped. A 1% increase in the health care cost trend rate used would have resulted in an insignificant increase in the 2001 post-retirement benefit cost and the accumulated benefit obligation at December 31, 2001.

Post-employment Benefits The Company has a number of post-employment plans covering severance, disability income, and continuation of health and life insurance for disabled employees. At December 31, 2001 and 2000, the Company's liability for post-employment benefits totaled \$1.5 million and \$2.4 million, respectively, and is included in other liabilities. 20. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY

ACCEPTED ACCOUNTING PRINCIPLES The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("CDN GAAP") which differ from those principles that the Company would have followed had its consolidated financial statements been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). This note has been restated to disclose the effect of accounting for the investment in Omolon under the equity method as required under U.S. GAAP as opposed to the proportionate consolidation method used under Canadian GAAP. F-56 Material variations between financial statement

items under CDN GAAP and the amounts determined using U.S. GAAP are as follows: CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2001 ELIMINATION ADDITIONAL REDUCTION UNREALIZED RECOGNITION OF EFFECTS OF WRITEDOWN IN DEPRECIATION, GAINS ON OF DEFERRED RECOGNITION OF PROPERTY, DEPLETION MARKETABLE EXCHANGE OF EQUITY PLANT AND AND REVERSAL SECURITIES GAINS ON COMPONENT EQUIPMENT AMORTIZATION OF 1991 AND UNDER CONVERTIBLE OF CONVERTIBLE UNDER UNDER DEFICIT LONG-TERM CDN GAAP DEBENTURES DEBENTURES U.S. GAAP U.S. GAAP ELIMINATION INVESTMENTS -----

----- (A) (A) (B) (B) (C) (D) ASSETS Current assets Cash and cash equivalents.....	\$ 81.0	\$ --	\$ --	\$ --	\$ --	\$ --	Restricted cash.....	-- --	-----	Accounts receivable.....	13.8	-- --	-----
Inventories.....	42.4	-- --	-- --	-- --	-- --	0.3	Marketable securities....	1.5	-- --	-----	0.3	-- --	-----
-----	138.7	-- --	-- --	0.3	Property, plant and equipment.....	415.0	-- --	(60.5)	17.9	-- --	Long-term		
investments.....	12.9	-- --	-- --	4.6	Deferred charges and other assets.....	11.0	--	0.5	-- --	-----			
-----	\$577.6	\$ --	\$ 0.5	\$(60.5)	\$17.9	\$ --	\$4.9	=====	=====	=====	=====	=====	=====

===== LIABILITIES Current liabilities Accounts payable and accrued liabilities....	\$ 31.0	\$ --	\$ --	\$ --	\$ --	\$ --	Current portion of long- term debt.....	33.1	-- --	-----	Current portion of site restoration cost accruals.....	12.6	-- --	-----
-----	76.7	-- --	-----	-----	-----	-----	Long-term debt.....	31.0	-- --	-----	-----	-----	-----	
Site restoration cost accruals.....	43.0	-- --	-- --	-- --	-----	-----	Future income and mining taxes.....	3.3	-- --	-----	-----	-----	-----	
-- Deferred revenue.....	9.6	-- --	-- --	-----	-----	-----	Other long-term liabilities.....	6.0	-- --	-----	Debt component of			
convertible debentures... 28.1	--	94.7	-- --	-- --	-----	-----	Redeemable retractable preferred shares.....	3.1	-- --	-----	-----	-----	-----	
-----	200.8	--	94.7	-- --	-----	-----	CONVERTIBLE							

PREFERRED SHARES OF SUBSIDIARY COMPANY.....	48.0	-- --	-----	-----	-----	-----	COMMON SHAREHOLDERS' EQUITY Common share capital.....	945.7	-- --	-----	5.3	--	Contributed surplus.....
-----	12.9	-- --	-- --	-----	-----	-----	Equity component of convertible debentures...	124.8	(20.2)	(104.6)	-- --	-----	Deficit.....
(726.0)	20.2	10.4	(60.5)	17.9	(5.3)	--	Cumulative translation adjustments.....	(28.6)	-- --	-----	-----	-----	Accumulated
other comprehensive income.....	-- --	-----	-----	-----	-----	-----	-----	4.9	-- --	-----	328.8	--	(94.2)
4.9	-----	-----	-----	-----	-----	-----	-----	\$577.6	\$ --	\$ 0.5	\$(60.5)	\$17.9	\$ --
-----	\$4.9	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

===== RECLASSIFICATION UNDER ADOPTION OF U.S. GAAP TO OF CUMULATIVE

BEFORE ADJUST TO UNDER SFAS FLOW THROUGH TRANSLATION ADJUSTING TO EQUITY U.S. 133											
SHARES ADJUSTMENTS EQUITY BASIS BASIS GAAP -----											
----- (RESTATED- (E) (F) (I) (K) (J) AND (K) NOTE 20(K)) ASSETS Current assets Cash and cash											
equivalents.....	\$ --	\$(4.6)	\$ --	\$ 76.4	\$ (5.5)	\$ 70.9	Restricted cash.....	--	4.6	--	4.6
receivable.....	--	--	13.8	5.7	19.5	Inventories.....	--	--	42.4	(15.6)	26.8
1.8	----	----	----	----	----	139.0	(15.4)	123.6	Property, plant and equipment.....	--	--
(26.9)	345.5	Long-term investments.....	--	--	17.5	32.4	49.9	Deferred charges and other assets.....	--	--	1.8
11.5	(4.3)	7.2	-----	-----	-----	\$ --	\$ --	\$ --	\$540.4	\$(14.2)	\$526.2
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
===== LIABILITIES Current liabilities Accounts payable and accrued liabilities.... \$4.6 \$ 1.1 \$ -- \$ 36.7 \$											
(6.4)	\$ 30.3	Current portion of long- term debt.....	--	--	33.1	(4.2)	28.9	Current portion of site restoration cost	accruals.....	--	--
12.6	(1.9)	10.7	-----	-----	-----	4.6	1.1	82.4	(12.5)	69.9	Long-term
31.0	(0.2)	30.8	Site restoration cost accruals.....	--	--	43.0	(1.5)	41.5	Future income and	mining taxes.....	--
3.3	--	3.3	Deferred revenue.....	(9.6)	--	--	--	--	Other long-term	liabilities.....	--
6.0	--	6.0	Debt component of convertible debentures...	--	--	122.8	--	122.8	Redeemable	retractable preferred shares.....	--
3.1	--	3.1	-----	-----	-----	(5.0)	1.1	291.6	(14.2)	277.4	----
----- CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... -- -- 48.0											
-- 48.0 ----- COMMON SHAREHOLDERS' EQUITY Common share capital..... -- (1.1) --											
949.9	--	949.9	Contributed surplus.....	--	--	12.9	--	12.9	Equity component of convertible debentures...	--	--
--	Deficit.....	(3.9)	--	--	(747.2)	--	(747.2)	Cumulative translation adjustments.....	--	--	28.6
8.9	--	(28.6)	(14.8)	--	(14.8)	-----	-----	-----	5.0	(1.1)	--
200.8	--	200.8	-----	-----	-----	\$ --	\$ --	\$ --	\$540.4	\$(14.2)	\$526.2
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
===== F-57 CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2000 ELIMINATION											
ADDITIONAL REDUCTION UNREALIZED RECOGNITION OF EFFECTS OF WRITEDOWN IN											
DEPRECIATION, GAINS ON OF DEFERRED RECOGNITION OF PROPERTY, DEPLETION MARKETABLE											
EXCHANGE OF EQUITY PLANT AND AND REVERSAL SECURITIES GAINS ON COMPONENT											
EQUIPMENT AMORTIZATION OF 1991 AND UNDER CONVERTIBLE OF CONVERTIBLE UNDER UNDER											
DEFICIT LONG-TERM CDN GAAP DEBENTURES DEBENTURES U.S. GAAP U.S. GAAP ELIMINATION											
INVESTMENTS ----- (A) (A) (B) (B) (C) (D)											
ASSETS Current assets Cash and cash equivalents..... \$ 77.8 \$ -- \$ -- \$ -- \$ -- \$ -- Restricted cash..... 2.9 --											
--	--	--	Accounts receivable.....	20.3	--	--	--	--	Inventories.....	54.6	--
0.7	--	--	-----	-----	-----	156.3	--	--	Property, plant and equipment.....	505.6	--
(60.5)	11.8	--	Long-term investments.....	14.4	--	--	--	0.4	Deferred charges and other	assets.....	23.7
23.7	--	0.7	-----	-----	-----	\$700.0	\$ --	\$ 0.7	\$(60.5)	\$11.8	\$ --
\$0.4	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
===== LIABILITIES Current liabilities Accounts payable and											
accrued liabilities.... \$ 40.8 \$ -- \$ -- \$ -- \$ -- \$ -- Current portion of long- term debt..... 31.5 -- -- --											
Current portion of site restoration cost accruals..... 9.3 -- -- -- -- 81.6 --											
-- -- -- -- Long-term debt..... 79.8 -- -- -- -- Site restoration cost accruals..... 47.9 -- -- -- --											
Future income and mining taxes..... 3.5 -- -- -- -- Deferred revenue..... 10.1 -- -- -- -- Other											
long-term liabilities..... 10.1 -- -- -- -- Debt component of convertible debentures... 33.4 -- 97.0 -- -- --											
Redeemable retractable preferred shares..... 3.1 -- -- -- -- 269.5 -- 97.0 -- --											
----- CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY											
COMPANY..... 91.8 ----- COMMON SHAREHOLDERS' EQUITY											
Common share capital..... 913.2 -- -- -- -- 5.3 -- Contributed surplus..... 12.9 -- -- -- -- Equity component of											
convertible debentures... 117.0 (12.4) (104.6) -- -- -- -- Deficit..... (681.4) 12.4 8.3 (60.5) 11.8 (5.3) --											
Cumulative translation adjustments..... (23.0) -- -- -- -- Accumulated other comprehensive income..... -- -- --											
-- -- -- 0.4 ----- 338.7 -- (96.3) (60.5) 11.8 -- 0.4 -----											
\$700.0 \$ -- \$ 0.7 \$(60.5) \$11.8 \$ -- \$0.4 =====											
RECLASSIFICATION UNDER ADOPTION OF U.S. GAAP TO OF CUMULATIVE BEFORE ADJUST TO											
UNDER SFAS FLOW THROUGH TRANSLATION ADJUSTING TO EQUITY U.S. 133 SHARES											
ADJUSTMENTS EQUITY BASIS BASIS GAAP -----											
(RESTATED- (E) (F) (I) (K) (J) AND (K) NOTE 20(K)) ASSETS Current assets Cash and cash equivalents..... \$											

-- \$(1.4) \$ -- \$ 76.4 \$(17.3) \$ 59.1 Restricted cash..... -- 1.4 -- 4.3 -- 4.3 Accounts receivable..... -- -- -- 20.3 1.3  
21.6 Inventories..... -- -- -- 54.6 (21.7) 32.9 Marketable securities.... -- -- -- 0.7 -- 0.7 -----  
----- -- -- -- 156.3 (37.7) 118.6 Property, plant and equipment..... -- -- -- 456.9 (45.6) 411.3 Long-term  
investments..... -- -- -- 14.8 33.2 48.0 Deferred charges and other assets..... -- -- -- 24.4 -- 24.4 -----  
----- \$ -- \$ -- \$ -- \$652.4 \$(50.1) \$602.3 ===== LIABILITIES  
Current liabilities Accounts payable and accrued liabilities.... \$ -- \$ -- \$ -- \$ 40.8 \$ (8.1) \$ 32.7 Current portion of  
long- term debt..... -- -- -- 31.5 (22.3) 9.2 Current portion of site restoration cost accruals..... -- -- -- 9.3 --  
9.3 -----  
----- 81.6 (30.4) 51.2 Long-term debt..... -- -- -- 79.8 (16.7) 63.1 Site  
restoration cost accruals..... -- -- -- 47.9 (3.0) 44.9 Future income and mining taxes..... -- -- -- 3.5 --  
3.5 Deferred revenue..... -- -- -- 10.1 -- 10.1 Other long-term liabilities..... -- -- -- 10.1 -- 10.1 Debt  
component of convertible debentures... -- -- -- 130.4 -- 130.4 Redeemable retractable preferred shares..... -- -- -- 3.1  
-- 3.1 -----  
----- 366.5 (50.1) 316.4 ----- CONVERTIBLE  
PREFERRED SHARES OF SUBSIDIARY COMPANY..... -- -- -- 91.8 -- 91.8 -----  
COMMON SHAREHOLDERS' EQUITY Common share capital..... -- -- -- 918.5 -- 918.5 Contributed surplus.....  
-- -- -- 12.9 -- 12.9 Equity component of convertible debentures... -- -- -- -- -- Deficit..... -- -- -- (714.7) --  
(714.7) Cumulative translation adjustments..... -- -- 23.0 -- -- Accumulated other comprehensive income..... --  
-- (23.0) (22.6) -- (22.6) -----  
----- 194.1 -- 194.1 ----- \$ -- \$ -- \$  
-- \$652.4 \$(50.1) \$602.3 ===== F-58 CONSOLIDATED STATEMENTS  
OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2001 ELIMINATION ADDITIONAL  
REDUCTION RECOGNITION OF EFFECTS OF WRITEDOWN IN DEPRECIATION, OF DEFERRED  
RECOGNITION OF PROPERTY, DEPLETION EXCHANGE OF EQUITY PLANT AND AND REVERSAL  
GAINS ON COMPONENT EQUIPMENT AMORTIZATION OF 1991 UNDER CONVERTIBLE OF  
CONVERTIBLE UNDER UNDER DEFICIT CDN GAAP DEBENTURES DEBENTURES U.S. GAAP U.S. GAAP  
ELIMINATION ----- (A) (A) (B) (B) (C) REVENUE  
Mining revenue..... \$270.1 \$ -- \$ -- \$ -- \$ -- Interest and other income..... 9.3 -- -- -- -- Mark to  
market gain (loss) on call options..... 3.5 -- -- -- -- 282.9 -- -- -- --  
----- EXPENSES Operating..... 180.7 -- -- -- -- General and administrative..... 10.1 -- -- -- --  
Exploration..... 7.9 -- -- -- -- Depreciation, depletion and amortization..... 85.8 -- -- -- (6.1) -- Gain on sale of  
assets.... (1.2) -- -- -- -- Foreign exchange loss..... 1.1 (6.3) -- -- -- -- Interest expense on long- term liabilities.....  
9.1 -- 4.1 -- -- -- Writedown of marketable securities and long-term investments..... -- -- -- -- Writedown of  
property, plant and equipment.... 16.1 -- -- -- -- 309.6 (6.3) 4.1 -- (6.1) -- -- -- --  
----- (26.7) 6.3 (4.1) -- 6.1 -- Share in loss of investee companies..... (2.2) -- -- -- --  
----- LOSS BEFORE TAXES AND DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF  
SUBSIDIARY COMPANY..... (28.9) 6.3 (4.1) -- 6.1 -- Provision for income and mining taxes..... (2.9) -- -- -- --  
----- LOSS FOR THE YEAR BEFORE DIVIDENDS ON CONVERTIBLE  
PREFERRED SHARES OF SUBSIDIARY COMPANY..... (31.8) 6.3 (4.1) -- 6.1 -- DIVIDENDS ON  
CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (5.1) -- -- -- --  
----- NET LOSS FOR THE YEAR..... (36.9) 6.3 (4.1) -- 6.1 -- INCREASE IN EQUITY COMPONENT OF  
CONVERTIBLE DEBENTURES..... (7.7) -- 7.7 -- -- -- -- NET LOSS FOR THE  
YEAR ATTRIBUTABLE TO COMMON SHAREHOLDERS..... \$(44.6) \$ 6.3 \$ 3.6 \$ -- \$ 6.1 \$ -- =====  
===== LOSS PER SHARE Basic and diluted..... \$(0.14) WEIGHTED AVERAGE  
NUMBER OF COMMON SHARES OUTSTANDING (MILLIONS)..... 313.4 UNREALIZED GAINS ON  
MARKETABLE RECLASSIFICATION UNDER SECURITIES ADOPTION OF U.S. GAAP TO AND OF  
CUMULATIVE BEFORE ADJUST TO LONG-TERM SFAS FLOW THROUGH TRANSLATION ADJUSTING  
TO EQUITY INVESTMENTS 133 SHARES ADJUSTMENTS EQUITY BASIS BASIS -----  
----- (D) (C) (F) (I) (K) (J) AND (K) REVENUE Mining revenue..... \$  
-- \$ -- \$ -- \$ -- \$270.1 \$(67.8) Interest and other income..... -- (3.9) -- -- 5.4 2.5 Mark to market gain (loss) on  
call options..... -- -- -- 3.5 -- -- -- -- (3.9) -- -- 279.0 (65.3) -----  
EXPENSES Operating..... -- -- -- -- 180.7 (34.2) General and administrative..... -- -- -- -- 10.1 --  
Exploration..... -- -- -- -- 7.9 (2.1) Depreciation, depletion and amortization..... -- -- -- -- 79.7 (20.5) Gain on  
sale of assets.... -- -- -- -- (1.2) -- Foreign exchange loss..... -- -- -- -- (5.2) (0.4) Interest expense on long- term

liabilities..... -- -- -- -- 13.2 (3.6) Writedown of marketable securities and long-term investments..... -- -- -- --  
-- Writedown of property, plant and equipment..... -- -- -- -- 16.1 -- -- -- -- 301.3  
(60.8) ----- (3.9) -- -- (22.3) (4.5) Share in loss of investee companies..... -- -- -- --  
(2.2) (0.8) ----- LOSS BEFORE TAXES AND DIVIDENDS ON CONVERTIBLE  
PREFERRED SHARES OF SUBSIDIARY COMPANY..... -- (3.9) -- -- (24.5) (5.3) Provision for income and  
mining taxes..... -- -- -- -- (2.9) 5.3 ----- LOSS FOR THE YEAR BEFORE  
DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... -- (3.9) -- -- (27.4)  
-- DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... -- -- -- -- (5.1) --  
----- NET LOSS FOR THE YEAR..... -- (3.9) -- -- (32.5) -- INCREASE IN EQUITY  
COMPONENT OF CONVERTIBLE DEBENTURES..... -- -- -- -- NET  
LOSS FOR THE YEAR ATTRIBUTABLE TO COMMON SHAREHOLDERS..... \$ -- \$(3.9) \$ -- \$ -- \$(32.5) \$  
-- ===== LOSS PER SHARE Basic and diluted..... WEIGHTED  
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (MILLIONS)..... UNDER U.S. GAAP  
----- (RESTATE- NOTE 20(K)) REVENUE Mining revenue..... \$202.3 Interest and other  
income..... 7.9 Mark to market gain (loss) on call options..... 3.5 ----- 213.7 ----- EXPENSES  
Operating..... 146.5 General and administrative..... 10.1 Exploration..... 5.8 Depreciation, depletion  
and amortization..... 59.2 Gain on sale of assets.... (1.2) Foreign exchange loss.... (5.6) Interest expense on long-  
term liabilities..... 9.6 Writedown of marketable securities and long-term investments..... -- Writedown of  
property, plant and equipment.... 16.1 ----- 240.5 ----- (26.8) Share in loss of investee companies..... (3.0)  
----- LOSS BEFORE TAXES AND DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY  
COMPANY..... (29.8) Provision for income and mining taxes..... 2.4 ----- LOSS FOR THE YEAR BEFORE  
DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (27.4)  
DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (5.1) ----- NET  
LOSS FOR THE YEAR..... (32.5) INCREASE IN EQUITY COMPONENT OF CONVERTIBLE  
DEBENTURES..... -- ----- NET LOSS FOR THE YEAR ATTRIBUTABLE TO COMMON  
SHAREHOLDERS..... \$(32.5) ===== LOSS PER SHARE Basic and diluted..... \$(0.10) WEIGHTED  
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (MILLIONS)..... 313.4 F-59  
CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2000  
ELIMINATION ADDITIONAL REDUCTION RECOGNITION OF EFFECTS OF WRITEDOWN IN  
DEPRECIATION, OF DEFERRED RECOGNITION OF PROPERTY, DEPLETION EXCHANGE OF EQUITY  
PLANT AND AND REVERSAL GAINS ON COMPONENT EQUIPMENT AMORTIZATION OF 1991 UNDER  
CONVERTIBLE OF CONVERTIBLE UNDER UNDER DEFICIT CDN GAAP DEBENTURES DEBENTURES  
U.S. GAAP U.S. GAAP ELIMINATION ----- (A) (A) (B)  
(B) (C) REVENUE Mining revenue..... \$ 271.0 \$ -- \$ -- \$ -- \$ -- Interest and other income..... 14.2 --  
-- -- -- -- Mark to market gain (loss) on call options..... 4.1 -- -- -- -- 289.3 -- -- -- --  
-- -- -- -- EXPENSES Operating..... 189.6 -- -- -- -- General and administrative.....  
10.4 -- -- -- -- Exploration..... 11.4 -- -- -- -- Depreciation, depletion and amortization..... 93.2 -- -- -- (7.7)  
-- Gain on sale of assets.... (4.1) -- -- -- -- Foreign exchange (loss) gain..... (0.5) (5.7) -- -- -- -- Interest  
expense on long- term liabilities..... 14.3 -- 4.9 -- -- -- Writedown of marketable securities and long-term  
investments..... 13.1 -- -- -- -- Writedown of property, plant and equipment.... 72.1 -- -- (3.9) -- -- -- --  
----- 399.5 (5.7) 4.9 (3.9) (7.7) ----- (110.2) 5.7 (4.9) 3.9 7.7 -- Share in loss of  
investee companies..... (8.1) -- -- -- -- LOSS BEFORE TAXES AND  
DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (118.3) 5.7 (4.9)  
3.9 7.7 -- Provision for income and mining taxes..... (0.9) -- -- -- -- LOSS FOR  
THE YEAR BEFORE DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY  
COMPANY..... (119.2) 5.7 (4.9) 3.9 7.7 -- DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF  
SUBSIDIARY COMPANY..... (6.9) -- -- -- -- NET LOSS FOR THE YEAR.....  
(126.1) 5.7 (4.9) 3.9 7.7 -- INCREASE IN EQUITY COMPONENT OF CONVERTIBLE DEBENTURES.....  
(7.2) -- 7.2 -- -- -- NET LOSS FOR THE YEAR ATTRIBUTABLE TO COMMON  
SHAREHOLDERS..... \$(133.3) \$ 5.7 \$ 2.3 \$ 3.9 \$ 7.7 \$ -- ===== LOSS  
PER SHARE Basic and diluted..... \$ (0.45) WEIGHTED AVERAGE NUMBER OF COMMON SHARES

OUTSTANDING (MILLIONS)..... 298.1 UNREALIZED GAINS ON MARKETABLE RECLASSIFICATION UNDER SECURITIES ADOPTION OF U.S. GAAP TO AND OF CUMULATIVE BEFORE ADJUST TO LONG-TERM SFAS FLOW THROUGH TRANSLATION ADJUSTING TO EQUITY INVESTMENTS 133 SHARES ADJUSTMENTS EQUITY BASIS BASIS -----

----- (D) (C) (F) (I) (K) (J) AND (K) REVENUE Mining revenue..... \$ -- \$ -- \$ -- \$ -- \$ 271.0 \$ (67.8) Interest and other income..... -- -- -- 14.2 1.5 Mark to market gain (loss) on call options..... -- -- -- 4.1 -- -- -- 289.3 (66.3) -----

EXPENSES Operating..... -- -- -- 189.6 (32.2) General and administrative..... -- -- -- 10.4 -- Exploration..... -- -- -- 11.4 (2.3) Depreciation, depletion and amortization..... -- -- -- 85.5 (26.0) Gain on sale of assets.... -- -- -- (4.1) -- Foreign exchange (loss) gain..... -- -- -- (6.2) 0.4 Interest expense on long-term liabilities..... -- -- -- 19.2 (6.3) Writedown of marketable securities and long-term investments..... -- -- -- 13.1 -- Writedown of property, plant and equipment..... -- -- -- 68.2 --

387.1 (66.4) ----- (97.8) 0.1 Share in loss of investee companies..... -- -- -- (8.1) (4.2) ----- LOSS BEFORE TAXES AND DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... -- -- -- (105.9) (4.1) Provision for income and mining taxes..... -- -- -- (0.9) 4.1 ----- LOSS FOR THE YEAR BEFORE DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... -- -- -- (106.8) -- DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... -- -- -- (6.9) -- ----- NET LOSS FOR THE YEAR..... -- -- -- (113.7) -- INCREASE IN EQUITY COMPONENT OF CONVERTIBLE DEBENTURES..... -- -- -- NET LOSS FOR THE YEAR ATTRIBUTABLE TO COMMON SHAREHOLDERS..... \$ -- \$ -- \$ -- \$ -- \$(113.7) \$ -- =====

===== LOSS PER SHARE Basic and diluted..... WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (MILLIONS)..... UNDER U.S. GAAP ----- (RESTATED-NOTE 20(K)) REVENUE Mining revenue..... \$ 203.2 Interest and other income..... 15.7 Mark to market gain (loss) on call options..... 4.1 ----- 223.0 ----- EXPENSES Operating..... 157.4 General and administrative..... 10.4 Exploration..... 9.1 Depreciation, depletion and amortization..... 59.5 Gain on sale of assets.... (4.1) Foreign exchange (loss) gain..... (5.8) Interest expense on long- term liabilities..... 12.9 Writedown of marketable securities and long-term investments..... 13.1 Writedown of property, plant and equipment..... 68.2 ----- 320.7 ----- (97.7) Share in loss of investee companies..... (12.3) ----- LOSS BEFORE TAXES AND DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (110.0) Provision for income and mining taxes..... 3.2 ----- LOSS FOR THE YEAR BEFORE DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (106.8) DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (6.9) ----- NET LOSS FOR THE YEAR..... (113.7) INCREASE IN EQUITY COMPONENT OF CONVERTIBLE DEBENTURES..... -- ----- NET LOSS FOR THE YEAR ATTRIBUTABLE TO COMMON SHAREHOLDERS..... \$(113.7) ===== LOSS PER SHARE Basic and diluted..... \$ (0.38) WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (MILLIONS)..... 298.1 F-60

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1999 ELIMINATION ADDITIONAL REDUCTION UNREALIZED RECOGNITION OF EFFECTS OF WRITEDOWN IN DEPRECIATION, GAINS ON OF DEFERRED RECOGNITION OF PROPERTY, DEPLETION MARKETABLE EXCHANGE OF EQUITY PLANT AND AND REVERSAL SECURITIES GAINS ON COMPONENT EQUIPMENT AMORTIZATION OF 1991 AND UNDER CONVERTIBLE OF CONVERTIBLE UNDER UNDER DEFICIT LONG-TERM CDN GAAP DEBENTURES DEBENTURES U.S. GAAP U.S. GAAP ELIMINATION INVESTMENTS ----- (A) (A) (B) (B) (C) (D) REVENUE Mining revenue..... \$ 304.0 \$ -- \$ -- \$ -- \$ -- \$ -- Interest and other income..... 15.5 -- -- -- Mark to market gain (loss) on call options..... (2.5) -- -- -- 317.0 -- -- -- EXPENSES Operating..... 209.4 -- -- -- General and administrative..... 11.2 (0.2) -- -- -- Exploration..... 11.1 -- -- -- Depreciation, depletion and amortization..... 110.9 -- -- -- (4.1) -- -- Gain on sale of assets..... (0.1) -- -- -- Foreign exchange (loss) gain..... (0.2) 8.0 -- -- -- Interest expense on long-term liabilities..... 15.8 -- 4.4 -- -- Writedown of marketable securities and long-term investments..... 4.6 -- -- -- Writedown of



property, plant and equipment... 184.9 -- -- (20.5) -- -- ----- 547.6 7.8 4.4 (20.5) (4.1)  
 ----- (230.6) (7.8) (4.4) 20.5 4.1 -- -- Share in loss of investee companies.....  
 (0.3) -- -- ----- LOSS BEFORE TAXES AND DIVIDENDS ON  
 CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... (230.9) (7.8) (4.4) 20.5 4.1 -- --  
 Provision for income and mining taxes..... (2.9) -- -- ----- LOSS FOR  
 THE YEAR BEFORE DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY  
 COMPANY..... (233.8) (7.8) (4.4) 20.5 4.1 -- -- DIVIDENDS ON CONVERTIBLE PREFERRED SHARES OF  
 SUBSIDIARY COMPANY..... (6.9) -- -- ----- NET LOSS FOR THE  
 YEAR.... (240.7) (7.8) (4.4) 20.5 4.1 -- -- INCREASE IN EQUITY COMPONENT OF CONVERTIBLE  
 DEBENTURES..... (6.5) -- 6.5 -- -- ----- NET LOSS FOR THE YEAR  
 ATTRIBUTABLE TO COMMON SHAREHOLDERS..... \$(247.2) \$(7.8) \$ 2.1 \$ 20.5 \$ 4.1 \$ -- \$ -- =====  
 ===== LOSS PER SHARE Basic and diluted..... \$ (0.83) WEIGHTED  
 AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (MILLIONS)..... 299.2 OBLIGATION FOR  
 EMPLOYEE FUTURE RECLASSIFICATION UNDER BENEFITS OF U.S. GAAP TO OTHER CUMULATIVE  
 BEFORE ADJUST TO UNDER THAN FLOW THROUGH TRANSLATION ADJUSTING TO EQUITY U.S.  
 PENSIONS SHARES ADJUSTMENTS EQUITY BASIS BASIS GAAP -----  
 ----- (E) (F) (I) (K) (J) AND (K) (RESTATED- NOTE 20(K)) REVENUE Mining  
 revenue..... \$ -- \$ -- \$ -- \$ 304.0 \$ (71.0) \$ 233.0 Interest and other income..... -- -- -- 15.5 2.4 17.9 Mark to  
 market gain (loss) on call options..... -- -- -- (2.5) -- (2.5) ----- 317.0 (68.6)  
 248.4 ----- EXPENSES Operating..... -- -- -- 209.4 (34.0) 175.4 General and  
 administrative..... -- -- -- 11.0 -- 11.0 Exploration..... -- -- -- 11.1 (1.8) 9.3 Depreciation, depletion and  
 amortization..... -- -- -- 106.8 (26.2) 80.6 Gain on sale of assets..... -- -- -- (0.1) -- (0.1) Foreign exchange (loss)  
 gain..... -- -- -- 7.8 (0.1) 7.7 Interest expense on long-term liabilities..... -- -- -- 20.2 (7.0) 13.2 Writedown  
 of marketable securities and long-term investments..... -- -- -- 4.6 -- 4.6 Writedown of property, plant and  
 equipment... -- -- -- 164.4 -- 164.4 ----- 535.2 (69.1) 466.1 -----  
 ----- (218.2) 0.5 (217.7) Share in loss of investee companies..... -- -- -- (0.3) (3.4) (3.7) -----  
 ----- LOSS BEFORE TAXES AND DIVIDENDS ON CONVERTIBLE PREFERRED SHARES  
 OF SUBSIDIARY COMPANY..... -- -- -- (218.5) (2.9) (221.4) Provision for income and mining taxes..... -- -- --  
 (2.9) 2.9 -- -- ----- LOSS FOR THE YEAR BEFORE DIVIDENDS ON CONVERTIBLE  
 PREFERRED SHARES OF SUBSIDIARY COMPANY..... -- -- -- (221.4) -- (221.4) DIVIDENDS ON  
 CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY..... -- -- -- (6.9) -- (6.9) -----  
 ----- NET LOSS FOR THE YEAR.... -- -- -- (228.3) -- (228.3) INCREASE IN EQUITY  
 COMPONENT OF CONVERTIBLE DEBENTURES..... -- -- -- ----- NET  
 LOSS FOR THE YEAR ATTRIBUTABLE TO COMMON SHAREHOLDERS..... \$ -- \$ -- \$ -- \$(228.3) \$ --  
 \$(228.3) ===== LOSS PER SHARE Basic and diluted..... \$ (0.76)  
 WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (MILLIONS)..... 299.2  
 Statement of Operations Presentation: Revenue would exclude the items "interest and other income" and "mark to  
 market gain (loss) on call options". Accordingly, "mining revenue" would be the only category presented within  
 revenue on the statement of operations presented under U.S. GAAP. F-61 For U.S. GAAP purposes, the measure  
 "Loss before taxes and dividends on convertible preferred shares of subsidiary company" is not a recognized term and  
 would therefore not be presented. The following table reconciles "Loss before taxes and dividends on convertible  
 preferred shares of subsidiary company" to "loss from operations": 2001 2000 1999 -----  
 Restated Restated Restated Note 20(k) Note 20(k) Note 20(k) Loss before taxes and dividends on convertible  
 preferred shares of subsidiary company..... \$(29.8) \$(110.0) \$(221.4) Add/(deduct): Interest and other  
 income..... (7.9) (15.7) (17.9) Mark to market (gain) loss on call options..... (3.5) (4.1) 2.5  
 Interest expense on long-term liabilities..... 9.6 12.9 13.2 Write-down of marketable securities and long-term  
 investments..... -- 13.1 4.6 Share in loss of investee companies..... 3.0 12.3 3.7  
 ----- Loss from operations for U.S. GAAP..... \$(28.6) \$ (91.5) \$(215.3) =====  
 ===== In addition, "dividends on convertible preferred shares of subsidiary" are required to be presented as a  
 component of non-operating loss: For U.S. GAAP purposes, the components of non-operating loss are as follows:  
 2001 2000 1999 ----- Restated Restated Restated Note 20(k) Note 20(k) Note 20(k) Interest and

other income..... \$ 7.9 \$ 15.7 \$ 17.9 Mark to market gain (loss) on call options..... 3.5 4.1  
 (2.5) Share in loss of investee companies..... (3.0) (12.3) (3.7) Interest expense on long-term  
 liabilities..... (9.6) (12.9) (13.2) Write-down of marketable securities and long-term  
 investments..... -- (13.1) (4.6) Dividends on convertible preferred shares of subsidiary  
 company..... (5.1) (6.9) (6.9) ----- Non-operating loss for U.S.  
 GAAP..... \$ (6.3) \$ (25.4) \$ (13.0) ===== F-62 CONSOLIDATED  
 STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2001 ELIMINATION  
 ADDITIONAL REDUCTION RECOGNITION OF EFFECTS OF WRITEDOWN IN DEPRECIATION, OF  
 DEFERRED RECOGNITION OF PROPERTY, DEPLETION EXCHANGE OF EQUITY PLANT AND AND  
 REVERSAL GAINS ON COMPONENT EQUIPMENT AMORTIZATION OF 1991 UNDER CONVERTIBLE OF  
 CONVERTIBLE UNDER UNDER DEFICIT CDN GAAP DEBENTURES DEBENTURES U.S. GAAP U.S. GAAP  
 ELIMINATION ----- (A) (A) (B) (B) (C) NET INFLOW  
 (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: OPERATING: Loss for the year before  
 dividends on convertible preferred shares of subsidiary company..... \$(31.8) \$ 6.3 \$(4.1) \$ -- \$ 6.1 \$ -- Items not  
 affecting cash: Depreciation, depletion and amortization..... 85.8 -- -- (6.1) -- Writedown of property, plant and  
 equipment..... 14.6 -- -- -- Writedown of marketable securities and long-term investments..... -- -- -- --  
 -- Gain on sale of assets..... (1.2) -- -- -- -- Future income and mining taxes..... -- -- -- -- Deferred  
 revenue realized... (17.7) -- -- -- -- Site restoration cost accruals..... 1.9 -- -- -- -- Share in loss of investee  
 companies..... 2.2 -- -- -- -- Interest on convertible debentures..... -- (1.3) -- -- -- Unrealized foreign  
 exchange gains on convertible debentures..... -- (6.3) -- -- -- -- 53.8 -- (5.4) -- --  
 Proceeds on restructuring of gold forward sales contracts..... 21.6 -- -- -- -- Site restoration cash  
 expenditures..... (7.1) -- -- -- -- Changes in non-cash working capital items Accounts receivable..... 5.1 -- --  
 -- -- Inventories..... 9.6 -- -- -- -- Marketable securities..... -- -- -- -- Accounts payable and accrued  
 liabilities..... (8.0) -- -- -- -- Effect of exchange rate changes on cash..... (0.5) -- -- -- --  
 ----- CASH FLOW PROVIDED FROM OPERATING ACTIVITIES..... 74.5 -- (5.4) -- -- --  
 ----- FINANCING: Issuance of common shares..... 5.4 -- -- -- -- Reduction of debt component of  
 convertible debentures..... (5.4) -- 5.4 -- -- -- Repayment of debt..... (46.5) -- -- -- -- Dividends on convertible  
 preferred shares of subsidiary company..... -- -- -- -- CASH FLOW USED IN  
 FINANCING ACTIVITIES..... (46.5) -- 5.4 -- -- -- INVESTING: Additions to  
 property, plant and equipment..... (30.4) -- -- -- -- Business acquisitions, net of cash acquired..... (1.2) -- --  
 -- -- Long-term investments and other assets..... 2.1 -- -- -- -- Proceeds from the sale of property, plant  
 and equipment..... 1.8 -- -- -- -- Decrease (increase) in restricted cash..... 2.9 -- -- -- --  
 ----- UNREALIZED GAINS ON MARKETABLE RECLASSIFICATION UNDER SECURITIES  
 ADOPTION OF U.S. GAAP TO AND OF CUMULATIVE BEFORE ADJUST TO LONG-TERM SFAS FLOW  
 THROUGH TRANSLATION ADJUSTING TO EQUITY INVESTMENTS 133 SHARES ADJUSTMENTS  
 EQUITY BASIS BASIS ----- (D) (E) (F) (I) (K) (J) AND  
 (K) NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: OPERATING: Loss  
 for the year before dividends on convertible preferred shares of subsidiary company..... \$ -- \$(3.9) \$ -- \$ -- \$(27.4)  
 \$ -- Items not affecting cash: Depreciation, depletion and amortization..... -- -- -- -- 79.7 (20.5) Writedown of  
 property, plant and equipment..... -- -- -- -- 14.6 -- Writedown of marketable securities and long-term  
 investments..... -- -- -- -- Gain on sale of assets..... -- -- -- -- (1.2) -- Future income and mining  
 taxes..... -- -- -- -- Deferred revenue realized... -- 3.9 -- -- (13.8) -- Site restoration cost  
 accruals..... -- -- -- -- 1.9 (0.4) Share in loss of investee companies..... -- -- -- -- 2.2 0.8 Interest on  
 convertible debentures..... -- -- -- -- (1.3) -- Unrealized foreign exchange gains on convertible  
 debentures..... -- -- -- -- (6.3) -- -- -- -- 48.4 (20.1) Proceeds on restructuring of  
 gold forward sales contracts..... -- -- -- -- 21.6 -- Site restoration cash expenditures..... -- -- -- -- (7.1) --  
 Changes in non-cash working capital items Accounts receivable..... -- -- -- -- 5.1 (4.4) Inventories..... -- -- -- --  
 -- 9.6 (4.7) Marketable securities..... -- -- -- -- Accounts payable and accrued liabilities..... -- -- -- -- (8.0)  
 1.7 Effect of exchange rate changes on cash..... -- -- -- -- (0.5) -- -- -- -- CASH FLOW  
 PROVIDED FROM OPERATING ACTIVITIES..... -- -- -- -- 69.1 (27.5) -----  
 FINANCING: Issuance of common shares..... -- -- -- -- 5.4 -- Reduction of debt component of convertible

debentures..... -- -- -- -- -- Repayment of debt..... -- -- -- -- (46.5) 34.6 Dividends on convertible preferred shares of subsidiary company..... -- -- -- -- -- CASH FLOW USED IN FINANCING ACTIVITIES..... -- -- -- -- (41.1) 34.6 ----- INVESTING: Additions to property, plant and equipment..... -- -- -- -- (30.4) 0.4 Business acquisitions, net of cash acquired..... -- -- -- -- (1.2) -- Long-term investments and other assets..... -- -- -- -- 2.1 4.3 Proceeds from the sale of property, plant and equipment..... -- -- -- -- 1.8 -- Decrease (increase) in restricted cash..... -- -- (3.2) -- (0.3) -- ----- UNDER U.S. GAAP ----- (RESTATED- NOTE 20(K)) NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: OPERATING: Loss for the year before dividends on convertible preferred shares of subsidiary company..... \$(27.4) Items not affecting cash: Depreciation, depletion and amortization..... 59.2 Writedown of property, plant and equipment..... 14.6 Writedown of marketable securities and long-term investments..... -- Gain on sale of assets..... (1.2) Future income and mining taxes..... -- Deferred revenue realized... (13.8) Site restoration cost accruals..... 1.5 Share in loss of investee companies..... 3.0 Interest on convertible debentures..... (1.3) Unrealized foreign exchange gains on convertible debentures..... (6.3) ----- 28.3 Proceeds on restructuring of gold forward sales contracts..... 21.6 Site restoration cash expenditures..... (7.1) Changes in non-cash working capital items -- Accounts receivable..... 0.7 Inventories..... 4.9 Marketable securities..... -- Accounts payable and accrued liabilities..... (6.3) Effect of exchange rate changes on cash..... (0.5) ----- CASH FLOW PROVIDED FROM OPERATING ACTIVITIES..... 41.6 ----- FINANCING: Issuance of common shares..... 5.4 Reduction of debt component of convertible debentures..... -- Repayment of debt..... (11.9) Dividends on convertible preferred shares of subsidiary company..... -- ----- CASH FLOW USED IN FINANCING ACTIVITIES..... (6.5) ----- INVESTING: Additions to property, plant and equipment..... (30.0) Business acquisitions, net of cash acquired..... (1.2) Long-term investments and other assets..... 6.4 Proceeds from the sale of property, plant and equipment..... 1.8 Decrease (increase) in restricted cash..... (0.3) ----- F-63 ELIMINATION ADDITIONAL REDUCTION RECOGNITION OF EFFECTS OF WRITEDOWN IN DEPRECIATION, OF DEFERRED RECOGNITION OF PROPERTY, DEPLETION EXCHANGE OF EQUITY PLANT AND AND REVERSAL GAINS ON COMPONENT EQUIPMENT AMORTIZATION OF 1991 UNDER CONVERTIBLE OF CONVERTIBLE UNDER UNDER DEFICIT CDN GAAP DEBENTURES DEBENTURES U.S. GAAP U.S. GAAP ELIMINATION ----- (A) (A) (B) (B) (C) CASH FLOW USED IN INVESTING ACTIVITIES..... (24.8) -- -- -- -- -- ----- INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS..... 3.2 -- -- -- -- -- CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR..... 77.8 -- -- -- -- -- CASH AND CASH EQUIVALENTS, END OF YEAR..... \$ 81.0 \$ -- \$ -- \$ -- \$ -- ===== UNREALIZED GAINS ON MARKETABLE RECLASSIFICATION UNDER SECURITIES ADOPTION OF U.S. GAAP TO AND OF CUMULATIVE BEFORE ADJUST TO LONG-TERM SFAS FLOW THROUGH TRANSLATION ADJUSTING TO EQUITY INVESTMENTS 133 SHARES ADJUSTMENTS EQUITY BASIS BASIS ----- (D) (E) (F) (I) (K) (J) AND (K) CASH FLOW USED IN INVESTING ACTIVITIES..... -- -- (3.2) -- (28.0) 4.7 ----- INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS..... -- -- (3.2) -- -- 11.8 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR..... -- -- (1.4) -- 76.4 (17.3) ----- CASH AND CASH EQUIVALENTS, END OF YEAR..... \$ -- \$ -- \$(4.6) \$ -- \$ 76.4 \$ (5.5) ===== UNDER U.S. GAAP ----- (RESTATED- NOTE 20(K)) CASH FLOW USED IN INVESTING ACTIVITIES..... (23.3) ----- INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS..... 11.8 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR..... 59.1 ----- CASH AND CASH EQUIVALENTS, END OF YEAR..... \$ 70.9 ===== F-64 CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2000 ELIMINATION ADDITIONAL RECOGNITION OF EFFECTS OF WRITEDOWN REDUCTION OF DEFERRED RECOGNITION OF PROPERTY, IN DEPRECIATION, EXCHANGE OF EQUITY PLANT AND DEPLETION REVERSAL GAINS ON COMPONENT EQUIPMENT AND AMORTIZATION OF 1991 UNDER CONVERTIBLE OF CONVERTIBLE UNDER UNDER DEFICIT CDN GAAP DEBENTURES DEBENTURES U.S. GAAP U.S. GAAP ELIMINATION ----- (A) (A) (B) (B) (C) NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: OPERATING: Loss for the year before

dividends on convertible preferred shares of subsidiary company..... \$(119.2) \$ 5.7 \$(4.9) \$ 3.9 \$ 7.7 \$ -- Items not affecting cash: Depreciation, depletion and amortization..... 93.2 -- -- (7.7) -- Writedown of property, plant and equipment..... 72.1 -- -- (3.9) -- Interest expense on long-term liabilities.... 13.1 -- -- -- -- Gain on sale of assets.... (4.1) -- -- -- -- Future income and mining taxes..... (3.5) -- -- -- -- Deferred revenue realized..... (13.5) -- -- -- -- Site restoration cost accruals..... 2.6 -- -- -- -- Share in loss of investee companies..... 9.4 -- -- -- -- Interest on convertible debentures..... -- -- -- -- Unrealized foreign exchange gains on convertible debentures..... -- (5.7) -- -- -- -- 50.1 -- (4.9) -- -- Proceeds on restructuring of gold forward sales contracts..... 4.7 -- -- -- -- Site restoration cash expenditures..... (9.6) -- -- -- -- Changes in non-cash working capital items -- Accounts receivable..... 5.7 -- -- -- -- Inventories..... 0.6 -- -- -- -- Marketable securities..... 4.8 -- -- -- -- Accounts payable and accrued liabilities..... (8.3) -- -- -- -- Effect of exchange rate changes on cash..... (0.2) -- -- -- -- ----- CASH FLOW PROVIDED FROM OPERATING ACTIVITIES..... 47.8 -- (4.9) -----

----- FINANCING: Issuance of common shares.... 3.2 -- -- -- -- Repurchase of common shares..... (5.3) -- -- -- -- Reduction of debt component of convertible debentures..... (4.9) -- 4.9 -- -- Repayment of debt..... (26.4) -- -- -- -- Dividends on convertible preferred shares of subsidiary company..... (3.4) -- -- -- -- ----- CASH FLOW USED IN FINANCING ACTIVITIES..... (36.8) -- 4.9 -----

UNREALIZED GAINS ON MARKETABLE RECLASSIFICATION UNDER SECURITIES ADOPTION OF U.S. GAAP TO AND OF CUMULATIVE BEFORE ADJUST TO LONG-TERM SFAS FLOW THROUGH TRANSLATION ADJUSTING TO EQUITY INVESTMENTS 133 SHARES ADJUSTMENTS EQUITY BASIS BASIS -----

----- (D) (E) (F) (I) (K) (J) AND (K) NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: OPERATING: Loss for the year before dividends on convertible preferred shares of subsidiary company..... \$ -- \$ -- \$ -- \$(106.8) \$ -- Items not affecting cash: Depreciation, depletion and amortization..... -- -- -- 85.5 (26.0) Writedown of property, plant and equipment..... -- -- -- 68.2 -- Interest expense on long-term liabilities.... -- -- -- 13.1 -- Gain on sale of assets..... -- -- -- (4.1) -- Future income and mining taxes..... -- -- -- (3.5) -- Deferred revenue realized..... -- -- -- (13.5) -- Site restoration cost accruals..... -- -- -- 2.6 (0.7) Share in loss of investee companies..... -- -- -- 9.4 4.2 Interest on convertible debentures..... -- -- -- -- Unrealized foreign exchange gains on convertible debentures..... -- -- -- (5.7) -- -- -- -- 45.2 (22.5) Proceeds on restructuring of gold forward sales contracts..... -- -- -- 4.7 -- Site restoration cash expenditures..... -- -- -- (9.6) -- Changes in non-cash working capital items Accounts receivable..... -- -- -- 5.7 3.3 Inventories..... -- -- -- 0.6 (4.7) Marketable securities..... -- -- -- 4.8 -- Accounts payable and accrued liabilities..... -- -- -- (8.3) 0.5 Effect of exchange rate changes on cash..... -- -- -- (0.2) ----- CASH FLOW PROVIDED FROM OPERATING ACTIVITIES..... -- -- -- 42.9 (23.4) -----

----- FINANCING: Issuance of common shares.... -- -- -- 3.2 -- Repurchase of common shares..... -- -- -- (5.3) -- Reduction of debt component of convertible debentures..... -- -- -- -- Repayment of debt..... -- -- -- (26.4) 19.4 Dividends on convertible preferred shares of subsidiary company..... -- -- -- (3.4) -----

----- CASH FLOW USED IN FINANCING ACTIVITIES..... -- -- -- (31.9) 19.4 -----

----- UNDER U.S. GAAP ----- (RESTATED- NOTE 20(K)) NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: OPERATING: Loss for the year before dividends on convertible preferred shares of subsidiary company..... \$(106.8) Items not affecting cash: Depreciation, depletion and amortization..... 59.5 Writedown of property, plant and equipment..... 68.2 Interest expense on long-term liabilities.... 13.1 Gain on sale of assets..... (4.1) Future income and mining taxes..... (3.5) Deferred revenue realized..... (13.5) Site restoration cost accruals..... 1.9 Share in loss of investee companies..... 13.6 Interest on convertible debentures..... -- Unrealized foreign exchange gains on convertible debentures..... (5.7) ----- 22.7 Proceeds on restructuring of gold forward sales contracts..... 4.7 Site restoration cash expenditures..... (9.6) Changes in non-cash working capital items -- Accounts receivable..... 9.0 Inventories..... (4.1) Marketable securities..... 4.8 Accounts payable and accrued liabilities..... (7.8) Effect of exchange rate changes on cash..... (0.2) ----- CASH FLOW PROVIDED FROM OPERATING ACTIVITIES..... 19.5 ----- FINANCING: Issuance of common shares.... 3.2 Repurchase of common shares..... (5.3) Reduction of debt component of convertible debentures..... -- Repayment of

debt..... (7.0) Dividends on convertible preferred shares of subsidiary company..... (3.4) ----- CASH FLOW  
 USED IN FINANCING ACTIVITIES..... (12.5) ----- F-65 ELIMINATION ADDITIONAL  
 RECOGNITION OF EFFECTS OF WRITEDOWN REDUCTION OF DEFERRED RECOGNITION OF  
 PROPERTY, IN DEPRECIATION, EXCHANGE OF EQUITY PLANT AND DEPLETION REVERSAL GAINS  
 ON COMPONENT EQUIPMENT AND AMORTIZATION OF 1991 UNDER CONVERTIBLE OF  
 CONVERTIBLE UNDER UNDER DEFICIT CDN GAAP DEBENTURES DEBENTURES U.S. GAAP U.S. GAAP  
 ELIMINATION ----- (A) (A) (B) (B) (C) INVESTING:  
 Additions to property, plant and equipment..... (41.6) -- -- -- -- Business acquisitions, net of cash  
 acquired..... -- -- -- -- Long-term investments and other assets..... (7.4) -- -- -- -- Proceeds from the  
 sale of property, plant and equipment..... 4.8 -- -- -- -- Decrease (increase) in restricted cash..... (2.9) --  
 ----- CASH FLOW USED IN INVESTING ACTIVITIES..... (47.1) -- -- --  
 ----- INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS..... (36.1) --  
 ----- CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR..... 113.9 -----  
 ----- CASH AND CASH EQUIVALENTS, END OF YEAR..... \$ 77.8 \$ -- \$ -- \$ -- \$ --  
 ===== UNREALIZED GAINS ON MARKETABLE  
 RECLASSIFICATION UNDER SECURITIES ADOPTION OF U.S. GAAP TO AND OF CUMULATIVE BEFORE  
 ADJUST TO LONG-TERM SFAS FLOW THROUGH TRANSLATION ADJUSTING TO EQUITY  
 INVESTMENTS 133 SHARES ADJUSTMENTS EQUITY BASIS BASIS -----  
 ----- (D) (E) (F) (I) (K) (J) AND (K) INVESTING: Additions to property, plant and  
 equipment..... -- -- -- -- (41.6) 1.6 Business acquisitions, net of cash acquired..... -- -- -- -- Long-term  
 investments and other assets..... -- -- -- -- (7.4) -- Proceeds from the sale of property, plant and  
 equipment..... -- -- -- -- 4.8 -- Decrease (increase) in restricted cash..... -- -- (1.4) -- (4.3) --  
 ----- CASH FLOW USED IN INVESTING ACTIVITIES..... -- -- (1.4) -- (48.5) 1.6 -----  
 ----- INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS..... -- -- (1.4) -- (37.5)  
 (2.4) CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR..... -- -- -- -- 113.9 (14.9) -----  
 ----- CASH AND CASH EQUIVALENTS, END OF YEAR..... \$ -- \$ -- \$(1.4) \$ -- \$ 76.4 \$(17.3)  
 ===== UNDER U.S. GAAP ----- (RESTATED- NOTE 20(K))  
 INVESTING: Additions to property, plant and equipment..... (40.0) Business acquisitions, net of cash  
 acquired..... -- Long-term investments and other assets..... (7.4) Proceeds from the sale of property, plant  
 and equipment..... 4.8 Decrease (increase) in restricted cash..... (4.3) ----- CASH FLOW USED IN  
 INVESTING ACTIVITIES..... (46.9) ----- INCREASE (DECREASE) IN CASH AND CASH  
 EQUIVALENTS..... (39.9) CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR..... 99.0 -----  
 CASH AND CASH EQUIVALENTS, END OF YEAR..... \$ 59.1 ===== F-66 CONSOLIDATED  
 STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 1999 ELIMINATION  
 ADDITIONAL RECOGNITION OF EFFECTS OF WRITEDOWN REDUCTION OF DEFERRED RECOGNITION  
 OF PROPERTY, IN DEPRECIATION, EXCHANGE OF EQUITY PLANT AND DEPLETION REVERSAL  
 GAINS ON COMPONENT EQUIPMENT AND AMORTIZATION OF 1991 UNDER CONVERTIBLE OF  
 CONVERTIBLE UNDER UNDER DEFICIT CDN GAAP DEBENTURES DEBENTURES U.S. GAAP U.S. GAAP  
 ELIMINATION ----- (A) (A) (B) (B) (C) NET INFLOW  
 (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: OPERATING: Loss for the year before  
 dividends on convertible preferred shares of subsidiary company..... \$(233.8) \$(7.8) \$(4.4) \$ 20.5 \$ 4.1 \$ -- Items not  
 affecting cash: Depreciation, depletion and amortization..... 110.9 -- -- -- (4.1) -- Writedown of property, plant and  
 equipment.... 184.9 -- -- (20.5) -- -- Writedown of marketable securities and long-term investments..... 4.6 -- -- --  
 -- -- Gain on sale of assets... (0.1) -- -- -- -- Future income and mining taxes..... -- -- -- -- Deferred  
 revenue realized..... (6.9) -- -- -- -- Site restoration cost accruals..... 3.1 -- -- -- -- Share in loss of  
 investee companies..... 0.3 -- -- -- -- Interest on convertible debentures..... -- -- -- -- Unrealized  
 foreign exchange gains on convertible debentures..... -- 7.8 -- -- -- -- 63.0 -- (4.4)  
 -- -- -- Proceeds on restructuring of gold forward sales contracts..... -- -- -- -- Site restoration cash  
 expenditures..... (6.3) -- -- -- -- Changes in non-cash working capital items Accounts receivable..... 10.1 -- -- --  
 -- -- Inventories..... 3.3 -- -- -- -- Marketable securities.... (3.2) -- -- -- -- Accounts payable and accrued  
 liabilities.... 0.4 -- -- -- -- Effect of exchange rate changes on cash..... 2.2 -- -- -- --

----- CASH FLOW PROVIDED FROM OPERATING ACTIVITIES..... 69.5 -- (4.4) -----  
 ----- FINANCING: Issuance of common shares..... 2.0 ----- Repurchase of common  
 shares..... (7.5) ----- Reduction of debt component of convertible debentures..... (4.4) -- 4.4 -- --  
 -- Repayment of debt..... (14.7) -- -- -- Dividends on convertible preferred shares of subsidiary company.....  
 (6.9) ----- CASH FLOW USED IN FINANCING ACTIVITIES.....  
 (31.5) -- 4.4 ----- UNREALIZED GAINS ON OBLIGATION MARKETABLE FOR  
 EMPLOYEE RECLASSIFICATION UNDER SECURITIES FUTURE OF U.S. GAAP TO AND BENEFITS  
 CUMULATIVE BEFORE ADJUST TO LONG-TERM OTHER THAN FLOW THROUGH TRANSLATION  
 ADJUSTING TO EQUITY INVESTMENTS PENSIONS SHARES ADJUSTMENTS EQUITY BASIS BASIS  
 ----- (D) (E) (F) (I) (K) (J) AND (K) NET INFLOW  
 (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: OPERATING: Loss for the year before  
 dividends on convertible preferred shares of subsidiary company..... \$ -- \$ -- \$ -- \$(221.4) \$ -- Items not affecting  
 cash: Depreciation, depletion and amortization..... -- -- -- 106.8 (26.2) Writedown of property, plant and  
 equipment.... -- -- -- 164.4 -- Writedown of marketable securities and long-term investments..... -- -- -- 4.6 --  
 Gain on sale of assets... -- -- -- (0.1) -- Future income and mining taxes..... -- -- -- -- Deferred revenue  
 realized..... -- -- -- (6.9) -- Site restoration cost accruals..... -- -- -- 3.1 (0.9) Share in loss of investee  
 companies..... -- -- -- 0.3 3.4 Interest on convertible debentures..... -- -- -- -- Unrealized foreign  
 exchange gains on convertible debentures..... -- -- -- 7.8 ----- 58.6 (23.7)  
 Proceeds on restructuring of gold forward sales contracts..... -- -- -- -- Site restoration cash  
 expenditures..... -- -- -- (6.3) -- Changes in non-cash working capital items Accounts receivable..... -- -- -- --  
 10.1 12.8 Inventories..... -- -- -- 3.3 (3.9) Marketable securities.... -- -- -- (3.2) -- Accounts payable and  
 accrued liabilities.... -- -- -- 0.4 (9.9) Effect of exchange rate changes on cash..... -- -- -- 2.2 -----  
 ----- CASH FLOW PROVIDED FROM OPERATING ACTIVITIES..... -- -- -- 65.1 (24.7) -----  
 ----- FINANCING: Issuance of common shares..... -- -- -- 2.0 -- Repurchase of common  
 shares..... -- -- -- (7.5) -- Reduction of debt component of convertible debentures..... -- -- -- --  
 Repayment of debt..... -- -- -- (14.7) 20.1 Dividends on convertible preferred shares of subsidiary company..... --  
 -- -- (6.9) ----- CASH FLOW USED IN FINANCING ACTIVITIES..... -- -- -- --  
 -- (27.1) 20.1 ----- UNDER U.S. GAAP ----- (RESTATED- NOTE 20(K)) NET  
 INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: OPERATING: Loss for the  
 year before dividends on convertible preferred shares of subsidiary company..... \$(221.4) Items not affecting cash:  
 Depreciation, depletion and amortization..... 80.6 Writedown of property, plant and equipment... 164.4 Writedown  
 of marketable securities and long-term investments..... 4.6 Gain on sale of assets... (0.1) Future income and  
 mining taxes..... -- Deferred revenue realized..... (6.9) Site restoration cost accruals..... 2.2 Share  
 in loss of investee companies..... 3.7 Interest on convertible debentures..... -- Unrealized foreign exchange  
 gains on convertible debentures..... 7.8 ----- 34.9 Proceeds on restructuring of gold forward sales  
 contracts..... -- Site restoration cash expenditures..... (6.3) Changes in non-cash working capital items  
 Accounts receivable..... 22.9 Inventories..... (0.6) Marketable securities.... (3.2) Accounts payable and accrued  
 liabilities.... (9.5) Effect of exchange rate changes on cash..... 2.2 ----- CASH FLOW PROVIDED FROM  
 OPERATING ACTIVITIES..... 40.4 ----- FINANCING: Issuance of common shares..... 2.0 Repurchase of  
 common shares..... (7.5) Reduction of debt component of convertible debentures..... -- Repayment of  
 debt..... 5.4 Dividends on convertible preferred shares of subsidiary company..... (6.9) ----- CASH FLOW USED  
 IN FINANCING ACTIVITIES..... (7.0) ----- F-67 ELIMINATION ADDITIONAL RECOGNITION OF  
 EFFECTS OF WRITEDOWN REDUCTION OF DEFERRED RECOGNITION OF PROPERTY, IN  
 DEPRECIATION, EXCHANGE OF EQUITY PLANT AND DEPLETION REVERSAL GAINS ON COMPONENT  
 EQUIPMENT AND AMORTIZATION OF 1991 UNDER CONVERTIBLE OF CONVERTIBLE UNDER UNDER  
 DEFICIT CDN GAAP DEBENTURES DEBENTURES U.S. GAAP U.S. GAAP ELIMINATION -----  
 ----- (A) (A) (B) (B) (C) INVESTING: Additions to property, plant and  
 equipment..... (44.0) -- -- -- -- Business acquisitions, net of cash acquired..... (35.0) -- -- -- -- Long-term  
 investments and other assets..... (0.8) -- -- -- -- Proceeds from the sale of property, plant and  
 equipment..... 2.3 -- -- -- -- Decrease (increase) in restricted cash..... -- -- -- --  
 ----- CASH FLOW USED IN INVESTING ACTIVITIES..... (77.5) -----

----- INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS..... (39.5) -- -- -- -- -- CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR..... 153.4 -- -- -- -- -- CASH AND CASH EQUIVALENTS, END OF YEAR..... \$ 113.9 \$ -- \$ -- \$ -- \$ -- \$ -- =====

===== UNREALIZED GAINS ON OBLIGATION MARKETABLE FOR EMPLOYEE RECLASSIFICATION UNDER SECURITIES FUTURE OF U.S. GAAP TO AND BENEFITS CUMULATIVE BEFORE ADJUST TO LONG-TERM OTHER THAN FLOW THROUGH TRANSLATION ADJUSTING TO EQUITY INVESTMENTS PENSIONS SHARES ADJUSTMENTS EQUITY BASIS BASIS -----

----- (D) (E) (F) (I) (K) (J) AND (K) INVESTING: Additions to property, plant and equipment..... -- -- -- -- (44.0) 3.6 Business acquisitions, net of cash acquired..... -- -- -- -- (35.0) (1.4) Long-term investments and other assets..... -- -- -- -- (0.8) -- Proceeds from the sale of property, plant and equipment..... -- -- -- -- 2.3 -- Decrease (increase) in restricted cash..... -- -- -- --

----- CASH FLOW USED IN INVESTING ACTIVITIES..... -- -- -- -- (77.5) 2.2 -----

----- INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS..... -- -- -- -- (39.5) (2.4) CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR..... -- -- -- -- 153.4 (12.5) -----

CASH AND CASH EQUIVALENTS, END OF YEAR..... \$ -- \$ -- \$ -- \$ -- \$ 113.9 \$(14.9) =====

===== UNDER U.S. GAAP ----- (RESTATED- NOTE 20(K)) INVESTING: Additions to property, plant and equipment..... (40.4) Business acquisitions, net of cash acquired..... (36.4) Long-term investments and other assets..... (0.8) Proceeds from the sale of property, plant and equipment..... 2.3 Decrease (increase) in restricted cash..... -- -----

CASH FLOW USED IN INVESTING ACTIVITIES..... (75.3) ----- INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS..... (41.9) CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR..... 140.9 -----

CASH AND CASH EQUIVALENTS, END OF YEAR..... \$ 99.0 ===== Consolidated statements of cash flows presented in accordance with U.S. GAAP would require the following changes from the consolidated statements of cash flows prepared in accordance with Canadian GAAP. (i) A sub-total within the "cash flows provided from operating activities" sub-section is not permitted, therefore the reader should disregard the subtotals of \$28.3 million, \$22.7 million and \$34.9 million for 2001, 2000 and 1999, respectively. (ii) Within cash flows provided from operating activities, the determination should begin with "net loss", instead of the "loss for the year before dividends on convertible preferred shares of subsidiary company". (iii) Under U.S. GAAP, the reduction of the debt component of convertible debentures is treated as interest expense and as a cash flow from operating activities. Under Canadian GAAP, the interest expense is classified as a financing activity. (iv) Under U.S. GAAP, notwithstanding that there is not a specific requirement to segregate the funds pursuant to the flow-through share agreements, the flow-through funds which are unexpended at the Consolidated Balance Sheet dates are considered to be restricted and are not considered to be cash or cash equivalents. Consolidated Statements of Comprehensive Loss: The Company's statements of comprehensive loss under U.S. GAAP are as follows: 2001 2000 1999 -----

	2001	2000	1999
Restated Restated Restated Note 20(k) Note 20(k) Note 20(k) Net loss for the year under U.S. GAAP.....	\$ (32.5)	\$ (113.7)	\$ (228.3)
Change in currency translation adjustments.....	(5.6)	(5.8)	7.7
Change in unrealized (losses) gains on marketable securities and long-term investments(d).....	4.5	(0.7)	3.3
Adoption of FSAS 133(e).....	8.9	--	--
Comprehensive loss under U.S. GAAP.....	\$ (24.7)	\$ (120.2)	\$ (217.3)

===== (a) Under CDN GAAP, the convertible debentures described in Note 11 are accounted for in accordance with their substance and, as such, are presented in the financial statements in their liability and equity component parts. Under U.S. GAAP, the entire principal amount of the convertible debentures of \$122.8 million and \$130.4 million in 2001 and 2000, respectively, is treated as debt with interest expense based on the coupon rate of 5.5%. In addition, under CDN GAAP, the unrealized foreign exchange gains on the CDN dollar denominated debentures (see Note 11) are deferred and amortized over the term of the debentures. Effective January 1, 2002, CDN GAAP will no longer permit the deferral of unrealized foreign exchange gains and losses on the debt component of the debentures. Under U.S. GAAP, these gains are recognized in income currently along with exchange gains related to the portion of the convertible debentures included in equity under CDN GAAP. (b) Following an evaluation of the Company's property, plant and equipment on the basis set out in Notes 1 and 15, there would be a reduction in the loss in 2001, 2000 and 1999 of \$nil, \$3.9 million and \$20.5 million, respectively. Cumulatively, as a result of applying F-68 SFAS No. 121, property, plant and equipment is reduced and the deficit increased by \$60.5 million. These differences arise from the

requirement to discount future cash flows from impaired properties under U.S. GAAP and from using proven and probable reserves only. Under CDN GAAP, future cash flows from impaired properties are not discounted. Under U.S. GAAP, depreciation, depletion and amortization would be reduced by \$6.1 million, \$7.7 million and \$4.1 million during 2001, 2000 and 1999, respectively to reflect the above and the requirement under U.S. GAAP to amortize capitalized costs over proven and probable reserves only. (c) CDN GAAP allows for the elimination of operating deficits by the reduction of stated capital attributable to common shares with a corresponding offset to the accumulated deficit. This reclassification is not permitted by U.S. GAAP and would require in each subsequent year an increase in share capital and an increase in deficit of \$5.3 million. (d) Under CDN GAAP, unrealized gains (losses) on long-term investments and marketable securities are not recorded. Under U.S. GAAP, unrealized gains (losses) on long-term investments that are classified as securities available for sale of \$4.6 million and \$0.4 million at December 31, 2001 and December 31, 2000, respectively, and marketable securities of \$0.3 million at December 31, 2001, are included as a component of comprehensive loss in the current period. (e) Under CDN GAAP, derivatives hedging forecasted transactions are off-balance sheet until the hedged transaction is recorded. Realized gains and losses on derivatives that are closed out early are initially recorded as deferred revenue or deferred charges and are recorded as an adjustment to net loss when the original hedged transaction is recorded. On January 1, 2001 the Company adopted FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133), and the corresponding amendments under FASB Statement No. 138 (SFAS 138). SFAS 133 requires that all derivative financial instruments be recognized in the financial statements and measured at fair value regardless of the purpose or intent for holding them. Changes in the fair value of derivative financial instruments are either recognized periodically in income or shareholders' equity (as a component of other comprehensive income), depending on whether the derivative is being used to hedge changes in fair value or cash flows. SFAS 138 amends certain provisions of SFAS 133 to clarify four areas causing difficulties in implementation. For derivatives designated as cash flow hedges, the effective portions of changes in fair value of the derivative are reported in other comprehensive income and are subsequently reclassified into other income when the hedged item affects other income. Changes in fair value of the derivative instruments used as economic instruments and ineffective portions of hedges are recognized in other income in the period incurred. The adoption of SFAS 133 results in a cumulative decrease in deferred revenue of \$9.6 million, a cumulative increase in other long-term liabilities of \$4.6 million, a cumulative increase in net loss of \$3.9 million, and a cumulative increase in other comprehensive income of \$8.9 million for the year ended December 31, 2001. On adoption of SFAS 133, the Company did not complete the required designation and effectiveness assessments to achieve hedge accounting for the commodity derivatives hedging gold revenues and energy price risk, although the contracts are considered to be effective economic hedges and they were accounted for as hedges for CDN GAAP purposes. For U.S. GAAP only, these derivatives were carried at fair value with the changes in fair value recorded as an adjustment to net loss. Realized and unrealized derivatives gains and losses included in OCI on transition and during 2001 were reclassified into mining revenue for cash-flow hedges of forecasted commodity sales and foreign exchange (loss) gain for forecasted foreign currency revenues or expenses when the hedged forecasted revenue or expense is recorded. During the twelve months ended December 31, 2001, \$11.6 million of derivative gains were reclassified out of other comprehensive income. The Company estimates that \$5.6 million of net derivatives gains included in other comprehensive income will be reclassified into earnings within the next twelve months. There was no ineffectiveness recorded during the year. The effect of the transition adjustment as of January 1, 2001, was an increase in assets of \$10.7 million, a decrease in deferred revenue of \$10.1 million, an increase in other long-term liabilities of \$0.3 million, and an increase in other comprehensive income of \$20.5 million. Beginning January 2002, the Company met the required documentation requirements under SFAS 133 relating to the prospective and retrospective effectiveness assessments for the commodity derivatives; thus, these derivatives were designated as cash flow hedges. The effective portions of changes in fair values of these derivatives are now recorded in other comprehensive income and are recognized in the income statement when the hedged item affects earnings. Ineffective portions of changes in fair value of cash flow hedges are recognized in earnings. (f) Under Canadian income tax legislation, a company is permitted to issue shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Company has accounted for the issue of flow-through shares using the deferral method in accordance with CDN GAAP. At the time of issue the funds received are recorded as share capital. Qualifying expenditure did not begin to be incurred until 2002. For U.S. GAAP, the premium paid in excess of the market value of \$1.1 million is credited to other liabilities and included in



income over the period in which the Company incurs the qualified expenditures. At December 31, 2001, Kinross had not incurred the qualifying expenditure and therefore no tax benefits had been renounced. Also, notwithstanding that there is not a specific requirement to segregate the funds pursuant to the flow-through share agreements, the flow-through funds which are unexpended at the Consolidated Balance Sheet dates are considered to be restricted and are not considered to be cash or cash equivalents under U.S. GAAP. As at December 31, 2001 and 2000, unexpended flow-through funds were \$4.6 million and \$1.4 million, respectively. (g) Effective January 1, 2000, CDN GAAP required the Company to accrue the expected cost of post-retirement benefits other than pensions during the years employees provided service to the Company. Under CDN GAAP the 2000 opening deficit was adjusted by \$4.5 million F-69 to reflect this liability. The U.S. GAAP consolidated statements of operations reconciliation in 1999 includes a reconciling item since the expected cost of post-retirement benefits other than pensions were not accounted for in the primary financial statements under CDN GAAP. (h) For purposes of this U.S. GAAP reconciliation, the terms "proven and probable reserves", "exploration", "development", and "production" have the same meaning under both U.S. and Canadian GAAP. Exploration costs incurred are expensed at the same point in time based on the same criteria under both U.S. and Canadian GAAP. In addition, mining related costs are capitalized after proven and probable reserves have been designated under both U.S. and Canadian GAAP. (i) Under Canadian GAAP, the unrealized translation gains and losses on the Company's net investment in self-sustaining operations translated using the current rate method accumulate in a separate component of shareholders equity, described as cumulative translation adjustments on the consolidated balance sheet. Under U.S. GAAP, the unrealized foreign exchange gains and losses would not accumulate in a separate component of shareholders equity but rather as an adjustment to accumulated other comprehensive income. (j) Joint venture accounting The investments in Omolon, CMM and E-Crete are proportionately consolidated under Canadian GAAP. These investments are accounted for using the equity method under U.S. GAAP. The Company relies on an accommodation provided for in Item 17(c)(2)(vii) of SEC Form 20-F, which permits a company using the equity method for U.S. GAAP to omit disclosure of differences arising from the use of proportionate consolidation under Canadian GAAP. Each of the joint ventures listed, except Omolon, qualifies for this accommodation on the basis that it is an operating entity, the significant financial and operating policies of which are, by contractual arrangement, jointly controlled by all parties having an equity interest in the entity. With respect to Omolon, the Company has concluded that it does not meet the criteria outlined for the accommodation. Therefore, the financial information of Omolon has been disclosed using the equity method for U.S. GAAP purposes. Under the equity method, an investment in common shares is generally shown in the balance sheet of an investor as a single amount as "Investment in investee company". Likewise, an investor's share of earnings or losses from its investment is ordinarily shown in its income statement as a single amount as "Share of loss of investee company". (k) Restatement of U.S. GAAP reconciliation information In preparing the U.S. GAAP reconciliation information for the years ended December 31, 2001, 2000 and 1999, the Company incorrectly interpreted the applicability of an accommodation provided for in Item 17(c)(2)(vii) of SEC Form 20-F. Pursuant to this incorrect interpretation, the Company did not reconcile its investment in Omolon, which is accounted for under the proportionate consolidation method pursuant to Canadian GAAP, to the equity method under U.S. GAAP. See note 20(j) above. The effect of the restatement for U.S. GAAP purposes was as follows: There was a decrease in total assets and the total liabilities of \$14.2 million and \$50.1 million, as at December 31, 2001 and 2000, respectively; total revenues decreased by \$65.3 million, \$66.3 million and \$68.6 million for the years ended December 31, 2001, 2000 and 1999, respectively; and total expenses decreased by \$60.8 million, \$66.4 million and \$69.1 million for the years ended December 31, 2001, 2000 and 1999, respectively. The effect of the reclassifications on the statement of cash flows for U.S. GAAP purposes were as follows: Cash flows from operating activities decreased by \$27.5 million, \$23.4 million and \$24.7 million for the years ended December 31, 2001, 2000 and 1999, respectively; Cash flows from investing activities increased by \$4.7 million, \$1.6 million and \$2.2 million for the years ended December 31, 2001, 2000 and 1999, respectively; and Cash flows from financing activities increased by \$34.6 million, \$19.4 million and \$20.1 million for the years ended December 31, 2001, 2000 and 1999, respectively. The impact of the reclassification on specific line items on the balance sheet, statement of operations and statement of cash flows has been provided in more detail in the above tables. Notwithstanding the change in individual asset, liability, income and expense amounts, there was no effect on the previously reported U.S. GAAP amounts for net loss, loss per share information and common shareholders' equity for each of the years presented; STOCK-BASED COMPENSATION For the purposes of this U.S. GAAP reconciliation, Kinross follows APB Opinion No. 25, "Accounting for Stock

Issued to Employees", and its related interpretations, which results in a measurement of nil compensation expense at grant date of the stock options. Had compensation expense for the stock option plans been determined based upon fair value at the grant date for awards under these plans consistent with the methodology prescribed under SFAS No. 123, "Accounting for Stock-Based Compensation", the Company's net loss and loss per share under U.S. GAAP would have been increased by approximately \$1.1 million or \$NIL per share in 2001, \$2.4 million or \$0.01 share in 2000, and \$3.0 million or \$0.01 per share in 1999. The fair value of the options granted during 2001, 2000 and 1999 is estimated to be \$1.1 million, \$2.4 million and \$3.0 million, respectively. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 2001, 2000 and 1999: dividend yield of 0%; expected volatility of 61%, 57% and 57%, respectively and an expected life of five years. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS In June 2001, the FASB issued Statement No. 141, "Business Combinations" (SFAS 141), which supersedes APB Opinion No. 16, Business Combinations, and SFAS 38, Accounting for Preacquisition Contingencies of Purchased Enterprises. Concurrently, the F-70 Accounting Standards Board of Canada issued Handbook Section 1581, "Business Combinations", which is consistent with SFAS 141. Those Statements will change the accounting for business combinations and goodwill. SFAS 141 and CICA Handbook Section 1581 require that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. Use of the pooling-of-interests method is no longer permitted. These Statements also establish criteria for separate recognition of intangible assets acquired in a purchase business combination. These Statements also apply to all business combinations accounted for using the purchase method for which the date of acquisition is July 1, 2001, or later. In June 2001, the FASB issued Statement No. 142, "Goodwill and Other Intangible Assets" (SFAS 142), which supersedes APB Opinion No. 17, Intangible Assets. Concurrently, the Accounting Standards Board of Canada issued Handbook Section 3062, "Goodwill and Other Intangible Assets", which is consistent with SFAS 142. These Statements require that goodwill no longer be amortized to earnings, but instead be reviewed for impairment. The Statements are effective for fiscal years beginning after December 15, 2001, and are required to be applied at the beginning of an entity's fiscal year and to be applied to all goodwill and other intangible assets recognized in its financial statements at that date. Impairment losses for goodwill and indefinite-lived intangible assets that arise due to the initial application of these Statements (resulting from a transitional impairment test) are to be reported as resulting from a change in accounting principle. Under an exception to the date at which these Statements become effective: goodwill and intangible assets acquired after June 30, 2001, will be subject immediately to the non-amortization and amortization provisions of these Statements. The Company has not yet determined the impact, if any, of these Statements on its financial statements. In June 2001, the FASB issued Statement No. 143, "Accounting for Asset Retirement Obligations" (SFAS 143), which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. It applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and (or) the normal operation of a long-lived asset, except for certain obligations of lessees. SFAS 143 amends SFAS 19, "Financial Accounting and Reporting by Oil and Gas Producing Companies", and requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, an entity capitalizes the cost by increasing the carrying amount of the related long-lived assets. Over time, the liability is accreted to its present value each period, and the capitalized cost is amortized over the useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. SFAS 143 is effective for financial statements issued for fiscal years beginning after June 15, 2002 with earlier application encouraged. The Company has not yet determined the impact of this Statement on its financial statements. In October 2001, the FASB issued Statement No. 144, "Accounting for the Impairment on Disposal of Long-lived Assets" (SFAS 144), which supersedes SFAS 121, Accounting for the Impairment of Long-lived Assets and for Long-lived Assets to be Disposed of SFAS 144 applies to all long-lived assets (including discontinued operations) and consequently amends APB Opinion No. 30, Reporting Results of Operations -- Reporting the Effects of Disposal of a Segment of a Business. SFAS 144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of book value or fair value less cost to sell. That requirement eliminates APB 30's requirement that discontinued operations be measured at net realizable value or that entities include under "discontinued operations" in the financial statements amounts for operating losses that have not yet occurred. Additionally, SFAS 144 expands the scope of discontinued operations to include all components of an entity with operations that (1) can be distinguished from the rest of the

entity and (2) will be eliminated from the ongoing operations of the entity in a disposal transaction. SFAS 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001, and, generally, its provisions are to be applied prospectively. The Company has not yet determined the impact of this Statement on its financial statements. In June 2002, the FASB issued Statement No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This pronouncement is effective for exit or disposal activities that are initiated after December 31, 2002 and requires these costs to be recognized when the liability is incurred and not at project initiation. The Company is reviewing the provisions of the Statement, but has not yet determined the impact of this Statement on its financial statements.

21. CONTINGENCIES AND RELATED COMMITMENTS The Company is subject to the considerations and risks of operating in Russia as a result of its 54.7% ownership of the Kubaka mine located in Far Eastern Russia. The economy of the Russian Federation continues to display characteristics of an emerging market. These characteristics include, but are not limited to, the existence of a currency that is not freely convertible outside of the country, extensive currency controls and high inflation. The prospects for future economic stability in the Russian Federation are largely dependent upon the effectiveness of economic measures undertaken by the government, together with legal, regulatory, and political developments. Russian tax legislation is subject to varying interpretations and frequent changes. Further, the interpretation of tax legislation by tax authorities as applied to the transactions and activities of the Company may not coincide with that of management. As a result, transactions may be challenged by tax authorities and the Company may be assessed additional taxes, penalties and interest, which can be significant. The fiscal periods remain open to review for three years by the tax and customs authorities with respect to tax liabilities. The Company conducts business in Russia through its joint venture, Omolon which is owned 45.3% by Russian shareholders. An assignee of one of the Russian shareholders has asserted that the original issuance of shares to the shareholder was flawed due to failure to follow certain registration procedures. As a result the assignee claims the share issuance was null and void and therefore it should have its money returned with compound interest. The total claim is for approximately \$46.0 million. The Company has been advised by its counsel that Omolon has good defences available to it on the merits and is confident that Omolon will ultimately succeed in defending the lawsuit. However, the interpretation and application of the laws of the Russian Republic may be subject to policy changes reflecting domestic political changes or other considerations. Moreover, because of the developing nature of the Russian legal system and the fact that the interpretation and application of F-71 many laws are untested, it is difficult to predict with any degree of certainty how they may be interpreted and applied in a particular case. As a consequence, other or additional penalties or remedies may be imposed. These remedies may, in addition to imposing financial obligations, otherwise adversely affect the operations or status of Omolon. The Company's 50% owned Chilean mining company Compania Minera Maricunga ("CMM") has entered into arbitration proceedings in Chile with the contractor that designed and built the mine. CMM contends that the contractor was negligent in both the design and the construction of the facility, and should be held responsible for the cost of repairs as well as lost profits. As part of the same proceedings, the contractor is seeking to recover costs that they allegedly incurred while building the mine and which, they claim, were outside their scope of work and responsibility. Although the outcome of the arbitration proceedings cannot be determined at the current time, management is of the opinion that the outcome will not have a material adverse affect on the financial position, results of operations or cash flows of the Company. The Company's 100% owned Chilean mining company, Compania Minera Kinam Guanaco ("CMKG") has received a tax reassessment from the Chilean IRS. The reassessment is for \$6.7 million disallowing certain deductions utilized by a third party. The Company believes this reassessment will be resolved with no material adverse affect to the financial position, results of operations or cash flows of the Company. In addition, the Company has been indemnified by the third party for an amount in excess of the claim. In accordance with standard industry practice, the Company seeks to obtain bonding and other insurance in respect of its liability for costs associated with the reclamation of mine, mill and other sites used in its operations and against other environmental liabilities, including liabilities imposed by statute. Due to recent developments which have affected the insurance and bonding markets worldwide, such bonding and/or insurance may be difficult or impossible to obtain in the future or may only be available at significant additional cost. In the event that such bonding and/or insurance cannot be obtained by the Company or is obtainable only at significant additional cost, the Company may become subject to financial liabilities which may affect its financial resources. The Company is also involved in legal proceedings and claims which arise in the ordinary course of its business. The Company believes these claims are without merit and is vigorously defending them. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position, results of

operations or cash flows of the Company. The Company's mining and exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

22. SUBSEQUENT EVENTS (a) On February 4, 2002, the Company announced a cash tender offer to purchase up to 894,600 Kinam Preferred Shares which it does not already own for \$16.00 per share. If all of the non-controlling shares are acquired the Company would pay \$14.3 million in cash. (b) On February 12, 2002, the Company issued 23,000,000 common shares from treasury for gross proceeds, before costs of the issue of \$19.5 million. A portion of the proceeds of this offering will be used to finance the acquisition of the Kinam Preferred Shares owned by the non-controlling shareholders. (c) On March 28, 2002, 652,992 Kinam Preferred Shares were tendered under the cash tender offer. After extending the offer an additional 17,730 Kinam Preferred Shares were tendered on April 4, 2002, leaving 223,878 or 12.2% of the issued and outstanding Kinam Preferred Shares held by non-affiliated shareholders. The Kinam Preferred Shares tendered had a book value of \$36.5 million and were purchased by the Company for \$10.7 million (\$11.4 million including costs of the tender offer). The \$25.1 million difference in value associated with these transactions was applied against the carrying value of certain property plant and equipment. (d) The Company has been named as a defendant in a class action complaint filed on or about April 26, 2002 entitled Robert A. Brown et al. v. Kinross Gold U.S.A. Inc., et al. Case No. CV-S-02-0605-KJD-RJJ, brought in the United States District Court for the District of Nevada. The complaint names as defendants the Company, its subsidiary, Kinross Gold U.S.A. Inc., its subsidiary Kinam Gold Inc., and Robert M. Buchan. The complaint is based on claims arising out of the purchase of the Kinam Preferred Shares by the Company. The complaint seeks damages in cash or by the issuance of common shares of the Company. The Company believes this claim is without merit and plans to vigorously defend the litigation. (e) The Company, TVX Gold Inc. ("TVX") and Echo Bay Mines Ltd. ("Echo Bay") have entered into a combination agreement dated June 10, 2002, as amended July 12, 2002 for the purpose of combining the ownership of their respective businesses. Echo Bay, a U.S. registrant, is required to clear the information circular with the Securities and Exchange Commission of the U.S. ("SEC") before mailing to its shareholders. The draft information circular was filed with the SEC for review on July 16, 2002. The Company will provide shareholders with details of the transaction in an information circular to be mailed in connection with a special shareholders meeting once this process is finalized. (f) Effective July 1, 2002, the Company formed a joint venture with a wholly owned subsidiary of Placer Dome Inc. ("Placer"). The formation of the joint venture combined the two companies gold mining operations in the Porcupine district in Timmins, Ontario, Canada. The ownership of this unincorporated joint venture is 51% by Placer and 49% by the Company. The joint venture operates pursuant to a contractual agreement and both parties receive their share of gold output in kind. Future capital, exploration, and operating costs will be funded in proportion to each party's ownership interest. Placer contributed the Dome mine and mill and the Company contributed the Hoyle Pond, Nighthawk Lake and Pamour mines, exploration properties in the Porcupine district as well as the Bell Creek mill. F-72 The formation of the joint venture has been accounted for as an exchange of non-monetary assets that does not represent the culmination of the earnings process, and accordingly, has been recorded at the carrying value of the assets contributed. The investment in the joint venture is being accounted for under Canadian GAAP using proportionate consolidation. For U.S. GAAP purposes, the Company has concluded it will account for this investment using the equity method, but for purposes of presentation of U.S. GAAP reconciliation information the Company will rely on an accommodation provided for in Item 17(c)(2)(vii) of SEC Form 20-F, which will permit a company using the equity method for U.S. GAAP Company to omit disclosure of differences arising from the use of proportionate consolidation under Canadian GAAP. The Company qualifies for this accommodation on the basis that the joint venture is an operating entity, the significant financial operating policies of which are, by contractual arrangement, jointly controlled by both parties having an equity interest in the joint venture. (g) On September 13, 2002, the Company announced that Omolon was at an advanced stage of negotiating a settlement of an outstanding dispute between itself, several of its Russian shareholders and the Magadan Administration. Draft language of an agreement was being settled when one of the Russian shareholders obtained an order to freeze Omolon's bank accounts and gold inventory in the total amount of the ruble equivalent of approximately \$47 million pending final resolution of its lawsuit. Underlying the dispute were unpaid loans made by the Magadan Administration to Omolon's Russian shareholders at the time Omolon was capitalized. In

the face of the inability of these shareholders to repay the loans, there has been an effort to shift the burden of repayment to Omolon. Two Russian shareholders and the Magadan Administration on behalf of a third Russian shareholder have launched lawsuits against Omolon alleging that the shares they received were flawed as a result of registration deficiencies which therefore entitles such shareholders to return of their original investments with interest compounded thereon. These lawsuits have been encouraged by the Magadan Administration as the major creditor of these shareholders. Omolon continues to defend these lawsuits and is advised by counsel that it has good defences available to it. On October 9, 2002, a written agreement in principle was executed by the representatives of the Government of the Russian Federation, the Magadan Administration, Omolon and its two major shareholders (collectively, the "Parties") setting forth their agreement in principle to resolve the lawsuits by such shareholders pending against Omolon and to repay loans due to the Magadan Administration. In accordance with the terms of the agreement in principle, Omolon would purchase the outstanding shares currently held by all of its Russian shareholders for the ruble equivalent of \$45.4 million and the Magadan Administration would ensure that all of the shares held by the Russian shareholders will be tendered. Omolon's appeal of the court decision which froze its bank accounts, resulted, on October 14, 2002, in the court ruling that the amount of the assets covered by the arrest order should be lowered to the ruble equivalent of approximately \$22.3 million. Subsequently, Omolon's accounts in four banks and all of its gold inventory were released from the arrest order. On October 21, 2002, the Parties executed an additional written agreement in principle reflecting their understanding with respect to the mechanics of the redemption of the shares and settlement of the pending lawsuits. The implementation of both the October 9 and the October 21 agreements in principle has already begun, and it is expected that the entire transaction should be completed by the end of December 2002. Assuming that all Russian shareholders tender their shares, Omolon would become a 100%-owned subsidiary of the Company and, consistent with its accounting policies, the Company will commence accounting for its investment in Omolon on a consolidated basis for both Canadian and U.S. GAAP. Given the risks associated with the political, legal and economic uncertainties that exist in Russia, the Company will continue to monitor its ability to determine Omolon's strategic operating, investing and financing policies without the cooperation of others. If the Company concludes that it no longer has the ability to exercise the requisite control over Omolon, it will cease consolidation and account for its investment in Omolon either on the equity or cost basis, depending on its assessment of its level of control at that time. The risks of operating in Russia are more fully disclosed in Note 21. There is no assurance that all of these shares will be tendered and purchased.

	2002	2001	2002	2001		2002	2001	2002	2001			
REVENUE.....	\$46,480	\$40,061	\$135,683	\$119,312								
OPERATING COSTS												
Cost of sales.....	29,356	25,839	89,569	79,922	Depletion and							
depreciation.....	7,991	10,784	24,566	29,806		37,347	36,623	114,135	109,728			
		EARNINGS BEFORE THE UNDERNOTED.....		9,133		3,438		21,548		9,584		
		OTHER EXPENSES (INCOME)		Corporate administration.....		1,927		1,916				
4,748	6,854	Interest expense.....	157	989	551	3,214	Exploration.....	986				
357	2,708	2,492	Transaction costs.....	592	--	2,478	--	Foreign exchange loss.....				
1,064	2,342	3,693	4,199	Interest income.....	(750)	(1,293)	(3,091)	(4,978)	Other,			
				net.....	(1,103)	932	(2,785)	178				
									2,873	5,243	8,302	11,959
		EARNINGS (LOSS) BEFORE THE UNDERNOTED.....		6,260		(1,805)		13,246		(2,375)		
Income taxes.....	1,421	2,368	2,441	1,410	Minority interests and participation rights (note							
8).....	2,911	(3,063)	6,568	(3,864)			NET EARNINGS					
(LOSS).....	\$ 1,928	\$(1,110)	\$ 4,237	\$ 79			EARNINGS					
PER SHARE (RESTATE												
D -- NOTE 4).....	\$ 0.04	\$ 1.02	\$ 0.11	\$ 2.13			DILUTED EARNINGS PER SHARE (RESTATE					
D -- NOTE 4).....	\$ 0.04	\$ 1.02	\$ 0.10	\$ 2.13			D -- NOTE 4).....					
							TVX GOLD INC. CONSOLIDATED STATEMENTS OF DEFICIT					
							(thousands of United States dollars) (Unaudited) THREE MONTHS ENDED NINE MONTHS ENDED					
							SEPTEMBER 30, SEPTEMBER 30, -----					
							2002 2001 2002 2001 -----					
Deficit, beginning of period.....	\$(454,122)	\$(226,981)	\$(456,431)	\$( 221,837)	Net earnings							

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(loss) for the period.....	1,928	(1,110)	4,237	79	Accretion of convertible notes.....	--	(333)	--	(6,666)
-----	-----	-----	-----	-----	Deficit, end of period.....	\$	(452,194)	\$	(228,424) \$
(228,424) =====	=====	=====	=====	=====	F-74 TVX GOLD INC. CONSOLIDATED				
BALANCE SHEETS (thousands of United States dollars) (Unaudited) SEPTEMBER 30, 2002 DECEMBER 31, 2001									
-----	ASSETS Current assets Cash and cash equivalents.....								
16,568	Short-term investments.....	4,187	28,740	Accounts receivable.....	\$	108,472	\$		
22,376	25,739	Inventories.....	21,184	24,299	-----	-----	156,219	95,346	Mining
		property, plant and equipment.....	227,069	237,262	Restricted cash.....				9,121
16,615	Export prepayment contracts (note 6).....	--	66,983	Deferred charges.....					
4,980	182	Deferred income taxes.....	12,262	12,473	Other assets.....				
23,433	29,434	-----	-----	\$433,084	\$458,295	=====	=====	LIABILITIES Current liabilities Accounts	
		payable and accrued liabilities.....	\$	25,582	\$	28,266	Current portion of long-term debt.....		2,250
15,401	Current portion of deferred revenue.....	6,131	5,332	-----	-----	33,963	48,999	Long-term	
		debt.....	--	58,832	Other liabilities.....			23,665	22,943
		taxes.....	20,123	20,948	-----	-----	77,751	151,722	Minority interests and participation
		rights.....	129,756	132,088	-----	-----	207,507	283,810	-----
		Capital stock.....	641,516	594,661	Contributed surplus.....				36,255
36,255	Deficit.....	(452,194)	(456,431)	-----	-----	225,577	174,485	-----	
\$433,084	\$458,295	=====	=====	F-75 TVX GOLD INC. CONSOLIDATED STATEMENTS OF CASH					
FLOWS (thousands of United States dollars) (Unaudited) THREE MONTHS ENDED NINE MONTHS ENDED									
SEPTEMBER 30, SEPTEMBER 30,	-----	-----	2002	2001	2002	2001	-----	-----	-----
-----	OPERATING ACTIVITIES Net earnings (loss).....								
			\$	1,928	\$	(1,110)	\$	4,237	\$
				79	Non-cash				
					items: Depletion and depreciation.....	7,991	10,784	24,566	29,806
					Gain on sale of other				
					assets.....	(373)	--	(1,675)	--
					Deferred income taxes.....	(216)	(3,517)	(605)	(5,220)
					Minority				
					interests and participation rights.....	2,911	(3,063)	6,568	(3,864)
					Other.....	(478)	1,748	497	
					Deferred revenue.....	(1,334)	(1,922)	(3,999)	(4,596)
					Net proceeds from hedge book				
					restructuring.....	--	16,801	--	16,801
					-----	-----	10,429	19,721	29,589
					Change in working				
					capital.....	2,776	5,157	1,982	1,340
					-----	-----	-----	-----	-----
					Cash provided by operating				
					activities.....	13,205	24,878	31,571	35,929
					-----	-----	-----	-----	-----
					INVESTING ACTIVITIES Mining				
					property, plant and equipment.....	(4,110)	(7,623)	(12,898)	(20,615)
					Decrease (increase) in restricted				
					cash.....	7,499	(1,270)	7,494	(2,140)
					Purchases of short-term investments.....	(2,281)	(19,193)	(28,748)	
					(37,949) Sales and maturities of short-term investments.....	10,477	12,323	53,301	74,132
					Payment of receivable from				
					High River Gold Mines Ltd.....	179	1,168	2,794	1,999
					Export prepayment				
					contracts.....	--	--	(25,848)	Proceeds from sale of other assets.....
						618	--	4,495	--
					Other.....	1,005	948	940	(142)
					-----	-----	-----	-----	-----
					Cash provided by (used for)				
					investing activities.....	13,387	(13,647)	27,378	(10,563)
					-----	-----	-----	-----	-----
					FINANCING ACTIVITIES				
					Gold-linked convertible notes.....	--	(3,568)	--	(9,173)
					Common shares.....				363
					(2,234) 46,855 (2,234) Minority interest dividends.....	(5,400)	--	(8,900)	(16,916)
					Debtenture				
					payable.....	--	--	(26,855)	Long-term debt.....
						(3,000)	(19,880)	(5,000)	474
					-----	-----	-----	-----	-----
					Cash provided by (used for) financing activities.....	(8,037)	(25,682)	32,955	(54,704)
					-----	-----	-----	-----	-----
					INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....		18,555	(14,451)	
					91,904 (29,338) Cash and cash equivalents, beginning of period.....	89,917	34,409	16,568	49,296
					-----	-----	-----	-----	-----
					CASH AND CASH EQUIVALENTS, END OF PERIOD.....	\$	108,472	\$	19,958 \$108,472 \$
					19,958 =====	=====	=====	=====	=====

F-76 TVX GOLD INC. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) September 30, 2002 (United States dollars, unless otherwise stated. All amounts are expressed in thousands, except number of shares and per share amounts, unless otherwise stated) 1. BASIS OF PRESENTATION These unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("GAAP") for interim financial information. Accordingly, these interim consolidated financial statements do not include all information and note disclosures required under GAAP and they should be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2001. The interim financial statements follow the same accounting

policies and methods of their application as the most recent consolidated annual financial statements except for the adoption of new standards described in note 3. 2. BUSINESS COMBINATION During the second quarter, the Company, Kinross Gold Corporation and Echo Bay Mines Ltd. entered into an agreement to combine their respective companies while concurrently acquiring Newmont's interest in the TVX Newmont joint entity. The combination is subject to regulatory and shareholder approval. TVX shareholders will receive 6.5 shares of Kinross for every common share of TVX that they hold at the time of the final approval of the combination. Similar to other transactions of this nature the Company could be subject to break fees of up to Cdn\$28 million and other transaction expenses should the transaction not close. 3. CHANGES IN ACCOUNTING POLICIES Effective January 1, 2002, the Company adopted a new accounting standard issued by the Canadian Institute of Chartered Accountants ("CICA") relating to stock-based compensation and other stock-based payments. This new standard requires either the recognition of compensation expense for grants of stock, stock options and other equity instruments to employees, or, alternatively, the disclosure of pro forma net earnings and net earnings per share data as if stock-based compensation had been recognized in earnings. The Company has elected to disclose pro forma net earnings and earnings per share data for options granted after January 1, 2002. Therefore, there is no effect of adopting this standard on the Company's results of operations and financial position. Also, effective January 1, 2002, the Company adopted retroactively a new CICA accounting standard in respect of foreign currency translation that eliminates the deferral and amortization of currency translation adjustments related to long-term monetary items with a fixed and ascertainable life. There is no impact on the Company's results of operations and financial position as a result of adoption of this new standard. 4. COMMON SHARES AND EARNINGS PER SHARE Basic earnings per share is computed by dividing the earnings applicable to common shares for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing the earnings applicable to common shares for the period by the weighted average number of common shares outstanding had potentially dilutive common shares been issued. Effective June 30, 2002, the Company consolidated its common shares on a ten (10) old for one (1) new basis. All earning per share, share capital, share options and warrant data in the consolidated financial statements have been restated to reflect the share consolidation. The number of common shares outstanding at September 30, 2002 was 43,145,008 (December 31, 2001 -- 35,722,353). At September 30, 2002, the Company had 906,695 stock options and 8,000 warrants outstanding. F-77 Basic earnings per share is computed as follows: THREE MONTHS ENDED NINE MONTHS ENDED SEPTEMBER 30, SEPTEMBER 30, ----- 2002 2001 2002 2001

	Restated	Restated	(in thousands except per share amounts)	BASIC EARNINGS PER SHARE
Net earnings (loss).....	\$ 1,928	\$(1,110)	\$4,237	\$ 79
Increase from the settlement of the Gold-linked convertible Notes.....	-- 34,729	-- 34,729	Interest accretion on Gold-linked convertible Notes.....	-- (55) -- (1,107) -----
Net earnings applicable to common shares.....	\$ 1,928	\$33,286	\$4,237	\$28,142 =====
Weighted average common shares outstanding (000s).....	43,120	32,577	40,316	13,229 =====
Basic earnings per common share(1).....	0.04	1.02	0.11	2.13 =====
DILUTED EARNINGS PER SHARE Net earnings applicable to common shares, assuming dilution.....	1,928	33,286	4,237	28,142 =====
Weighted average common shares outstanding (000s).....	43,120	32,577	40,316	13,229
Dilutive effect of stock options.....	544	-- 421	-- -----	43,664 32,577 40,737 13,229 =====
Diluted earnings per common share.....	0.04	1.02	0.10	2.13 =====

(1) The Company has restated its earnings (loss) per share for the nine-month period ended September 30, 2001 from \$(0.50) per share to \$2.13 per share (three-months ended September 30, 2001 from \$(0.04) to \$1.02) to include, for the purposes of the loss per share calculation, the increase in contributed surplus resulting from the settlement of the gold-linked notes, described in Note 9 to the consolidated financial statements for the year ended December 31, 2001, in the determination of the loss applicable to common shares. There has been no change in the amount reported as loss for the year ended December 31, 2001 and the period ended September 30, 2001. 5. COMMITMENTS AND CONTINGENCIES a) ALPHA GROUP LITIGATION The Ontario Court (General Division) issued its judgement in connection with the claim against TVX Gold Inc. (TVX) by three individuals (collectively the "Alpha Group") on October 14, 1998 relating to TVX's interest in the Hellenic Gold mining assets in Greece (the "Hellenic Gold Assets"). The Court rejected full ownership and monetary damages claims but did award the Alpha Group a 12% carried interest and a right to acquire a further 12% participating interest

in the Hellenic Gold Assets. TVX filed a notice to appeal and the Alpha Group filed a notice of cross-appeal. Subsequent to the trial decision, the Company received notification of two actions commenced by 1235866 Ontario Inc. ("1235866") the successor to Curragh Inc. ("Curragh"), Mineral Services Limited ("Mineral") and Curragh Limited ("Curragh Ltd.") against the Alpha Group, and others, in Ontario and English Courts, in relation to the claim by the Alpha Group against the Company for an interest in the Hellenic Gold Assets. On July 28, 1999, the Company entered into an agreement with 1235866 to ensure that these new claims would not result in any additional diminution of the Company's interest in the Hellenic Gold Assets. 1235866 agreed not to pursue any claim against the Company for an interest in the Hellenic Gold Assets beyond the interest which had been awarded to the Alpha Group. In the event that 1235866 is successful in its claim against the Alpha Group, 1235866 would be entitled to a 12% carried interest as defined in the agreement (being an economic interest) and the right to acquire a 12% participating interest upon payment of 12% of the aggregate amounts expended by the Company and its subsidiaries in connection with the acquisition, exploration, development and operation of the Hellenic Gold Assets up to the date of the exercise. The Company's appeal, the Alpha Group cross-appeal and the 1235866 motion were all heard on February 17, 18 and 25, 2000. By judgement released on June 1, 2000, the Court of Appeal, while partially granting the TVX appeal, essentially upheld the trial decision, rejected the Alpha Group cross-appeal and denied the 1235866 motion for a new trial. The result is that TVX holds, as constructive trustee, a 12% carried interest and a right to acquire a 12% participating interest in the Hellenic Gold Assets upon payment of costs associated with that interest. 1235866 continues its separate action against the Alpha Group. TVX and the Alpha Group have been unable to agree on the definition and application of the interests awarded in the trial judgement. Accordingly, in June, 2001, a new action was commenced between the Alpha Group and TVX to clarify the award. TVX anticipates that the hearing with respect to such matter may be held in 2004. The amount of a loss, if any, cannot be determined at this time. F-78 b) LITIGATION IN GREECE On March 1, 2002, the Conseil d'Etat, the Greek Supreme Court, issued its judgment, which annulled the purportedly valid permits issued by the Greek Government to TVX Hellas with respect to the Olympias project. Given the Court decision prohibiting the development, the Company is reviewing all of its options, including possible legal actions, in an attempt to recover its investments in Greece. As a result of the judgment, the Company wrote off the carrying value of Olympias during 2001. On February 15, 2002, a new mining permit, allowing for the continuation of mining beneath the village of Stratoniki was issued to TVX Hellas. A local action group filed a Petition of Annulment against the Greek Government to have the new permit annulled. This action was heard on June 7, 2002. The Judge Rapporteur, who reviewed the petition, expressed the opinion that an environmental impact study may be required in support of the permits. However, the Judge accepted that the opposite opinion may also be supported, i.e., that the activities covered by the new permits which were issued do not cause a substantial environmental change as compared with the previous mining activities and, therefore, no new environmental impact study is required in which case the permit approving the new technical study would be valid. The Judge Rapporteur also recommended the rejection of all the other arguments for the annulment brought forward by the opposition group and mining operations are continuing. On December 9, 2002, the Company was advised that the Conseil D'Etat had released its decision on the challenge to the Stratoniki mining permits. The Company has been advised that the court ruled that TVX Hellas is not required to submit a new environmental impact study to support the relevant mine permits. The court also ruled, however, that the Greek Government had improperly issued the new mining permits because the Ministry of Development had not obtained a joint ministerial decision signed by five relevant ministries prior to issuing the permits. The Company is continuing to assess the impact of the decision and mining operations are continuing pending receipt of the new mining permits. The Greek Government has undertaken to obtain the necessary decisions and has advised that, in the meantime, the continued, unobstructed operations of TVX Hellas are secure. It is anticipated that the re-approval of the permits will be issued in January 2003. The amount of a loss, if any, cannot be determined at this time. c) HELLENIC GOLD COMMITMENTS Pursuant to the acquisition contract of the Hellenic Gold assets in 1995 the Company has the obligation to fulfill the following: (1) Gold Plant Guarantee -- the Company is obligated to construct a gold plant within two years from receiving all applicable licenses, which may be extended by a further eight months under certain circumstances. The Company pledged \$7.5 million to satisfy a GRD2.6 billion guarantee; (2) employment must be offered by the construction contractor to 150 former employees of Hellenic Gold for a period of 18 months, during the construction of the gold plant; (3) the Company is also obligated to employ at least 477 employees for a period of 10 years to maintain its eligibility for government grants. In August 2002, the Greek government returned the letter of guarantee to the Company in connection with the commitment to construct a



gold plant at Olympias. As a result, the \$7.5 million pledge was released. d) BRASILIA MINE In September 2001, Rio Tinto Brasil Ltda., a subsidiary of Rio Tinto PLC, purported to terminate the shareholders agreement relating to Rio Paracatu Mineracao S.A., the operating corporation which holds the Brasilia mine. Rio Tinto Brasil also caused Rio Paracatu to call a meeting of its shareholders to amend its Articles of Association. The proposed amendments would permit Rio Tinto Brasil to have sole decision-making authority over Rio Paracatu through its 51% interest. Rio Tinto Brasil alleged that the transaction resulting in the formation of TVX Newmont Americas joint venture (formerly, TVX Normandy Americas joint venture) in June 1999 and the resignation of the former Chairman and Chief Executive officer of TVX in April 2001 had triggered rights of first refusal under the shareholders agreement in favour of Rio Tinto Brasil and as such rights were not made available to Rio Tinto Brasil, it was permitted to terminate the shareholders agreement. The TVX Newmont Americas joint venture disagrees with Rio Tinto Brasil's interpretation of the shareholders agreement and was successful in obtaining an injunction against Rio Paracatu from holding the proposed shareholders meeting. Following the granting of the injunction, in November 2001, the TVX Newmont Americas joint venture commenced a claim in Brazil against Rio Tinto Brasil and Rio Paracatu to declare that the shareholders agreement continues to be valid. Rio Tinto Brasil and the TVX Newmont Americas joint venture have each filed pleadings with respect to this action. In October 2002, Rio Tinto Brasil again caused Rio Paracatu to call a meeting of its shareholders and TVX Newmont Americas was successful in obtaining another injunction. Subsequently, Rio Tinto Brasil and TVX Newmont Americas agreed to freeze litigation activities until the end of January 2003 which date coincides with the termination date specified in the combination agreement among Kinross, TVX and Echo Bay. In the event the matter proceeds following the freeze of the litigation, TVX anticipates that the decision of the court will be made within the next year. In the event that Rio Tinto Brasil is successful in having the court rule that its termination of the shareholders agreement was valid, TVX would not be able to exercise joint control of Rio Paracatu under the terms of the agreement. In the event of such outcome, TVX will evaluate other legal remedies with respect to the management of Rio Paracatu. If TVX is not able to retain joint control of Rio Paracatu, management of Rio Paracatu and operation of the Brasilia Mine would be subject to the discretion of Rio Tinto Brasil. Further upon a loss of joint control, TVX would no longer proportionately consolidate its interest in Rio Paracatu and would account for its interest using the equity method under Canadian and U.S. GAAP. The termination of the shareholders agreement would not effect the TVX's current ownership interest in Rio Paracatu and the amount of a loss, if any, cannot be determined at this time. F-79 6. EXPORT PREPAYMENT CONTRACTS During June 2002, under an Amended and Restated Debt Assumption Agreement, long-term debt in an amount of \$66,983 was legally extinguished. Consequently, the debt and the related export prepayment contract balances were removed from the consolidated balance sheet in a non-cash transaction. 7. SEGMENTED INFORMATION NINE MONTHS ENDED SEPTEMBER 30, 2002 (US\$ thousands) NEW STRATONI GREECE LA COIPA BRASILIA CRIXAS MUSSELWHITE BRITANNIA OPERATIONS DEVELOPMENT -----

Revenue.....	32,700	26,524	22,379	13,917	14,088	21,986	--	-----
Cost of sales.....	25,052	13,977	7,544	10,579	8,936	23,481	--	Depletion and depreciation..... 8,964
	4,480	3,861	2,455	2,961	1,781		--	34,016 18,457 11,405 13,034 11,897 25,262
							--	Earnings (loss) from operations before the undernoted..... (1,316) 8,067
	10,974	883	2,191	(3,276)			--	Corporate administration..... -- -- -- --
Interest expense.....	146	137	192	--	--	--	--	Exploration..... 347 -- 368 613 800 -- -- Transaction costs..... -- -- -- -- Foreign exchange (gain) loss..... (456) 5,100 311 324 (28) 707 -- Interest income..... (20) (1,213) (524) (28) -- -- Other, net..... (141) (12) 81 24 -- -- -- -- (124) 4,012 428 933 772 707 -- -- -- -- Earnings (loss) before the undernoted..... (1,192) 4,055 10,546 (50) 1,419 (3,983) -- Income taxes (recovery)..... 556 (471) 992 -- -- -- -- Minority interests and participation rights..... (874) 2,263 4,777 (25) 710 -- -- -- -- Net earnings (loss)..... (874) 2,263 4,777 (25) 709 (3,983) -- ===== ===== =====
							--	Cash and cash equivalents..... 4,021 1,032 4,962 364 34 618 -- Mining property, plant and equipment expenditures..... 1,965 1,874 2,530 3,802 1,199 1,513 -- Mining property, plant and equipment..... 65,725 62,156 24,387 47,583 7,849 4,218 15,000 Total assets..... 77,626 78,867 33,431 51,309 10,929 13,493 15,000 CORPORATE/ OTHERS TOTAL ----- Revenue..... 4,089 135,683 ----- Cost of sales..... -- 89,569 Depletion and depreciation..... 64 24,566 ----- 64 114,135 ----- Earnings (loss) from operations before the undernoted..... 4,025 21,548 -----

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----- Corporate administration..... 4,748 4,748 Interest expense..... 76 551 Exploration.....  
580 2,708 Transaction costs..... 2,478 2,478 Foreign exchange (gain) loss..... (2,265) 3,693 Interest  
income..... (1,306) (3,091) Other, net..... (2,737) (2,785) ----- ----- 1,574 8,302 -----  
Earnings (loss) before the undernoted..... 2,451 13,246 Income taxes (recovery)..... 1,364 2,441  
Minority interests and participation rights..... (283) 6,568 ----- ----- Net earnings (loss)..... 1,370 4,237  
===== Cash and cash equivalents..... 97,441 108,472 Mining property, plant and equipment  
expenditures..... 15 12,898 Mining property, plant and equipment..... 151 227,069 Total  
assets..... 152,429 433,084 F-80 NINE MONTHS ENDED SEPTEMBER 30, 2001 (US\$ thousands) NEW  
STRATONI GREECE LA COIPA BRASILIA CRIXAS MUSSELWHITE BRITANNIA OPERATIONS  
DEVELOPMENT ----- Revenue..... 29,699 19,202  
20,305 15,160 11,919 18,736 -- ----- Cost of sales..... 22,538 13,561 8,024  
10,815 8,190 16,794 -- Depletion and depreciation..... 10,768 5,078 3,725 4,514 4,457 1,096 -- -----  
----- 33,306 18,639 11,749 15,329 12,647 17,890 -- ----- Earnings  
(loss) from operations before the undernoted..... (3,607) 563 8,556 (169) (728) 846 -- -----  
----- Corporate administration..... -- -- -- -- Interest expense..... 267 564 417 -- -- --  
Exploration..... 278 -- 70 441 348 -- -- Foreign exchange (gain) loss..... -- 3,715 1,391 101 48 -- --  
Interest income..... (17) (1,410) (805) (42) -- -- -- Other, net..... 635 (2) 7 1 -- -- --  
----- 1,163 2,867 1,080 501 396 -- -- -- Earnings (loss)  
before taxes..... (4,770) (2,304) 7,476 (670) (1,124) 846 -- Income taxes (recovery)..... (358) (525) 979 -- -- --  
Minority interests and participation rights..... (2,206) (890) 3,249 (335) (562) -- -- --  
----- Net earnings (loss)..... (2,206) (889) 3,248 (335) (562) 846 -- =====  
===== Mining property, plant and equipment expenditures..... 5,294 1,468 2,094 2,615 1,021  
2,792 5,243 CORPORATE/ OTHERS TOTAL ----- Revenue..... 4,291 119,312 -----  
Cost of sales..... -- 79,922 Depletion and depreciation..... 168 29,806 ----- 168 109,728 -----  
Earnings (loss) from operations before the undernoted..... 4,123 9,584 ----- Corporate administration.....  
6,854 6,854 Interest expense..... 1,966 3,214 Exploration..... 1,355 2,492 Foreign exchange (gain)  
loss..... (1,056) 4,199 Interest income..... (2,704) (4,978) Other, net..... (463) 178 -----  
5,952 11,959 ----- Earnings (loss) before taxes..... (1,829) (2,375) Income taxes (recovery)..... 1,314 1,410  
Minority interests and participation rights..... (3,120) (3,864) ----- Net earnings (loss)..... (23) 79  
===== Mining property, plant and equipment expenditures..... 88 20,615 THREE MONTHS ENDED  
SEPTEMBER 30, 2002 (US\$ thousands) NEW STRATONI GREECE LA COIPA BRASILIA CRIXAS  
MUSSELWHITE BRITANNIA OPERATIONS DEVELOPMENT -----  
----- Revenue..... 11,112 10,280 7,785 4,518 4,613 6,838 -- ----- Cost  
of sales..... 8,211 4,403 2,275 3,571 2,945 7,951 -- Depletion and depreciation..... 2,935 1,640 1,367 259  
1,129 641 -- ----- 11,146 6,043 3,642 3,830 4,074 8,592 -- -----  
-- Earnings (loss) from operations before the undernoted..... (34) 4,237 4,143 688 539 (1,754) -- -----  
----- Corporate administration..... -- -- -- -- Interest expense..... 35 45 44 -- -- --  
Exploration..... 206 -- 225 158 239 -- -- Transaction costs..... -- -- -- -- Foreign exchange  
(gain) loss..... (283) 2,644 (149) 424 35 -- -- Interest income..... (9) (103) (126) (13) -- -- -- Other,  
net..... (52) 1 79 14 -- -- -- (103) 2,587 73 583 274 -- -- --  
----- Earnings (loss) before the undernoted..... 69 1,650 4,070 105 265 (1,754) -- Income taxes  
(recovery)..... 474 (174) 275 -- -- -- Minority interests and participation rights..... (202) 912  
1,897 53 133 -- -- -- Net earnings (loss)..... (203) 912 1,898 52 132 (1,754) --  
===== Mining property, plant and equipment  
expenditures..... 686 934 404 866 426 794 -- CORPORATE/ OTHERS TOTAL -----  
Revenue..... 1,334 46,480 ----- Cost of sales..... -- 29,356 Depletion and  
depreciation..... 20 7,991 ----- 20 37,347 ----- Earnings (loss) from operations before the  
undernoted..... 1,314 9,133 ----- Corporate administration..... 1,927 1,927 Interest expense.....  
33 157 Exploration..... 158 986 Transaction costs..... 592 592 Foreign exchange (gain) loss.....  
(1,607) 1,064 Interest income..... (499) (750) Other, net..... (1,145) (1,103) ----- (541)  
2,873 ----- Earnings (loss) before the undernoted..... 1,855 6,260 Income taxes (recovery).....

846	1,421	Minority interests and participation rights.....	118	2,911	-----	-----	Net earnings (loss).....	891	1,928	=====	=====	Mining property, plant and equipment expenditures.....	--	
4,110	F-81	THREE MONTHS ENDED SEPTEMBER 30, 2001 (US\$ thousands)	NEW STRATONI	GREECE	LA	COIPA	BRASILIA	CRIXAS	MUSSEL	WHITE	BRITANNIA	OPERATIONS	DEVELOPMENT	-----
-----	-----	Revenue.....	10,953	6,352	6,977	5,292	4,293	5,128	--	-----	-----	Cost of sales.....	7,841	
-----	-----	Depletion and depreciation.....	3,985	1,744	1,257	1,788	1,533	454	--	-----	-----	Earnings (loss) from operations before the undernoted.....	(873)	
4,294	4,749	--	-----	-----	-----	-----	-----	-----	-----	-----	-----	Corporate administration.....	--	
131	3,183	(424)	(1)	379	--	-----	-----	-----	-----	-----	-----	Interest expense.....	69	
564	92	--	--	--	--	-----	-----	-----	-----	-----	-----	Exploration.....	73	
22	30	170	--	--	-----	-----	-----	-----	-----	-----	-----	Foreign exchange (gain) loss.....	--	
1,990	667	83	(37)	--	--	-----	-----	-----	-----	-----	-----	Interest income.....	(3)	
(145)	(392)	(27)	--	--	-----	-----	-----	-----	-----	-----	-----	Other, net.....	183	
2	11	1	--	--	-----	-----	-----	-----	-----	-----	-----	Earnings (loss) before taxes.....	(1,195)	
(2,280)	2,783	(511)	(134)	379	--	-----	-----	-----	-----	-----	-----	Income taxes (recovery).....	(68)	
744	353	--	--	--	-----	-----	-----	-----	-----	-----	-----	Minority interests and participation rights.....	(563)	
(1,512)	1,215	(256)	(67)	--	-----	-----	-----	-----	-----	-----	-----	Net earnings (loss).....	(564)	
(1,512)	1,215	(255)	(67)	379	--	=====	=====	=====	=====	=====	=====	Mining property, plant and equipment expenditures.....	883	
504	938	1,518	287	879	2,529	CORPORATE/ OTHERS TOTAL	-----	-----	-----	-----	-----	Revenue.....	1,066	
40,061	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	Cost of sales.....	--	
25,839	Depletion and depreciation.....	23	10,784	-----	-----	-----	-----	-----	-----	-----	-----	Earnings (loss) from operations before the undernoted.....	1,043	
3,438	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	Corporate administration.....	1,916	
1,916	Interest expense.....	264	989	Exploration.....	62	357	Foreign exchange (gain) loss.....	(361)	2,342	Interest income.....	(726)	(1,293)	Other, net.....	735
932	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	Earnings (loss) before taxes.....	(847)	
(1,805)	Income taxes (recovery).....	1,339	2,368	Minority interests and participation rights.....	(1,880)	(3,063)	-----	-----	-----	-----	-----	Net earnings (loss).....	(306)	
(1,110)	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	Mining property, plant and equipment expenditures.....	85	
7,623	GEOGRAPHIC SEGMENTS ARE AS FOLLOWS: (US\$ thousands)	THREE MONTHS ENDED NINE MONTHS ENDED	-----	-----	-----	-----	-----	-----	-----	-----	-----	SEPTEMBER 30, SEPTEMBER 30,	SEPTEMBER 30,	
SEPTEMBER 30,	SEPTEMBER 30,	SEPTEMBER 30,	2002	2002	2001	2001	-----	-----	-----	-----	-----	REVENUE	Canada.....	
10,465	10,651	32,094	31,370	Chile.....	11,112	10,953	32,700	29,699	Brazil.....	18,065	13,329	48,903	39,507	
6,838	5,128	21,986	18,736	-----	-----	-----	-----	-----	-----	-----	-----	46,480	40,061	
135,683	119,312	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	SEPTEMBER 30, DECEMBER 31, 2002 2001	-----	
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	IDENTIFIABLE ASSETS	Canada.....	
102,762	108,576	Chile.....	82,205	88,430	Brazil.....	115,117	188,148	Greece.....	36,978	37,475	Others.....	96,022	35,666	
433,084	458,295	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	F-82	8.	
SUPPLEMENTARY INFORMATION ON MINORITY INTERESTS AND PARTICIPATION RIGHTS	THREE MONTHS ENDED ENDED	SEPTEMBER 30	SEPTEMBER 30	-----	-----	-----	-----	-----	-----	-----	-----	2002	2001	
2002	2001	2002	2001	-----	-----	-----	-----	-----	-----	-----	-----	Revenue.....	\$19,821	
\$17,467	\$56,849	\$50,288	Mine Operating Costs.....	14,698	16,164	45,327	46,467	Other expenses.....	2,212	4,366	4,954	7,685	Minority interests and participation rights.....	
\$	2,911	\$(3,063)	\$	6,568	\$(3,864)	9.	DIFFERENCES BETWEEN CANADIAN AND UNITED STATES	GENERALLY ACCEPTED ACCOUNTING PRINCIPLES	The Company prepares its financial statements in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"), which generally conform to generally accepted accounting principles in the United States ("US GAAP") except for the following significant differences that affect the Company: a) Under Canadian GAAP, the gold linked convertible notes ("Notes") were accounted for under a components approach whereby the Notes were presented with both liability and equity components. Under US GAAP, these Notes were treated as long-term debt and all interest amounts (to the extent not capitalized to development projects) and amortization of debt issue costs were included in income. On July 10, 2001, the Company completed the conversion of the Notes into 32,150,118 common shares of the Company valued at \$211,761. As explained above, prior to the conversion, the Notes were accounted for under a components approach under Canadian GAAP. The effects of the conversion under Canadian GAAP are described in Note 9 to the consolidated financial statements of the Company at December 31, 2001. Under US GAAP, these Notes were treated					

as long-term debt. In accordance with US GAAP, an extraordinary gain of \$34,181 net of income taxes of \$nil, was recorded on this extinguishment of debt. The gain is comprised of the difference between the carrying value of the Notes and the value of the common shares issued less related transaction costs and the write-off of unamortized debt issue costs. b) Under US GAAP, start-up costs are expensed as incurred. Under Canadian GAAP, start-up costs are deferred and amortized over the mine life. c) Under Canadian GAAP, capital assets are written down to net recoverable amount when the expected undiscounted future cash flows from their use are less than the asset carrying amount. Under US GAAP, when the expected undiscounted future cash flows show a deficiency, the asset is written down to fair value. Fair value has been estimated using discounted expected future cash flows. An adjustment to deferred taxes resulted from this US GAAP adjustment. d) Under US GAAP, the components of changes in non-cash working capital are to be disclosed. They are as follows: NINE MONTHS ENDED SEPTEMBER 30 -----

2002	2001	-----	-----	\$ \$	Accounts receivable.....	3,363	3,640
		-----	-----		Inventories.....	3,115	(456)
		-----	-----		Accounts payable.....	(4,496)	(1,844)

----- 1,982 1,340 ===== e) Effective January 1, 2001, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" ("the Standards"). These Standards require companies to record derivatives on the balance sheet as assets or liabilities, measured at their fair value. If the derivative is designated as a fair value hedge, the effective portions of the changes in the fair value of the derivative, and changes in the fair value of the hedged item attributable to the hedged risk, are recognized in the income statement. If the derivative is designated as a cash flow hedge, the effective portion of the changes in fair value of the derivative are recorded in other comprehensive income ("OCI") and are recognized in the income statement when the hedged item is recognized. Accordingly, ineffective portions of the changes in the fair value of hedging instruments are recognized in earnings immediately. Gains or losses arising from hedging activities, including the ineffective portion, are reported in the same income statement caption as the hedged item. Gains and losses from derivative instruments for which hedge accounting is not applied are reported in other income.

Implementation of the Standards did not affect the Company's cash flows or liquidity. The Standards are complex and subject to a potentially wide range of interpretations in their application. The Financial Accounting Standards Board ("FASB") continues to consider several issues, and the potential exists for additional issues to be brought under its review. Therefore, if subsequent FASB interpretations F-83 of the Standards are different from the Company's initial application, it is possible that the impact of the Company's application of the Standards, as described above, will be modified. In accordance with the transition provisions of the Standards, the Company recorded the following after-tax cumulative adjustments on January 1, 2001 as a result of recording all derivative financial instruments on the consolidated balance sheet at fair value: a. an increase in OCI of \$17.5 million, net of future income taxes of \$nil; b.

an increase in assets of \$12.5 million; and c. a decrease in liabilities of \$5 million The Company has entered into the following types of derivative instruments: i. Certain gold put options, lease rate swaps and lead and zinc forward contracts Prior to adoption of the Standards, these instruments were accounted for as cash flow hedges of future metals sales under both US and Canadian GAAP. On adoption of the Standards, the Company elected not to designate these contracts as hedges for US accounting purposes with the effect that the contracts were recognized at their fair value on January 1, 2001 with an offsetting amount in OCI. Changes in the fair value of these derivative instruments subsequent to January 1, 2001 have been reflected in current period earnings under US GAAP. ii. Written silver call options and certain gold put options Prior to the adoption of the Standards, these derivative instruments were recorded at their fair value on the balance sheet with subsequent changes in fair value reflected in current period earnings. The adoption of the Standards did not result in any change in the accounting treatment for these derivative instruments and does not represent a US GAAP difference as the Company records these instruments at fair value for Canadian reporting purposes. iii. Foreign currency contracts Prior to the adoption of the Standards, these contracts were recorded at their fair value in the balance sheet with subsequent changes in fair value reflected in current period earnings. The adoption of the Standards did not result in any change in the US accounting treatment for the contracts. Under Canadian GAAP, foreign currency contracts are recorded when the corresponding hedge-designated period is reached. The Company estimates that \$7.5 million of gains (September 30, 2001-\$7.7 million), net of future income taxes of \$nil, will be reclassified from OCI to current period earnings within the next twelve months. A reconciliation of changes in OCI attributed to hedging activities is as follows: SEPTEMBER 30, -----

2002	2001	-----	-----	\$ \$	Hedging gains, net of future income taxes of \$nil, beginning of period.....	10,985
------	------	-------	-------	-------	--	--------

-- Adjustment on implementation of SFAS 133..... -- 17,544 ----- Hedging gains, net of future income taxes of \$nil, beginning of period, restated..... 10,985 17,544 Hedging gains at beginning of period reclassified to earnings, net of future income taxes of \$nil..... 6,019 4,921 ----- Total hedging gains net of future income taxes of \$nil..... 4,966 12,623 ===== f) The minority interests and participation rights adjustment arises from the minority interests and participation rights impacts of the US GAAP adjustments described in note 9. g) The La Coipa, Brasilia and Crixas mines are proportionately consolidated under Canadian GAAP. These mines would be accounted for using the equity method under U.S. GAAP. An accommodation is available under certain conditions pursuant to Item 17(c)(2)(vii) of Form 20-F which permits the omission of differences in classification or display that result from using proportionate consolidation in the reconciliation to U.S. GAAP. The Company has evaluated the criteria and has determined that the La Coipa, Brasilia and Crixas mines qualify for this accommodation as these joint ventures are operating entities, the significant financial and operating policies of which are, by contractual arrangement, jointly controlled by all parties having an equity interest in these entities. h) For purposes of this U.S. GAAP reconciliation, the terms "proven and probable reserves", "exploration", "development", and "production" have the same meaning under both U.S. and Canadian GAAP. Exploration costs incurred are expensed at the same point in time based on the same criteria under both U.S. and Canadian GAAP. In addition, mining related costs only are capitalized after proven and probable reserves have been designated under both U.S. and Canadian GAAP. As a result of the above, the following would be U.S. GAAP information for the nine-month periods ended September 30: F-84 INCOME STATEMENT 2002 2001 ----- \$ \$ Earnings in accordance with Canadian GAAP..... 4,237 79 Depletion and depreciation (b)..... 2,124 2,122 Interest expense (a)..... -- (1,107) Minority interests and participation rights (f)..... (1,062) (1,061) Foreign exchange gain (loss) (e) (iii)..... 231 (1,758) Other income (e) (i)..... (3,374) 670 ----- Earnings (loss) in accordance with US GAAP before extraordinary gain..... 2,156 (1,055) Extraordinary gain (net of tax) (a)..... -- 34,181 ----- Earnings (loss) under U.S. GAAP..... 2,156 33,126 ===== Basic and diluted earnings (loss) per share under U.S. GAAP before extraordinary gain..... 0.05 (0.08) Basic and diluted earnings per share under U.S. GAAP..... 0.05 2.50 BALANCE SHEET SEPTEMBER 30, DECEMBER 31, 2002 2001 ----- \$ \$ Current assets (e)..... 156,219 95,454 Deferred charges (e)..... 5,367 6,694 Mining property, plant and equipment (b),(c)..... 211,928 219,997 Current liabilities (e)..... 31,582 43,688 Deferred tax liability (c)..... 16,473 17,298 Long-term debt (a)..... -- 58,832 Minority interests and participation rights (f)..... 124,941 126,211 Contributed surplus (a)..... 1,526 1,526 Deficit..... (426,338) (428,494) Other comprehensive income (e)..... 4,966 10,985 STATEMENT OF CASH FLOWS NINE MONTHS ENDED SEPTEMBER 30, ----- 2002 2001 ----- \$ \$ Cash provided from operations..... 31,571 35,929 Cash provided by (used for) investing activities (a),(f).... 27,378 (19,736) Cash provided from (used for) financing activities (a)..... 32,955 (45,531) Net cash, end of period..... 108,472 19,958 ACCOUNTING PRONOUNCEMENTS The Company will be adopting SFAS No. 143, "Accounting for Asset Retirement Obligations" in 2003. This standard requires that the fair value of liabilities for asset retirement obligations be recognized in the period in which they are incurred and capitalized as part of the asset carrying value and depreciated over the asset's useful life. The Company has not determined the effect of adoption of this new standard. CANADIAN GAAP ACCOUNTING CHANGES During 2001, the CICA issued Accounting Guideline 13 ("AG 13"), which will be effective beginning in 2004. AG 13 addresses the identification, designation, documentation and effectiveness of hedging relationships for the purposes of applying hedge accounting. In addition, it deals with the discontinuance of hedge accounting and establishes conditions for applying hedge accounting. Under the guideline, the Company is required to document its hedging relationships and explicitly demonstrate that the hedges are sufficiently effective in order to continue accrual accounting for positions hedged with derivatives. Otherwise, the derivative financial instruments will be required to be marked to market with the resultant gain or loss being recognized in income. The impact of adopting this guideline has not yet been determined. 10. COMPARATIVE FIGURES Certain comparative figures have been reclassified to conform to the presentation used in the current year. F-85 (PRICEWATERHOUSECOOPERS LETTERHEAD) AUDITORS' REPORT To the Directors of TVX Gold Inc. We have audited the consolidated balance sheets of TVX Gold Inc. as at December 31, 2001 and 2000 and the consolidated statements of operations, deficit and cash flows for

the years ended December 31, 2001, 2000 and 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian and United States 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 TVX Gold Inc. as at December 31, 2001 and 2000 and the results of its operations and its cash flows for the years ended December 31, 2001, 2000 and 1999 in accordance with Canadian generally accepted accounting principles. As described in note 11(c)(ii) to the consolidated financial statements, the Company has restated its loss per share for the year ended December 31, 2001 from \$12.41 per share to \$10.58 per share, to include, for the purposes of the loss per share calculation, the increase in contributed surplus resulting from the settlement of the gold linked convertible notes, as described in note 9 to the consolidated financial statements, in the determination of the loss applicable to common shares. There has been no change in the amount reported as the loss for the year ended December 31, 2001. (SIGNED) "PRICEWATERHOUSECOOPERS LLP" CHARTERED ACCOUNTANTS Toronto, Ontario March 12, 2002, except for note 19 which is as of November 19, 2002 and note 16(b) which is as of December 9, 2002 PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and other members of the worldwide PricewaterhouseCoopers organization. F-86 TVX GOLD INC. CONSOLIDATED BALANCE SHEETS AS AT DECEMBER 31, 2001 AND 2000 (thousands of United States dollars) 2001 2000

-----	-----	\$ \$ ASSETS CURRENT ASSETS	Cash and cash equivalents.....	16,568	49,296
Short-term investments.....	28,740	57,961	Accounts receivable.....	25,739	
29,596	Inventories (note 3).....	24,299	24,501	-----	-----
				95,346	161,354
PROPERTY, PLANT AND EQUIPMENT (note 4).....	237,262	494,105	RESTRICTED CASH (notes 8(e), 13(d) and 16(c)).....	16,615	17,870
			EXPORT PREPAYMENT CONTRACTS (note 5).....	66,983	
42,483	DEFERRED CHARGES (note 13(c)).....	182	7,384	DEFERRED INCOME TAXES (note 14(d)).....	12,473
				9,112	OTHER ASSETS (note 6).....
458,295	763,007	=====	=====	29,434	30,699
				-----	-----
				458,295	763,007
				=====	=====
				28,266	28,407
				Current portion of long-term debt (note 8).....	15,401
				18,585	
				Debt payable (note 7).....	--
				26,855	Current portion of deferred revenue (note 13(c)).....
				5,332	4,984
				-----	-----
				48,999	78,831
				LONG-TERM DEBT (note 8).....	58,832
				69,780	
				OTHER LIABILITIES (note 10).....	22,943
				24,648	DEFERRED INCOME TAXES (note 14).....
				20,948	28,411
				-----	-----
				151,722	201,670
				MINORITY INTERESTS AND PARTICIPATION RIGHTS (note 18).....	132,088
				164,788	-----
				283,810	366,458
				-----	-----
				594,661	382,900
				CONTRIBUTED SURPLUS (note 11(d)).....	36,255
				1,526	GOLD LINKED CONVERTIBLE NOTES (note 9).....
				--	233,960
				DEFICIT.....	(456,431)
				(221,837)	-----
				174,485	
				396,549	-----
				458,295	763,007
				=====	=====
				COMMITMENTS AND CONTINGENCIES (notes 8(e), 16 and 18)	

The accompanying notes form an integral part of these consolidated financial statements. Approved on behalf of the Board (signed) George F. Michals (signed) David P. Smith Director Director F-87 TVX GOLD INC. CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999 (thousands of United States dollars except for per share amounts) 2001 2000 1999

-----	-----	-----	\$ \$
\$ \$ REVENUE.....	158,340	170,030	162,856
-----	-----	-----	-----
			MINE OPERATING COSTS
Cost of sales.....	108,148	106,804	87,298
Depletion and depreciation.....	40,243	38,000	48,036
-----	-----	-----	-----
			148,391
			144,804
			135,334
-----	-----	-----	-----
			21,000
-----	-----	-----	-----
			11,051
			25,226
			27,522
-----	-----	-----	-----
			223,513
--	64,000	Corporate administration.....	8,123
		6,597	7,753
		Interest expense.....	3,769
		3,447	4,713
		Exploration.....	3,380
		5,497	4,531
		Foreign exchange loss.....	3,293
		2,015	1,453
		Interest income.....	(5,650)

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(9,503) (9,076) Gain on disposal of minority interests and participation rights (note 18)..... -- --  
(4,197) Other, net..... (3,883) 5,420 1,026 ----- 232,545 13,473 70,203  
----- EARNINGS (LOSS) BEFORE THE UNDERNOTED..... (243,596) 11,753 (42,681)  
INCOME TAX (RECOVERY) EXPENSE (note 14)..... (5,634) (179) 4,782 MINORITY INTERESTS  
AND PARTICIPATION RIGHTS (note 18)..... (10,034) (496) 102 ----- NET EARNINGS (LOSS)  
FOR THE YEAR..... (227,928) 12,428 (47,565) ===== EARNINGS (LOSS)  
PER SHARE -- RESTATED (notes 2, 11(c) and 19)..... (10.58) 0.03 (17.33) The  
accompanying notes form an integral part of these consolidated financial statements. F-88 TVX GOLD INC.  
CONSOLIDATED STATEMENTS OF DEFICIT FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND  
1999 (thousands of United States dollars) 2001 2000 1999 ----- \$ \$ DEFICIT, BEGINNING OF  
YEAR -- as originally reported..... (221,837) (219,838) (160,391) Change in accounting for income taxes (note  
2)..... -- (2,102) -- ----- DEFICIT, BEGINNING OF YEAR -- restated..... (221,837)  
(221,940) (160,391) NET EARNINGS (LOSS) FOR THE YEAR..... (227,928) 12,428 (47,565)  
Accretion of convertible notes (note 9)..... (6,666) (12,325) (11,882) ----- DEFICIT, END  
OF YEAR..... (456,431) (221,837) (219,838) ===== The  
accompanying notes form an integral part of these consolidated financial statements. F-89 TVX GOLD INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2001, 2000  
AND 1999 (thousands of United States dollars) 2001 2000 1999 ----- \$ \$ OPERATING  
ACTIVITIES Net earnings (loss) for the year..... (227,928) 12,428 (47,565) Non-cash items: Depletion  
and depreciation..... 40,243 38,000 48,036 Deferred income taxes..... (10,919)  
(4,022) (2,485) Non-operating asset write-downs..... 223,513 -- 64,000 Mining property  
write-downs..... 21,000 -- -- Minority interests and participation rights..... (10,034) (496) 102  
Change in reclamation provision..... (2,771) -- -- Gain on disposal of minority interests and participation  
rights (note 18)..... -- -- (4,197) Other..... 1,006 326 1,810 Deferred  
revenue..... (4,608) (11,020) (13,571) Net proceeds from hedge book restructuring (note 13).....  
16,801 -- -- 46,303 35,216 46,130 Changes in non-cash working capital..... (520)  
(2,659) 512 ----- Cash provided by operating activities..... 45,783 32,557 46,642 -----  
----- INVESTING ACTIVITIES Mining property, plant and equipment..... (25,552) (48,746)  
(55,263) Net proceeds on disposal of minority interest and participation rights (note 18)..... -- -- 180,953  
Payment of receivable from High River Gold Mines Ltd..... 3,014 1,541 1,529 Purchases of short-term  
investments..... (51,931) (130,562) (48,586) Sales and maturities of short-term investments.....  
81,152 136,612 11,097 Export prepayment contracts..... (24,500) (42,483) 25,427 Decrease  
(increase) in restricted cash..... 1,255 (9,770) (8,100) Other..... (1,495)  
(2,569) 2,568 ----- Cash (used for) provided by investing activities..... (18,057) (95,977) 109,625  
----- FINANCING ACTIVITIES Long-term debt borrowings..... 26,944 45,133  
8,000 Long-term debt repayments..... (26,470) (25,622) (126,436) Debenture  
payable..... (26,855) 26,855 -- Minority interest dividends..... (22,666)  
(15,963) -- Gold linked convertible notes..... (9,173) (10,501) (9,623) Contributed  
surplus..... (1,595) -- -- Common shares..... (639) (626) 24,000 -----  
----- Cash (used for) provided by financing activities..... (60,454) 19,276 (104,059) -----  
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS..... (32,728) (44,144) 52,208 CASH AND  
CASH EQUIVALENTS, BEGINNING OF YEAR..... 49,296 93,440 41,232 ----- CASH AND  
CASH EQUIVALENTS, END OF YEAR..... 16,568 49,296 93,440 ===== The  
accompanying notes form an integral part of these consolidated financial statements. F-90 TVX GOLD INC. NOTES  
TO CONSOLIDATED FINANCIAL STATEMENTS Dollar amounts in thousands of U.S. dollars, except amounts  
per share and per ounce or unless otherwise noted 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
These consolidated financial statements have been prepared in accordance with accounting principles generally  
accepted in Canada which, in the Company's case, conform in all material respects with accounting principles  
generally accepted in the United States ("US"), except as disclosed in note 17. The significant accounting policies  
followed by the Company and its incorporated and unincorporated joint ventures are summarized as follows: a)  
BASIS OF CONSOLIDATION These consolidated financial statements include the accounts of the Company and its

subsidiaries. Investments in incorporated and unincorporated joint ventures are accounted for by the proportionate consolidation method as substantially all of the Company's business is conducted through joint ventures. b) **USE OF ESTIMATES** The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates are related to the physical and economic lives and the recoverability of mining assets, mineral reserves, site restoration and related obligations, commodity contracts and financial instruments and income taxes. Actual results could differ from those estimates. c) **TRANSLATION OF FOREIGN CURRENCIES** The accounts of the Canadian operations and operations in foreign countries have been translated using the temporal method for foreign integrated operations. The functional currency of the Company is US dollars, as the Company considers the US dollar to be the principal currency of its operations. Under the temporal method, monetary assets and liabilities have been translated at the end of year exchange rates. Non-monetary assets, which primarily comprise mining property, plant and equipment, have been translated using historic rates of exchange. Revenues and expenses have been translated at the average rates of exchange during the years, except for depletion and depreciation, which have been translated at the same rates as the related assets. Foreign exchange gains and losses on current monetary assets and liabilities are included in the determination of earnings. Gains and losses related to long-term debt are deferred and amortized over the remaining term of the debt. d) **COMMODITY CONTRACTS AND FINANCIAL INSTRUMENTS** In the normal course of business, the Company uses agreements with financial institutions, principally derivatives, to hedge its exposure to fluctuations in metal prices, foreign exchange rates and interest rates. The intent is to protect the Company against downside price risk on future metal sales and cash flow risk on interest rates and foreign exchange. The Company mitigates the counterparty credit risk exposure arising from these agreements by transacting with financially sound institutions. Some derivative instruments entered into by the Company are subject to margin requirements, beyond varying threshold limits, in the event that values of the hedged instruments significantly change. Commodity derivative hedging transactions include forward sales and options contracts. Realized gains and losses, as well as premiums, are recognized in revenue as the designated production is delivered. If contracts are amended or closed out before the planned delivery of the designated production, recognition of any gains or losses is deferred until their original designation period. Commodity commitments not designated as hedges are marked to market and the resultant gains or losses are recorded in earnings in the period. The Company periodically enters into lease rate swap agreements in conjunction with commodity contracts. Obligations under lease rate swap agreements, entered into expressly to finance options purchased, are marked to market at the balance sheet date and the resulting gains or losses are deferred until the related production is delivered. The Company enters into forward foreign exchange contracts to hedge the effect of exchange rates on a portion of its future currency requirements. Gains and losses are recognized and reported as a component of the related transactions. The carrying amount of cash and cash equivalents, short-term investments, accounts receivable, export prepayment contracts, accounts payable and accrued liabilities, debenture payable and current and long-term debt represents their fair value unless otherwise specified. e) **REVENUE RECOGNITION** Revenue from the sale of bullion and base metal concentrates is recognized when title passes to the purchaser. F-91 f) **INVENTORIES** Gold and silver bullion inventories, dore, work-in-process, base metal concentrates and ore stockpiles are carried at the lower of average production cost and net realizable value. Materials and supplies inventories are stated at the lower of cost and replacement value. g) **MINING PROPERTY, PLANT AND EQUIPMENT** Mining property, plant and equipment is recorded at cost including costs associated with acquisition and further development, including costs incurred to access ore, of mining properties. Mine development costs include costs incurred to expand reserves in existing ore bodies at development properties or operating mines. Depletable assets are amortized over the life of the mine on a unit-of-production basis. The current estimated mine lives range from 4 to 20 years with the average being 10 years. Depreciable assets are also amortized over the life of the mine on a unit-of-production basis except where the useful life of a depreciable asset is less than the life of the mine, in which case depreciation is recorded on a straight-line basis over its useful life. Amortization on a unit of production basis is calculated using only proven and probable reserves. The Company carries out an impairment evaluation when conditions or events occur suggesting that an asset has been impaired. Mining assets are evaluated by comparing the undiscounted future net cash flows against their current carrying value. When the cash flows demonstrate an impairment, the Company will write down its value. Operational considerations include projected operating cost



structures, future capital requirements, including mine closure costs, and estimates of mine life based on known reserves. Metal prices utilized for the 2001 evaluation were \$300 per ounce (2000 -- \$300; 1999 -- \$325) for gold, \$4.50 per ounce (2000 and 1999 -- \$5.50) for silver, \$475 per tonne for lead (2000 and 1999 -- \$550) and \$775 per tonne for zinc (2000 and 1999 -- \$1,200). h) EXPLORATION Exploration expenditures, excluding property acquisition costs, are charged to earnings as incurred. When it has been established that a mining property has development potential, further costs incurred prior to the start of mining operations, are recorded as deferred development costs and amortized in accordance with the policies described under note 1(g). The development potential of mining properties is established by the existence of proven and probable reserves, reasonable assurance that the property can be permitted as an operating mine and evidence that there are no metallurgical or other impediments to the production of saleable metals. i) RECLAMATION COSTS Expenditures relating to ongoing environmental and reclamation programs are charged against earnings as incurred or capitalized and amortized depending on their future economic benefit. Estimated future reclamation costs, including site restoration, where reasonably determinable are charged against earnings over the estimated useful life of the mine based on proven and probable reserves. These estimates are based on current standards or higher. These standards are subject to future legislative changes which will be reflected in the estimates when passed. j) FINANCING COSTS Debt issue costs are deferred and amortized over the term of the debt. Interest and debt issue costs, whether incurred directly or indirectly, are capitalized when they arise from indebtedness incurred to finance development activities on mining properties and are amortized to earnings when production commences. k) CASH AND CASH EQUIVALENTS Cash and cash equivalents include those short-term money market instruments which, on acquisition, have a term to maturity of three months or less. Short-term investment represents short-term money market instruments with maturities greater than three months and less than one year. l) STOCK-BASED COMPENSATION PLAN The Company has a stock-based compensation plan which is described in note 12. No compensation expense is recognized under the plan when stock or stock options are issued under the plan to directors, officers and employees. The fair value of options issued to consultants is recognized as an expense at the date of issue. Consideration paid on exercise of stock options is credited to share capital. 2. CHANGES IN ACCOUNTING POLICIES Effective January 1, 2001, the Company adopted, retroactively, a new accounting standard issued by the Canadian Institute of Chartered Accountants (CICA) relating to earnings per share. This standard modifies the method of calculating fully diluted earnings per share. Diluted earnings per share was unchanged as a result of adopting the new standard. In December 1997, the Canadian Institute of Chartered Accountants issued Handbook section 3465, Income Taxes, which was effective January 1, 2000. The standard required a change from the deferral method of accounting, to the asset and liability method of accounting for income taxes. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. F-92 The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. The Company adopted section 3465 retroactively without restatement of the 1999 comparative figures. The deficit as at January 1, 2000 was increased by \$2,102 and earnings for the year ended December 31, 2000 increased by \$3,232 as a result of this change. 3. INVENTORIES DECEMBER 31, ----- 2001 2000 -----

----- \$ \$ Bullion and dore.....	3,294	2,475	Base metal concentrates.....		
4,199	2,979	Work-in-process.....	2,257	1,989	Ore stockpiles -- precious
		metals.....	2,693	3,095	Materials and supplies.....
			11,856	13,963	----- 24,299
24,501	=====	=====	4. MINING PROPERTY, PLANT AND EQUIPMENT DECEMBER 31, -----		
2001	2000	-----	-----	-----	\$ \$ Producing properties Mining property and deferred development.....
316,573	311,430	Accumulated depletion.....	(207,300)	(187,439)	----- 104,130 129,134 -----
-----	-----	Mine plant and equipment.....	293,346	296,363	Accumulated
		depreciation.....	(178,193)	(168,338)	----- 115,153 128,025 -----
		Equipment			under capital lease.....
			4,943	4,943	Accumulated depreciation.....
					(1,964) (1,091)
			2,979	3,852	----- 222,262 261,011 -----
					Development properties Greek development
		projects.....	15,000	233,094	----- -----
					Total mining property, plant and equipment.....
			237,262	494,105	=====
					=====
					The Company wrote down the carrying value of certain assets as follows:
					FOR THE YEARS ENDED DECEMBER 31, ----- 2001 2000 1999 ----- \$ \$ \$

Reduction in carrying value of Greek development projects (note 16(b))..... 223,513 --  
64,000 ----- Reduction in carrying value of La Coipa Mine..... 13,000 -- -- Reduction in carrying  
value of New Britannia Mine..... 8,000 -- -- ----- 21,000 -- -- ----- Mining property  
write-downs..... 244,513 -- 64,000 ===== Interest capitalized to the Greek  
development projects during 2001 is \$671 (2000 -- \$1,996; 1999 -- \$5,116). The Stratoni mine, included in producing  
properties, is subject to actions (note 16(b)) affecting the mining permits. Greek development projects comprise the  
Company's investment in the Olympias and Skouries properties. The costs associated with Olympias were written-off  
in 2001 (note 16(b)). The Skouries project has a completed feasibility study, however it is subject to obtaining and  
maintaining mine permits. F-93 5. EXPORT PREPAYMENT CONTRACTS A Brazilian central bank program  
enables exporters to borrow US dollars which are then immediately reinvested at rates in excess of those on the loans.  
The amounts on deposit are referred to as export prepayment contracts on the balance sheet. The Company's Brasilia  
joint venture participates in this program and entered into contracts during 2000 and 2001 that were immediately  
assigned to a Brazilian bank holding the amounts put on deposit. The joint venture received a premium instead of a  
higher interest rate on the amounts on deposit. Under the terms of the related contracts, the bank will make all  
repayments of principal and interest on the export loans as they become due. The joint venture received a premium of  
\$1,866 in 2001 and \$1,782 in 2000. The premiums are included in other liabilities and recognized over the term of the  
corresponding commitment to conduct export activities (\$2,540; (2000 -- \$1,017)). 6. OTHER ASSETS DECEMBER  
31, ----- 2001 2000 ----- \$ \$ Receivable from High River Gold Mines Ltd.(a)..... 14,867 17,881  
Pyrite concentrates..... 8,485 8,485 Other..... 6,082 4,333 -----  
----- 29,434 30,699 ===== (a) The receivable from High River Gold Mines Ltd., a joint  
venture partner in the New Britannia Mine, bears interest at prime plus 0.625% and is repayable from their share of  
cash flow from the New Britannia Mine. 7. DEBENTURE PAYABLE A Brazilian subsidiary of the Company issued  
a short-term debenture in December 2000 in the amount of \$26,855. The debenture bore interest at 7.88% and was  
repaid on June 25, 2001. 8. LONG-TERM DEBT DECEMBER 31, ----- 2001 2000 ----- \$ \$ Crixas  
export loans(a)..... 7,250 8,750 Brasilia export loans(a)..... 66,983 47,383  
Lease rate swaps and other(b)..... -- 14,656 Gold linked convertible notes (note 9)..... --  
17,576 ----- Total debt..... 74,233 88,365 Less: Current  
portion..... (15,401) (18,585) ----- Long-term debt..... 58,832  
69,780 ===== a) The Brazilian mines (Brasilia, Crixas) received advances against future  
export commitments. These loans are denominated in US dollars and bear interest at an average rate of 7.6%. The  
Brasilia loan balance has corresponding deposits to match each and all maturities which are included in export  
prepayment contracts (2000 -- included in cash and cash equivalents (\$1,224), short-term investments (\$3,676) and  
export prepayment contracts (\$42,483)). b) At December 31, 2000, the Company had a liability of \$1,634 under a  
Lease Rate Swap ("LRS") arrangement with a notional amount of 129,600 gold ounces. The LRS was used to finance  
\$280 gold put options maturing quarterly to March 2003. Also at December 31, 2000, a LRS was used to finance  
390,000 ounces of \$360 gold put options maturing quarterly from 2003 to 2006. Associated with this LRS at  
December 31, 2000, the Company had a liability with Normandy Mining Limited ("Normandy") of \$13,022. The LRS  
arrangements were terminated in 2001 as part of the commodity contracts restructuring described in note 13. c)  
Long-term debt maturing after December 31, 2001 is as follows: CRIXAS BRASILIA TOTAL ----- \$  
\$ \$ 2002..... 5,750 9,651 15,401 2003..... 1,500 20,188  
21,688 2004..... -- 18,774 18,774 2005..... -- 18,370  
18,370 ----- 7,250 66,983 74,233 ===== F-94 d) The Company has an unutilized \$2.0  
million revolving line of credit with Normandy. Amounts drawn on this facility are subject to interest at LIBOR plus  
2.35% and are collateralized. e) Letters of credit have been issued against reclamation costs at the Mineral Hill mine  
which was closed in 1996. Cash in an amount of \$8.6 million is pledged against these letters of credit at December 31,  
2001 (2000 -- \$7.8 million). An additional \$0.9 million of letters of credit have been issued relating to the  
Musselwhite mine (2000 -- \$0.9 million). See also note 16(c) regarding Hellenic Gold commitments. f) Interest paid  
during 2001 amounted to \$13,615 (2000 -- \$18,170; 1999 -- \$10,586). 9. GOLD LINKED CONVERTIBLE NOTES  
On March 14, 1997, the Company issued \$250 million of subordinated unsecured convertible notes ("Notes"). The  
Notes bore interest at 5% per annum which was payable semi-annually. The original maturity date of the Notes was  
March 28, 2002. On July 10, 2001, the Company completed the conversion of the Notes into 32,150,118 common

shares of the Company. The effect of the conversion was to increase capital stock by \$211,761, increase contributed surplus by \$34,729, reduce the current portion of long-term debt by \$8,403, reduce deferred charges by \$2,539 and reduce the equity component of gold linked convertible notes by \$240,626. No gain or loss was recognized on the consolidated statement of operations. The Notes were accounted for in accordance with CICA Section 3860 whereby debt securities which have interest payable in cash and give the issuer the right to settle the principal amount in common shares are split into a liability and an equity component. The liability component of the debt was calculated as the present value of the interest payments discounted at a rate estimated to be equivalent to a similar non-convertible debt. The net proceeds received from the issuance of the Notes, less the liability component, were classified as equity. The liability component was reduced by semi-annual interest payments, net of changes in the present value of the liability component which were charged to earnings. The equity component was increased over time by charges to deficit for interest accretion and amortization of issuance costs so that at maturity, it would be equal to the face value of the Notes.

DECEMBER 31, -----	2001	2000	-----	-----	\$	Liability component of debt
Current portion.....	--	11,459	Long-term portion.....	--	6,117	
-----	-----	17,576	=====	=====		Equity component -- net of issuance costs.....
						-- 233,960

===== During the year ended December 31, 2001, the charges to deficit were \$6,666 (2000 -- \$12,325; 1999 -- \$11,882).

10. OTHER LIABILITIES	DECEMBER 31, -----	2001	2000	-----	-----	\$	Reclamation provisions -- operating properties.....
		13,782	10,729	Reclamation provisions -- non-operating properties(a).....			1,000
		5,000	Capital lease(b).....	1,901	3,000	Other.....	6,260
		5,919	-----	-----	22,943	24,648	=====
			-----	-----			a) An additional \$2.9 million (2000 -- \$4.5 million)

of accrued reclamation costs relating to the current portion of the reclamation accrual for the Mineral Hill mine is included in accounts payable at December 31, 2001. F-95 b) The total remaining capital lease obligation of \$2,930 accrues interest at 90 day LIBOR plus 1.5%. Future minimum lease payments are as follows: \$ -----

2002.....	1,143	2003.....	1,142
2004.....	856	-----	3,141
Less Current portion.....	(1,029)	-----	1,901
		=====	11. CAPITAL STOCK

a) Authorized Unlimited number of common shares without par value. b) Issued The Company's issued and outstanding common shares are as follows:

NUMBER OF SHARES	\$	-----	-----	Outstanding as at December 31, 1998.....
3,235,657	361,052	Shares issued for cash (note 18).....	356,665	24,000
-----	-----	-----	-----	Outstanding as at December 31, 1999.....
3,592,322	385,052	Shares repurchased and cancelled.....	(20,080)	(2,152)
Fractional shares redeemed.....	(7)	-----	-----	Outstanding as at December 31, 2000.....
3,572,235	382,900	Shares issued on conversion of the Notes (note 9).....	32,150,118	211,761
-----	-----	-----	-----	Outstanding as at December 31, 2001.....
			35,722,353	594,661

Under a special resolution of the shareholders of the Company on June 27, 2000, the shareholders authorized the consolidation of share capital on a five for one basis. All share capital, share and option data in the consolidated financial statements have been retroactively restated to reflect the share consolidation (note 19). c) (i) The earnings (loss) per share has been calculated using the weighted average number of shares outstanding during the year of 18,898,593 shares (2000 -- 3,581,370; 1999 -- 3,431,090). For purposes of the calculation, the loss is adjusted for charges related to the Notes totaling \$6,666 (2000 -- \$12,325; 1999 -- \$11,882) and the increase in contributed surplus resulting from the settlement of the Notes (note 9). Diluted loss per share has not been presented, as it would not be dilutive. Diluted earnings per share reflects the maximum possible dilution from the potential conversion of stock options. Basic earnings (loss) per share for the years ended December 31:

2001	2000	1999	-----	-----
\$	\$	\$	Net earnings (loss).....	(227,928) 12,428 (47,565)
			Notes.....	(6,666) (12,325) (11,882)
			Increase from the settlement of the Notes.....	34,729 -- --
			-----	-----
			Net earnings (loss) applicable to common shares.....	(199,865) 103 (59,447)
			=====	=====
			Weighted average common shares outstanding.....	18,898,593
			3,581,370	3,431,090
			=====	=====
			Basic earnings (loss) per common share.....	(10.58) 0.03 (17.33)

===== (ii) The Company has restated its loss per share for the year ended December 31, 2001 from \$12.41 per share to \$10.58 per share, to include, for the purposes of the loss per share calculation, the increase in contributed surplus resulting from the settlement of the Notes (note 9) in the determination of the loss applicable to common shares. There has been no change in the amount reported as the loss for the year ended December 31, 2001. F-96 d) During 2000, under a normal course issuer bid, the

Company repurchased 20,080 common shares at an average cost of CAN\$46.00 per share. These transactions resulted in contributed surplus of \$1,526. The restructuring of the Notes during 2001 (note 9) resulted in additional contributed surplus of \$34,729 in 2001. e) During 2001, the Company adopted a normal course issuer bid under which it may purchase for cancellation, up to 1.7 million of its common shares. The bid will terminate on the earlier of a date determined by the Company and December 13, 2002. No shares have been repurchased to date. f) The Company has issued 8,000 warrants outstanding to purchase common shares at CAN\$66.50 per share expiring August 11, 2003.

**12. STOCK-BASED COMPENSATION PLAN** The Company has granted common share options to certain directors, officers, employees and consultants to attract and retain key personnel. Under the Company's 1994 Stock Option Plan, as amended, up to 3.5 million common share options for terms up to ten years at a price no lower than the market price at the time of the grant are available to certain directors, officers, employees and consultants. The total number of shares which may be purchased under any options granted to insiders of the Company under the Stock Option Plan shall be less than a majority of the total number of shares available for issuance under the Stock Option Plan. At the time of the grant, vesting is at the discretion of the Board of Directors. Options granted typically vest equally over the first three years with one quarter vesting on the date of the grant. All options granted have five-year terms. In the event of a fundamental change in the ownership and/or capital structure of the Company, all options outstanding will automatically vest and become fully exercisable and the options will continue until the end of the expiry period. A summary of the status of the stock option plan as at December 31, 2001, 2000 and 1999 and changes during the years ending on those dates, reflecting the share consolidations referred to in notes 11(b) and 19, is as follows:

	1999		2000		2001		WEIGHTED- AVERAGE		WEIGHTED- AVERAGE		WEIGHTED- AVERAGE	
	SHARES	PRICE	SHARES	PRICE	SHARES	PRICE	SHARES	PRICE	SHARES	PRICE	SHARES	PRICE
	(000s)	CAN\$	(000s)	CAN\$	(000s)	CAN\$	(000s)	CAN\$	(000s)	CAN\$	(000s)	CAN\$
Outstanding at beginning of year.....	267	155.50	328	191.00	342	355.50	1,016	8.50	--	--	--	--
Granted.....												
Expired.....	(146)	66.50	(41)	204.70	(61)	346.10	(160)	430.00				
Outstanding at end of year.....	1,242	30.10	267	155.50	328	191.00	====	====	====	====	====	====
Options exercisable at year end.....	546	57.20	198	175.00	167	258.50	====	====	====	====	====	====

The following table summarizes information on stock options outstanding at December 31, 2001:

OPTIONS OUTSTANDING	OPTIONS EXERCISABLE	WEIGHTED OUTSTANDING AT	WEIGHTED OUTSTANDING AT	WEIGHTED OUTSTANDING AT								
NUMBER	NUMBER	DECEMBER 31, CONTRACTUAL	DECEMBER 31, CONTRACTUAL	DECEMBER 31, CONTRACTUAL								
AVERAGE EXERCISE PRICE	AVERAGE EXERCISE PRICE	EXERCISE RANGE OF EXERCISE PRICES	EXERCISE RANGE OF EXERCISE PRICES	EXERCISE RANGE OF EXERCISE PRICES								
(000s)	(000s)	CAN\$	CAN\$	CAN\$								
492.50.....	13	0.46	411.50	13	411.50	194.00	--	229.50.....	41	1.15	199.80	41
199.80	138.00	--	162.50.....	41	1.61	162.00	41	162.00	66.50	--	99.50.....	131
2.61	66.50	127	66.50	8.50	--	12.50.....	1,016	4.70	8.50	324	8.50	--
492.50.....	1,242	4.22	30.10	546	57.20	====	====	====	====	====	====	====

**13. COMMODITY CONTRACTS AND FINANCIAL INSTRUMENTS** In August 2001, the Company restructured its gold hedging program to replace 390,000 ounces of \$360 put options financed by lease rate swaps with 550,000 ounces of \$250 put options maturing from 2003 to 2006. The lease rate swaps were repaid (note 8(b)). In addition, the 129,600 ounces of \$280 per ounce put options previously financed by lease rate swaps were restructured to be puts. The effect of the restructuring was to reduce total debt by \$17,626 and increase deferred revenue by \$14,829. The total net cash cost of the restructuring was \$825. The net gain of \$3,658 resulting from the restructuring has been deferred to be recognized over the period of the originally designated production ending in 2006. F-97 The Company's consolidated precious metals hedging program and deferred revenue as at December 31, 2001 is presented below:

a) Gold PUTS BOUGHT

OUNCES	\$/OZ	2002	2003	2004	2005	2006
200,000	280					
150,000	260					
150,000	250					
150,000	250					

800,000 259 ===== The fair value of the gold put option contracts at December 31, 2001 was \$6,652. b) Silver CALLS SOLD

OUNCES	\$/OZ	2002	2003	2004	2005	2006
2,000,000	6.00					
2,000,000	6.00					
4,000,000	6.00					

===== The silver calls sold are not considered to be a hedge and have been marked to market at December 31, 2001. c) Deferred revenue and deferred charges comprise net premiums on open calls, put options and lease rate swap arrangements as well as realized gains

and losses on hedging transactions. Deferred revenue will be recognized as the originally designated hedged production is delivered, and reflected in earnings as follows: DEFERRED DEFERRED REVENUE CHARGES

TOTAL	-----	-----	-----	-----	-----	\$ \$ \$	2002.....	9,500	(4,168)	5,332
2003.....		9,894	(3,497)	6,397	2004.....			9,873	(8,073)	
1,800	2005.....	6,416	(8,819)	(2,403)	2006.....			5,624		
(8,793)	(3,169)	2007.....	--	(2,807)	(2,807)	-----	-----	41,307	(36,157)	5,150
=====	=====	Less: Current portion of deferred revenue.....		5,332	-----	Deferred				

charges..... (182) ===== d) Certain commodity contracts entered into by the Company require a deposit with an intermediary to cover margin calls. This amount fluctuates with spot gold and silver prices and at December 31, 2001, amounted to \$515 (\$2000 -- \$2,570) which is included in restricted cash. e) The Company has entered into contracts which establish a fixed exchange rate on a portion of its future Canadian dollar cash requirements. The Company accounts for these forward contracts as a hedge of future operating costs of Canadian operations. As at December 31, 2001, the Company held Canadian dollar forward purchase contracts for US\$9.6 million at an average exchange rate of \$1.58, which expire during 2002. The fair value of these contracts at December 31, 2001 is \$82. f) The Company also enters into hedging agreements to establish a fixed exchange rate for a portion of its Euro cash requirements for its operations in Greece. At December 31, 2001, the Company had 1.125 million Euros per month, until December 2002, purchased at an average cost of 0.8887 EUR. The fair value adjustment at year-end was a loss of \$103. F-98 14. INCOME TAXES a) Details of income tax (recovery) expense for the years ended December 31 are as follows: 2001 2000 1999 -----

	-----	-----	-----	\$ \$ \$	Income taxes Current
Foreign.....	4,863	3,680	7,079	Canada.....	422 163 188 -----
-----	5,285	3,843	7,267	-----	Deferred Foreign.....
(2,485)	-----	-----	-----	(7,559)	(3,282)
(5,634)	(179)	4,782	=====	=====	Income taxes paid during 2001 amounted to \$5,285 (2000 --

\$3,843; 1999 -- \$7,267). b) The reconciliation of the combined Canadian federal and provincial statutory income tax rates to the effective tax rate on earnings for the years ended December 31 is as follows: 2001 2000 1999 -----

-----	% % %	Combined Canadian federal and provincial statutory income tax rate.....	41.7
44.0	(44.6)	Impact of change in future tax rates.....	(1.0) 2.5 -- Non-temporary

differences..... 0.4 3.3 2.0 Tax rates of other jurisdictions..... (0.5) -- -- Unrecorded (realized) benefit of tax losses..... (38.3) (51.3) 53.8 -----

-----	-----	-----	-----	-----	Effective tax rate.....
2.3	(1.5)	11.2	=====	=====	The combined Canadian federal and provincial statutory income tax rate includes

the weighted average of Canadian provincial income tax rates, including surtaxes. Cumulative withholding taxes of \$8,559 (2000 -- \$9,878) have been provided on unremitted foreign earnings. c) The Company has unutilized tax deductions in Canada totalling approximately \$26,700 (2000 -- \$38,500) which are available to be applied against future taxable income. There has been no recognition in the financial statements for these tax deductions. Of this amount, \$15,100 will expire in 2008. d) Deferred income taxes are provided as a result of temporary differences that arise due to differences between the tax values and carrying amount of assets and liabilities. The sources of temporary differences and the related tax amounts are as follows: DECEMBER 31, ----- 2001 2000 -----

	-----	-----	\$ \$
Depletion and depreciation.....	3,794	11,093	Other, including accrued withholding taxes.....
4,681	8,206	-----	-----
8,475	19,299	=====	=====

F-99 15. SEGMENTED INFORMATION The Company's industry segments are concentrated in the development and mining of precious metals in North and South America and in Europe. Gold and silver are currently the primary commodities produced. Details of the Company's financial information segmented operationally are as follows: FOR THE YEAR ENDED DECEMBER 31, 2001

-----	MUSSEL- NEW LA COIPA BRASILIA CRIXAS WHITE								
	BRITANNIA (CHILE)	(BRAZIL)	(BRAZIL)	(CANADA)	(CANADA)	-----	-----	-----	\$ \$ \$
\$ Revenue.....	41,404	25,386	26,699	20,122	15,289	-----	-----	-----	Cost of sales.....
32,128	17,953	10,719	14,281	10,537	Depletion and depreciation.....	16,260	5,091	5,007	5,904
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
48,388	23,044	15,726	20,185	16,453	-----	-----	-----	(6,984)	2,342
10,973	(63)	(1,164)							
Mining property write-downs.....	13,000	--	--	8,000	-----	-----	-----	-----	Earnings (loss) before the
undernoted.....	(19,984)	2,342	10,973	(63)	(9,164)	-----	-----	-----	Non-operating asset
write-downs.....	--	--	--	--	Corporate administration.....	--	--	--	Exploration.....
488	466	Interest expense.....	309	575	534	--	--	Interest income.....	(28)
									(1,682)
									(769)
									(59) --

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Other..... 623 2,275 603 106 62 ----- 1,224 1,168 605 535 528 -----  
 ----- Earnings (loss) before the undernoted..... (21,208) 1,174 10,368 (598) (9,692) Income  
 taxes..... (41) (215) 1,325 -- -- Minority interests and participation rights..... (10,584) 695 4,522 (299)  
 (4,846) ----- Net earnings (loss)..... (10,583) 694 4,521 (299) (4,846) =====  
 ===== Cash and cash equivalents..... 1,133 1,021 5,980 -- 14 Capital  
 expenditures..... 5,975 2,004 3,254 4,032 1,298 Mining property, plant and equipment..... 72,379 63,955  
 25,503 46,539 9,546 Total assets..... 82,639 151,147 35,616 50,490 12,416 FOR THE YEAR ENDED  
 DECEMBER 31, 2001 ----- STRATONI OPERATIONS GREECE  
 CORPORATE/ (GREECE) DEVELOPMENT OTHER TOTAL ----- \$ \$ \$  
 Revenue..... 24,160 -- 5,280 158,340 ----- Cost of sales..... 22,530 -- --  
 108,148 Depletion and depreciation..... 1,871 -- 194 40,243 ----- 24,401 -- 194 148,391 -----  
 ----- (241) -- 5,086 9,949 Mining property write-downs..... -- -- 21,000 -----  
 Earnings (loss) before the undernoted..... (241) -- 5,086 (11,051) ----- Non-operating  
 asset write-downs..... -- 223,513 -- 223,513 Corporate administration..... -- -- 8,123 8,123  
 Exploration..... -- -- 1,869 3,380 Interest expense..... -- -- 2,351 3,769 Interest income..... -- --  
 (3,112) (5,650) Other..... -- -- (4,259) (590) ----- 223,513 4,972 232,545 -----  
 ----- Earnings (loss) before the undernoted..... (241) (223,513) 114 (243,596) Income  
 taxes..... -- -- (6,703) (5,634) Minority interests and participation rights..... -- -- 478 (10,034) -----  
 ----- Net earnings (loss)..... (241) (223,513) 6,339 (227,928) =====  
 ===== Cash and cash equivalents..... 574 -- 7,846 16,568 Capital expenditures..... 3,471 5,419 99 25,552 Mining  
 property, plant and equipment..... 4,111 15,000 229 237,262 Total assets..... 13,990 23,485 88,512  
 458,295 F-100 FOR THE YEAR ENDED DECEMBER 31, 2000 -----  
 MUSSEL- NEW LA COIPA BRASILIA CRIXAS WHITE BRITANNIA (CHILE) (BRAZIL) (BRAZIL)  
 (CANADA) (CANADA) ----- \$ \$ \$ \$ Revenue..... 48,902 30,361  
 26,774 21,892 14,552 ----- Cost of sales..... 37,256 19,402 10,624 12,526 10,992  
 Depletion and depreciation..... 13,859 8,079 4,897 5,922 4,158 ----- 51,115 27,481 15,521  
 18,448 15,150 ----- (2,213) 2,880 11,253 3,444 (598) Mining property write-downs..... -- -- --  
 ----- Earnings (loss) before the undernoted..... (2,213) 2,880 11,253 3,444 (598)  
 ----- Non-operating asset write-downs..... -- -- -- -- Corporate administration.....  
 -- 13 -- -- Exploration..... 768 -- 584 555 515 Interest expense..... 426 505 1,131 -- -- Interest  
 income..... (44) (1,872) (618) -- -- Other..... 8,625 (2,201) 119 166 28 -----  
 ----- 9,775 (3,555) 1,216 721 543 ----- Earnings (loss) before the undernoted.....  
 (11,988) 6,435 10,037 2,723 (1,141) Income taxes..... (1,298) 253 2,529 -- -- Minority interests and  
 participation rights..... (5,345) 3,091 3,754 1,362 (571) ----- Net earnings (loss).....  
 (5,345) 3,091 3,754 1,361 (570) =====  
 ===== Cash and cash equivalents..... 24  
 4,012 2,529 351 48 Capital expenditures..... 6,053 2,171 2,912 1,076 1,612 Mining property, plant and  
 equivalent..... 95,593 65,939 27,067 47,965 22,076 Total assets..... 108,554 159,040 35,377 52,224  
 25,021 FOR THE YEAR ENDED DECEMBER 31, 2000 ----- STRATONI  
 OPERATIONS GREECE CORPORATE/ (GREECE) DEVELOPMENT OTHER TOTAL -----  
 ----- \$ \$ \$ \$ Revenue..... 16,081 -- 11,468 170,030 ----- Cost of sales.....  
 16,004 -- -- 106,804 Depletion and depreciation..... 1,003 -- 82 38,000 ----- 17,007 -- 82  
 144,804 ----- (926) -- 11,386 25,226 Mining property write-downs..... -- -- --  
 ----- Earnings (loss) before the undernoted..... (926) -- 11,386 25,226 -----  
 Non-operating asset write-downs..... -- -- -- -- Corporate administration..... -- -- 6,584 6,597  
 Exploration..... 146 -- 2,929 5,497 Interest expense..... -- -- 1,385 3,447 Interest income..... -- --  
 -- (6,969) (9,503) Other..... -- -- 698 7,435 ----- 146 -- 4,627 13,473 -----  
 ----- Earnings (loss) before the undernoted..... (1,072) -- 6,759 11,753 Income taxes..... -- --  
 (1,663) (179) Minority interests and participation rights..... -- -- (2,787) (496) ----- Net  
 earnings (loss)..... (1,072) -- 11,209 12,428 =====  
 ===== Cash and cash  
 equivalents..... 1,590 -- 40,742 49,296 Capital expenditures..... 3,258 31,616 48 48,746 Mining property, plant  
 and equivalent..... 2,011 233,094 360 494,105 Total assets..... 10,954 243,590 128,247 763,007

FOR THE YEAR ENDED DECEMBER 31, 1999

MUSSEL- NEW LA COIPA BRASILIA  
CRIXAS WHITE BRITANNIA CORPORATE/ (CHILE) (BRAZIL) (BRAZIL) (CANADA) (CANADA) GREECE  
OTHER TOTAL ----- \$ \$ \$ \$ \$ \$ \$

Revenue.....	64,830	26,318	21,712	18,507	15,202	--	16,287	162,856	-----	
Cost of sales.....	38,267	16,608	9,694	11,924	10,805	--	87,298		Depletion and depreciation.....	24,074 7,296 4,623 7,477 4,364 -- 202 48,036
	62,341	23,904	14,317	19,401	15,169	--	202	135,334	-----	2,489 2,414
	7,395	(894)	33	--	16,085	27,522			Mining property write-downs.....	-----
									Earnings (loss) before the undernoted.....	2,489 2,414 7,395 (894) 33 -- 16,085 27,522
									Non-operating asset write-downs.....	-----
	64,000								Corporate administration.....	-- -- -- -- 7,753 7,753
	2,637	4,531							Exploration.....	894 -- 215 255 530 --
									Interest expense.....	82 3,406 741 -- -- -- 484 4,713
									Interest income.....	(289) (5,249) (27)
									Other.....	94 (1,057) (660) 29 -- -- (124) (1,718)
										781 (2,900) 269 284 530 64,000 7,239 70,203
									Earnings (loss) before the undernoted.....	1,708 5,314 7,126 (1,178) (497) (64,000) 8,846 (42,681)
									Income taxes.....	1,103 -- 2,474 -- -- -- 1,205 4,782
									Minority interests and participation rights.....	(1,006) 2,039
									Net earnings (loss).....	1,611
										3,275 3,222 (1,066) (247) (64,000) 9,640 (47,565)
									Capital expenditures.....	4,475 4,636 2,362 2,017 1,435 40,194 144 55,263 F-101

GEOGRAPHIC SEGMENTS ARE AS FOLLOWS: FOR THE YEARS ENDED DECEMBER 31,

	2001	2000	1999	-----	\$ \$ \$	Revenue Canada.....			
40,691	47,912	49,996	Chile.....			41,404	48,902	64,830	
Brazil.....			52,085	57,135	48,030	Greece.....		24,160	16,081
-----	158,340	170,030	162,856	=====		Identifiable assets			
Canada.....			108,576	132,093	Chile.....		88,430	135,011	
Brazil.....			188,148	203,859	Greece.....		37,475	254,544	
Other.....			35,666	37,500	-----	458,295	763,007	=====	16.

COMMITMENTS AND CONTINGENCIES a) ALPHA GROUP LITIGATION The Ontario Court (General Division) issued its judgement in connection with the claim against TVX Gold Inc. (TVX) by three individuals (collectively the "Alpha Group") on October 14, 1998 relating to TVX's interest in the Hellenic Gold mining assets in Greece (the "Hellenic Gold Assets"). The Court rejected full ownership and monetary damages claims but did award the Alpha Group a 12% carried interest and a right to acquire a further 12% participating interest in the Hellenic Gold Assets. TVX filed a notice to appeal and the Alpha Group filed a notice of cross-appeal. Subsequent to the trial decision, the Company received notification of two actions commenced by 1235866 Ontario Inc. ("1235866") the successor to Curragh Inc. ("Curragh"), Mineral Services Limited ("Mineral") and Curragh Limited ("Curragh Ltd.") against the Alpha Group, and others, in Ontario and English Courts, in relation to the claim by the Alpha Group against the Company for an interest in the Hellenic Gold Assets. On July 28, 1999, the Company entered into an agreement with 1235866 to ensure that these new claims would not result in any additional diminution of the Company's interest in the Hellenic Gold Assets. 1235866 agreed not to pursue any claim against the Company for an interest in the Hellenic Gold Assets beyond the interest which had been awarded to the Alpha Group. In the event that 1235866 is successful in its claim against the Alpha Group, 1235866 would be entitled to a 12% carried interest as defined in the agreement (being an economic interest) and the right to acquire a 12% participating interest upon payment of 12% of the aggregate amounts expended by the Company and its subsidiaries in connection with the acquisition, exploration, development and operation of the Hellenic Gold Assets up to the date of exercise. The Company's appeal, the Alpha Group cross-appeal and the 1235866 motion were all heard on February 17, 18 and 25, 2000. By judgment released on June 1, 2000, the Court of Appeal, while partially granting the TVX appeal, essentially upheld the trial decision, rejected the Alpha Group cross-appeal and denied the 1235866 motion for a new trial. 1235866 continues its separate action against the Alpha Group. TVX and the Alpha Group have been unable to agree on the definition and application of the interests awarded in the trial judgment. Accordingly, in June, 2001, a new action was commenced between the Alpha Group and TVX to clarify the award. The amount of a loss, if any, cannot

be determined at this time. b) LITIGATION IN GREECE On March 1, 2002, the Conseil d'Etat, the Greek Supreme Court, issued its judgment which annulled the purportedly valid permits issued by the Greek Government to TVX Hellas with respect to the Olympias project. Given the recent Court decision prohibiting the development, the Company will be reviewing all of its options, including possible legal actions, in an attempt to recover its investment in Greece. As a result of the judgment, the Company has written off the carrying value of Olympias (note 4). On February 15, 2002, a new mining permit, allowing for the continuation of mining beneath the village of Stratoniki was issued to TVX Hellas. A local action group filed a Petition of Annulment against the Greek Government to have the new permit annulled. This action was heard on June 7, 2002. On December 9, 2002, the Company was advised that the Conseil D'Etat had released its decision on the challenge to the Stratoniki mining permits. The Company has been informed that the court ruled that TVX Hellas is not required to submit a new environmental impact study to support the relevant mine permits. The court also ruled, however, that the Greek Government had F-102 improperly issued the new mining permits because the Ministry of Development had not obtained a joint ministerial decision signed by five relevant ministries prior to issuing the permits. The Company is continuing to assess the impact of the decision and mining operations are continuing pending receipt of the new mining permits. The Greek Government has undertaken to obtain the necessary decisions and has advised that, in the meantime, the continued, unobstructed operations of TVX Hellas are secure. It is anticipated that the re-approval of the permits will be issued in January 2003. The amount of a loss, if any, cannot be determined at this time. c) HELLENIC GOLD COMMITMENTS Pursuant to the acquisition contract of the Hellenic Gold assets in 1995 the Company has the obligation to fulfill the following: (1) Gold Plant Guarantee -- the Company is obligated to construct a gold plant within two years from receiving all applicable licences, which may be extended by a further eight months under certain circumstances. The Company has pledged an amount of \$7.5 million to satisfy a GRD2.6 billion guarantee; (2) employment must be offered by the construction contractor to 150 former employees of Hellenic Gold for a period of 18 months, during the construction of the gold plant; (3) the Company is also obligated to employ at least 477 employees for a period of 10 years to maintain its eligibility for government grants. d) BRASILIA MINE A legal action has been commenced with RTZ Brazil regarding the interpretation of the Shareholders Agreement governing the Brasilia mine. RTZ Brazil alleges that rights of first refusal were triggered by the TVX Normandy transaction in 1999 and by the resignation of TVX's former Chairman and Chief Executive Officer, in 2001. RTZ Brazil has purported to terminate the Shareholders Agreement. The TVX Newmont entity (formerly TVX Normandy), does not agree with the interpretation and was successful in bringing an injunction against RTZ Brazil, preventing the Shareholders Agreement from being terminated and preserving the status quo until the actual dispute is heard and ultimately decided. The amount of a loss, if any, cannot be determined at this time. 17. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES The Company prepares its financial statements in accordance with accounting principles generally accepted in Canada ("Canadian GAAP") which generally conform to generally accepted accounting principles in the United States ("US GAAP") except for the following significant differences that affect the Company: a) (i) Effective January 1, 2000, the Company adopted the asset and liability method of accounting for income taxes under Canadian GAAP (see note 2). This change was made without restatement of the 1999 comparative figures. Prior to 2000, under Canadian GAAP, deferred income taxes were determined using the deferral method whereby deferred income taxes were provided for timing differences based on tax rates in effect when the timing difference arose. Under US GAAP, income taxes are determined using the liability method whereby deferred income taxes are provided for temporary differences using tax rates expected to apply when the differences reverse (See notes 2 and 14). (ii) The income tax expense (recovery) adjustment results from the tax effects of US GAAP adjustments described in note 17 and the application of the accounting policy described in note 17(a)(i) for the period prior to January 1, 2000. b) Under Canadian GAAP, the Notes (note 9) were accounted for under a components approach whereby the Notes were presented with both liability and equity components as explained in note 9. Under US GAAP, these Notes were treated as long-term debt and all interest amounts (to the extent not capitalized to development projects) and amortization of debt issue costs were included in income. On July 10, 2001, the Company completed the conversion of the Notes into 321,501,177 common shares of the Company valued at \$211,761. As explained above, prior to the conversion, the Notes were accounted for under a components approach under Canadian GAAP. The effects of the conversion under Canadian GAAP are described in note 9. Under US GAAP, these Notes were treated as long-term debt. In accordance with US GAAP, an extraordinary gain of \$34,181 net of income taxes of \$ nil, was recorded on this extinguishment of debt. The gain is comprised of the



difference between the carrying value of the Notes and the value of the common shares issued less related transaction costs and the write-off on unamortized debt issue costs. c) Under US GAAP, start-up costs are expensed as incurred. Under Canadian GAAP, start-up costs are deferred and amortized over the mine life. d) Under Canadian GAAP, capital assets are written down to net recoverable amount when the expected undiscounted future cash flows from their use are less than the asset carrying amount. Under US GAAP, when the expected undiscounted future cash flows show a deficiency, the asset is written down to fair value. Fair value has been estimated using discounted expected future cash flows (see note 4). e) Under US GAAP, the components of changes in non-cash working capital are to be disclosed. They are as follows: F-103 FOR THE YEAR ENDED DECEMBER 31, ----- 2001 2000

1999 -----	-----	-----	\$ \$ \$	Accounts receivable.....	(7,065)	(4,070)	8,340
Inventories.....	8,913	5,034	1,759	Accounts payable.....	(2,368)		
	(3,623)	(9,587)				(520)	(2,659)

512 ===== f) Effective January 1, 2001, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" ("the Standards"). These Standards require companies to record derivatives on the balance sheet as assets or liabilities, measured at their fair value. If the derivative is designated as a fair value hedge, the effective portions of the changes in the fair value of the derivative, and changes in the fair value of the hedged item attributable to the hedged risk, are recognized in the income statement. If the derivative is designated as a cash flow hedge, the effective portion of the changes in fair value of the derivative are recorded in other comprehensive income ("OCI") and are recognized in the income statement when the hedged item is recognized. Accordingly, ineffective portions of changes in the fair value of hedging instruments are recognized in earnings immediately. Gains or losses arising from hedging activities, including the ineffective portion, are reported in the same income statement caption as the hedged item. Gains or losses from derivative instruments for which hedge accounting is not applied are reported in other income. Implementation of the Standards did not affect the Company's cash flows or liquidity. The Standards are complex and subject to a potentially wide range of interpretations in their application. The Financial Accounting Standards Board ("FASB") continues to consider several issues, and the potential exists for additional issues to be brought under its review. Therefore, if subsequent FASB interpretations of the Standards are different than the Company's initial application, it is possible that the impact of the Company's application of the Standards, as described above, will be modified. In accordance with the transition provisions of the Standards, the Company recorded the following after-tax cumulative adjustments on January 1, 2001 as a result of recording all derivative financial instruments on the consolidated balance sheet at fair value: - an increase in OCI of \$17.5 million, net of future income taxes of \$nil; - an increase in assets of \$12.5 million; and - a decrease in liabilities of \$5 million The Company has entered into the following types of derivative instruments: (See note 13 for details on the Company's commodity contracts and financial instruments). i) Certain gold put options, lease rate swaps and lead and zinc forward contracts Prior to adoption of the Standards, these instruments were accounted for as cash flow hedges of future metals sales under both US and Canadian GAAP. On adoption of the Standards, the Company elected not to designate these contracts as hedges for US accounting purposes with the effect that the contracts were recognized at their fair value on January 1, 2001 with an offsetting amount in OCI. Changes in the fair value of these derivative instruments subsequent to January 1, 2001 have been reflected in current period earnings under US GAAP. ii) Written silver call options and certain gold put options Prior to the adoption of the Standards, these derivative instruments were recorded at their fair value on the balance sheet with subsequent changes in fair value reflected in current period earnings. The adoption of the Standards did not result in any change in the accounting treatment for these derivative instruments and does not represent a US GAAP difference as the Company records these instruments at fair value for Canadian reporting purposes. iii) Foreign currency contracts Prior to the adoption of the Standards, these contracts were recorded at their fair value in the balance sheet with subsequent changes in fair value reflected in current period earnings. The adoption of the Standards did not result in any change in the US accounting treatment for the contracts. Under Canadian GAAP, foreign currency contracts are recorded when the corresponding hedge-designated period is reached. The Company estimates that \$8 million of gains, net of future income taxes of \$nil, will be reclassified from OCI to current period earnings within the next twelve months. F-104 A reconciliation of changes in OCI attributed to hedging activities is as follows: \$ ----- Hedging gains, net of future income taxes of \$nil, arising from implementation of SFAS 133..... 17,544 Hedging gains at beginning of period reclassified to earnings, net of future income taxes of \$nil..... 6,559 ----- Total hedging gains net of future income taxes of \$nil..... 10,985 ----- g)

The minority interests and participation rights adjustment arises from the minority interests and participation rights impacts of the US GAAP adjustments described in note 17. h) The La Coipa, Brasilia and Crixas mines are proportionately consolidated under Canadian GAAP. These mines would be accounted for using the equity method under US GAAP. An accommodation is available under certain conditions pursuant to Item 17(c)(2)(vii) of SEC Form 20-F which permits the omission of differences in classification or display that result from using proportionate consolidation in the reconciliation to US GAAP. The Company has evaluated the criteria and has determined that the La Coipa, Brasilia and Crixas mines qualify for this accommodation as these joint ventures are operating entities, the significant financial and operating policies of which are, by contractual arrangement, jointly controlled by all parties having an equity interest in these entities. i) For purposes of this U.S. GAAP reconciliation, the terms "proven and probable reserves", "exploration", "development", and "production" have the same meaning under both U.S. and Canadian GAAP. Exploration costs incurred are expensed at the same point in time based on the same criteria under both U.S. and Canadian GAAP. In addition, mining related costs are only capitalized after proven and probable reserves have been designated under both U.S. and Canadian GAAP. As a result of the above, the following would be US GAAP information for the years ended December 31: INCOME STATEMENT 2001 2000 1999 -----

----- \$ \$ \$ Earnings (loss) in accordance with Canadian GAAP.....	(227,928)	12,428	(47,565)	-----	-----
write-downs(d).....	(51,185)	-- --	Depletion and depreciation(c).....	2,830	3,410 5,971
Interest expense(b).....	(1,107)	(2,101)	(3,129)	Income tax expense	
(recovery)(a).....	3,650	2,092	(25,401)	Gain on disposal of minority interest and participation	
rights.....	-- --	12,975	Other expenses(c).....	-- --	(4,500)
Minority interests and participation rights(g).....	2,160	(1,705)	(7,553)	Foreign exchange gain (loss)(f)(iii).....	
(1,821) 1,800 1,400 Non-operating asset write-downs(d).....	-- --	20,500	Other		
income(f)(i).....	967	-- --	-----	Earnings (loss) in accordance with US GAAP,	
before extraordinary gain and change in accounting policy.....	(272,434)	15,924	(47,302)		
Extraordinary gain (net of tax)(b).....	34,181	-- --	-----	Earnings (loss) in accordance with	
US GAAP before change in accounting policy.....	(238,253)	15,924	(47,302)	Change in	
accounting policy (net of tax)(c).....	-- --	(45,074)	-----	Earnings (loss) in accordance with US	
GAAP.....	(238,253)	15,924	(92,376)	=====	=====
				=====	=====
				Earnings (loss) per share under US	
				GAAP, before extraordinary gain and change in accounting policy.....	(14.42) 4.45 (13.79)
				Earnings (loss) per share	
				under US GAAP, before change in accounting policy.....	(12.61) 4.45 (13.79)
				Earnings (loss)	
				per share under US GAAP.....	(12.61) 4.45 (26.92)
				F-105 BALANCE SHEET 2001 2000 -----	-----
				\$ \$ Current assets(f).....	95,454 171,639
				Deferred charges(f).....	6,694 7,384
				Mining property, plant and equipment(b),(c),(d).....	219,997 519,147
				Current liabilities(f).....	43,688 70,497
				Deferred tax liability(a).....	17,298 28,411
				Long-term	
				debt(b).....	58,832 311,036
				Minority interests and participation rights(g).....	126,211
				161,071 Contributed surplus(b).....	1,526 1,526
				Deficit.....	(428,494)
				(190,240) Other comprehensive income(f).....	10,985
				-- STATEMENT OF CASH FLOWS 2001 2000	
				1999 -----	-----
				\$ \$ \$ Cash provided from operations.....	45,783 32,557 45,614
				Cash used for	
				investing activities(b).....	(27,230) (106,478) 101,030
				Cash provided from (used for) financing	
				activities(b).....	(51,281) 29,777 (94,436)
				Net cash, end of year.....	16,568 49,296 93,440

ACCOUNTING PRONOUNCEMENTS In June 2001, the FASB issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001, and disallows the use of the pooling of interests method. SFAS No. 142 changes the accounting for goodwill such that it will no longer be amortized but will be subject to an impairment test instead. These new standards are substantially the same as new standards issued by the CICA which the Company will be adopting in the first quarter of 2002. The adoption of these standards will not have a significant impact on the results of operations and financial condition of the Company. The Company will be adopting SFAS No. 143, "Accounting for Asset Retirement Obligations" in 2003. This standard requires that the fair value of liabilities for asset retirement obligations be recognized in the period in which they are incurred and capitalized as part of the asset carrying value and depreciated over the asset's useful life. The Company has not determined the effect of adoption of this new standard. Effective in 2002, the Company will adopt SFAS No. 144, "Accounting for the Impairment of Long-Lived Assets". This standard supercedes SFAS No. 121, "Accounting for the

Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of", and retains the basic principals of SFAS No. 121 but broadens the presentation of discontinued operations. The adoption of SFAS No. 144 is not expected to significantly impact the Company. CANADIAN GAAP ACCOUNTING CHANGES Effective January 1, 2002, the Company will adopt a new CICA accounting standard relating to stock-based compensation and other stock-based payments. This new standard requires either the recognition of compensation expense for grants of stock, stock options and other equity instruments to employees, or, alternatively, the disclosure of pro forma net earnings and net earnings per share data as if stock-based compensation had been recognized in earnings. The Company has elected to disclose pro forma net earnings and earnings per share data, therefore, there is no effect of adopting this new standard on the Company's results of operations and financial position. Also, effective January 1, 2002, the Company will adopt a new CICA accounting standard in respect of foreign currency translation that will eliminate the deferral and amortization of currency translation adjustments related to long-term monetary items with a fixed and ascertainable life. There will be no impact on the Company's results of operations and financial position as a result of adoption of this new standard. During 2001, the CICA issued new Accounting Guideline 13 ("AG 13"), which will be effective beginning in 2003. AG 13 addresses the identification, designation, documentation and effectiveness of hedging relationships for the purposes of applying hedge accounting. In addition, it deals with the discontinuance of hedge accounting and establishes conditions for applying hedge accounting. Under the guideline, the Company is required to document its hedging relationships and explicitly demonstrate that the hedges are sufficiently effective in order to continue accrual accounting for positions hedged with derivatives. Otherwise, the derivative financial instruments will be required to be marked to market with the resultant gain or loss being recognized in income. The impact of adopting this guideline has not yet been determined.

18. DISPOSAL OF MINORITY INTERESTS AND PARTICIPATION RIGHTS Effective July 1, 1999, the Company conveyed 50% of its interests in five operating mines to Normandy for net proceeds of \$180,953, resulting in a gain of \$4,197. This gain includes gains and losses based on the individual mines' respective book values, a portion of deferred revenue and restructuring charges. F-106 Two new entities, each owned 50% plus one share by the Company and 50% less one share by Normandy, were created to hold directly or indirectly, interests in five existing producing gold mines along with the Company's and Normandy's exploration projects in the Americas. One entity holds the mines in Canada: New Britannia (50%; 25% to TVX); and Musselwhite (32%; 16% to TVX) and the other holds the South American mines: La Coipa in Chile (50%; 25% to TVX); and Crixas (50%; TVX holds a 50% legal interest but only a 25% economic interest) and Brasilia (49%; 24.5% to TVX) in Brazil and related corporate entities. As part of the transaction, the Company agreed to indemnify Normandy until June 2005 for up to \$15 million of unforeseen, pre-existing environmental liabilities associated with the assets transferred. Normandy also purchased 356,665 common shares of the Company at CAN\$100.00 per share for proceeds of \$24,000 (after giving retroactive effect to the 5 for 1 common share consolidation referred to in note 11 and the 10 for 1 common share consolidation referred to in note 19).

19. SUBSEQUENT EVENTS (a) EQUITY OFFERING On April 12, 2002, the Company completed an equity offering of 7,150,000 common shares at CAN\$10.50 per share for gross proceeds of CAN\$75,075,000. The proceeds after underwriting fees were CAN\$72,072,000. (b) BUSINESS COMBINATION The Company, Kinross Gold Corporation and Echo Bay Mines Ltd. ("Echo Bay") have entered into a combination agreement dated June 10, 2002, as amended July 12, 2002 and November 19, 2002 for the purpose of combining the ownership of their respective businesses and acquiring the minority interests held by Newmont Mining Corporation. Echo Bay, a US registrant, is required to clear the information circular with the Securities and Exchange Commission of the US ("SEC") before mailing to its shareholders. The draft information circular was filed with the SEC for review on July 16, 2002. The Company will provide shareholders with details of the transaction in an information circular to be mailed in connection with a special shareholders meeting once this process is finalized. (c) SHARE CONSOLIDATION Effective June 30, 2002, the Company consolidated its common shares on a ten for one basis. All share capital, share and option data in the consolidated financial statements have been retroactively restated to reflect the share consolidation.

20. COMPARATIVE FIGURES Certain comparative figures have been reclassified to conform to the presentation used in the current year. F-107 ECHO BAY MINES LTD. CONSOLIDATED BALANCE SHEETS (UNAUDITED) thousands of U.S. dollars

	SEPTEMBER 30	DECEMBER 31	2002	2001	ASSETS
Current assets:					
Cash and cash equivalents.....	\$ 20,867	\$ 12,351			Short-term investments.....
					2,170
1,910 Interest and accounts receivable.....	5,095	3,645			Inventories (note 2).....
					25,866
29,506 Prepaid expenses and other assets.....	2,915	3,725			56,913
					51,137
					Plant and

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equipment (note 3).....	108,780	120,969	Mining properties (note 3).....	29,460
32,903 Other long-term assets (note 4).....	53,846	55,795	-----	\$ 248,999 \$260,804
===== LIABILITIES AND SHAREHOLDERS' EQUITY Current liabilities: Accounts payable and accrued liabilities.....				
\$ 22,271	\$ 24,284	Income and mining taxes payable.....	2,952	3,570
Debt and other financings (note 5).....	--	17,000	Deferred income (note 6).....	697 876
Reclamation and mine closure liabilities.....	4,559	3,841	-----	30,479 49,571
Debt and other financings (note 5).....	--	6,714	Deferred income (note 6).....	19,102 47,042
Reclamation and mine closure liabilities.....	47,379	49,726	Deferred income taxes.....	941 925
Commitments and contingencies (notes 12 and 13) Shareholders' equity: Capital stock (note 7).....	1,042,571	713,343	Capital securities (note 8).....	-- 157,453
Deficit.....	(863,819)	(734,665)	Foreign currency translation.....	(27,654)
(29,305)	-----	151,098 106,826	-----	\$ 248,999 \$260,804 =====

See accompanying notes to interim consolidated financial statements. F-108 ECHO BAY MINES LTD. CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED) thousands of U.S. dollars, except for per share data THREE MONTHS ENDED NINE MONTHS ENDED SEPTEMBER 30 SEPTEMBER 30 -----

-----	2002	2001	2002	2001	-----	Revenue.....	\$51,996
\$ 58,545	\$ 161,750	\$186,658	-----	Expenses: Operating costs.....	30,104		
42,173	99,520	133,317	Royalties.....	2,016	2,284	5,722	5,970
Production taxes.....	460	178	544	449	Depreciation and amortization.....	8,577	10,182
32,451	Reclamation and mine closure.....	1,359	1,578	3,839	4,843	General and administrative.....	2,840
1,476	5,731	4,316	Exploration and development.....	2,609	1,199	4,778	3,211
Loss on retirement of capital securities (note 7).....	--	--	5,461	--	Interest and other (note 9).....	289	454
126	1,286	-----	48,254	59,524	154,021	185,843	-----
Earnings (loss) before income taxes.....	3,742	(979)	7,729	815	Income tax expense (recovery): Current.....	--	48
--	131	Deferred.....	(840)	(2,519)	-----	(792)	(2,388)
Net earnings (loss).....	\$ 3,742	\$ (187)	\$ 7,729	\$ 3,203	=====		
Net earnings (loss) attributable to common shareholders (note 8).....	\$ 3,742	\$ (4,252)	\$ (129,154)	\$ (9,518)	=====		
Earnings (loss) per share -- basic and diluted.....	\$ 0.01	\$ (0.03)	\$ (0.33)	\$ (0.07)	=====		
Weighted average number of shares outstanding (thousands) -- basic.....	541,269	140,607	392,620	140,607	-- diluted.....	547,105	140,607
392,620	140,607	=====					

===== CONSOLIDATED STATEMENTS OF DEFICIT (UNAUDITED) thousands of U.S. dollars THREE MONTHS ENDED NINE MONTHS ENDED SEPTEMBER 30 SEPTEMBER 30 -----

-----	2002	2001	2002	2001	-----	Balance, beginning of period.....	
\$(867,561)	\$(716,946)	\$(734,665)	\$(711,680)	Net earnings (loss).....	3,742	(187)	7,729
3,203	Loss on retirement of capital securities, net of nil tax effect (note 7).....	--	--	(132,302)	--	Interest on capital securities, net of nil tax effect (note 8).....	--
(4,065)	(4,581)	(12,721)	-----				
Balance, end of period.....	\$(863,819)	\$(721,198)	\$(863,819)	\$(721,198)	=====		

See accompanying notes to interim consolidated financial statements. F-109 ECHO BAY MINES LTD. CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED) thousands of U.S. dollars THREE MONTHS ENDED NINE MONTHS ENDED SEPTEMBER 30 SEPTEMBER 30 -----

-----	2002	2001	2002	2001	-----	CASH PROVIDED FROM (USED IN):
OPERATING ACTIVITIES	Net cash flows provided from operating activities.....	\$ 9,629	\$10,936	\$ 14,878	\$ 27,233	
INVESTING ACTIVITIES	Mining properties, plant and equipment.....	(1,926)	(5,326)	(10,790)	(18,683)	Other long-term assets.....
(3,798)	(2,177)	(3,719)	(2,164)	Proceeds on the sale of plant and equipment.....	168	5
1,860	373	Other.....	227	(506)	771	(639)
(5,329)	(8,004)	(11,878)	(21,113)	FINANCING ACTIVITIES	Debt repayments.....	--
(2,000)	(17,000)	(9,500)	Units offering, net of issuance costs (note 7).....	--	25,513	--
Warrants exercised.....	3	--	3	Costs of capital securities retirement (note 7).....	(48)	--
(3,000)	(45)	(2,000)	5,516	(9,500)	-----	Net increase

(decrease) in cash and cash equivalents..... 4,255 932 8,516 (3,380) Cash and cash equivalents, beginning of period..... 16,612 9,957 12,351 14,269 ----- Cash and cash equivalents, end of period..... \$20,867 \$10,889 \$ 20,867 \$ 10,889 ===== See accompanying notes to interim consolidated financial statements. F-110 ECHO BAY MINES LTD. NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2002 Tabular dollar amounts in thousands of U.S. dollars, except amounts per share and per ounce or unless otherwise noted 1. GENERAL In the opinion of management, the accompanying unaudited consolidated balance sheets, consolidated statements of operations, consolidated statements of deficit and consolidated statements of cash flow contain all adjustments, consisting only of normal recurring accruals, necessary to present fairly in all material respects the consolidated financial position of Echo Bay Mines Ltd. (the "Company") as of September 30, 2002 and December 31, 2001 and the consolidated results of operations and cash flow for the three and nine months ended September 30, 2002 and 2001. These financial statements do not include all disclosures required by generally accepted accounting principles for annual financial statements. For further information, refer to the financial statements and related footnotes included in the Company's annual report on Form 10-K for the year ended December 31, 2001. Except as otherwise noted in this report, the accounting policies described in the annual report have been applied in the preparation of these financial statements. On June 10, 2002, the Company, Kinross Gold Corporation ("Kinross") and TVX Gold Inc. ("TVX") announced that they had entered into an agreement providing for the proposed combination of the companies. In a concurrent transaction, TVX agreed to acquire from Newmont Mining Corporation ("Newmont") the interest in the TVX Newmont Americas joint venture that it does not already own. The combination of the companies is conditional upon the completion of this purchase. Shareholders of Echo Bay (other than Kinross) would receive 0.52 of a Kinross common share for each Echo Bay common share. At a Kinross special meeting, the shareholders of Kinross are expected to consider a one-for-three share consolidation which, if approved, would result in an exchange ratio change from 0.52 to 0.1733 of a Kinross common share for each Echo Bay common share. The Kinross share consolidation would not affect the percentage ownership interest of the Echo Bay shareholders in Kinross. On June 9, 2002, Echo Bay Exploration Inc. and Echo Bay Minerals Company, two subsidiaries of the Company, entered into an asset purchase agreement, amended as of November 19, 2002, with Newmont USA Limited ("Newmont USA"), a subsidiary of Newmont, providing for the conveyance of the McCoy/Cove complex. The agreement replaces a letter agreement dated February 13, 2002 related to the conveyance of the McCoy/Cove complex which called for a payment to the seller of \$6 million and the assumption by Newmont of all reclamation and closure obligations. Under the February 13, 2002 letter agreement, Newmont had no obligation to complete the transaction. Newmont indicated it was willing to proceed with the conveyance of the McCoy/Cove complex only if the Kinross Combination was completed and the cash payment was eliminated. Accordingly, a new agreement was reached expressly containing these two conditions. The closing of the transaction is subject to, among other conditions, the completion of the Kinross Combination. In consideration of the conveyance of such assets, Newmont USA has agreed to assume all liabilities and obligations relating to the reclamation or remediation required for the McCoy/Cove complex. A gain is expected on the conveyance of the McCoy/Cove complex. Pending completion of the transaction, the Company will continue to operate McCoy/ Cove for its own account. In May 2002, the Company sold a total of 39,100,000 units at a price of \$0.70 per unit for aggregate gross proceeds of approximately \$27.4 million. Each unit consisted of one common share and one share purchase warrant. The common shares and the warrants comprising the units separated upon closing and trade separately on the Toronto Stock Exchange and on the American Stock Exchange. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.90 at any time prior to November 14, 2003. On April 3, 2002 the Company issued 361,561,230 common shares in exchange for the entire capital securities debt obligation of \$100 million in principal amount plus accrued and unpaid interest (notes 7 and 8). Certain of the comparative figures have been reclassified to conform to the current year's presentation. 2. INVENTORIES SEPTEMBER 30 DECEMBER 31 2002 2001 ----- Precious metals bullion..... \$ 7,299 \$12,215 In-process..... 4,907 5,720 Materials and supplies..... 13,660 11,571 ----- \$25,866 \$29,506 ===== F-111 3. PROPERTY, PLANT AND EQUIPMENT PLANT AND EQUIPMENT SEPTEMBER 30 DECEMBER 31 2002 2001 ----- Cost..... \$652,534 \$655,179 Less accumulated depreciation..... 543,754 534,210 ----- \$108,780 \$120,969 ===== MINING PROPERTIES SEPTEMBER 30 DECEMBER 31 2002 2001 ----- Producing mines' acquisition and development costs..... \$283,211

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\$280,545	Less accumulated amortization.....	266,618	260,365	-----	-----	16,593	20,180
	Development properties' acquisition and development costs...	12,867	12,723	-----	-----	\$ 29,460	\$ 32,903
=====	=====	4. OTHER LONG-TERM ASSETS SEPTEMBER 30 DECEMBER 31 2002 2001 -----					
-----	Deferred losses on modification of hedging contracts.....	\$25,600	\$29,305	Deferred mining			
	costs.....	13,683	15,648	Reclamation and other deposits.....		14,334	10,485
	Premiums paid on gold and silver option contracts.....	454	1,871	Other.....		229	357
-----	-----	54,300	57,666	Less current portion included in prepaid expenses and other			
	assets.....	454	1,871	-----	-----	\$53,846	\$55,795
	=====	===== 5. DEBT AND					
	OTHER FINANCINGS SEPTEMBER 30 DECEMBER 31 2002 2001 -----			-----	-----	Currency	
	loans.....	\$ --	\$17,000	Capital securities (note 8).....		--	6,714
	23,714	Less current portion.....	--	17,000	-----	\$ --	\$ 6,714
	=====	===== 6.					
	DEFERRED INCOME SEPTEMBER 30 DECEMBER 31 2002 2001 -----			-----	-----	Deferred gains on	
	modification of hedging contracts.....	\$19,102	\$47,042	Premiums received on gold and silver option contracts.....			
	697	876	-----	-----	19,799	47,918	Less current portion.....
	\$47,042	=====	=====	F-112	7. CAPITAL STOCK UNITS AMOUNT -----		
	=====	===== COMMON					
	SHARES Balance, December 31, 2001.....	140,607,145	\$ 713,343	Issued in exchange for capital			
	securities and accrued interest.....	361,561,230	303,711	Units offering, net of issuance			
	costs.....	39,100,000	23,236	Issued upon exercise of warrants.....		3,300	3
	Balance, September 30, 2002.....	541,271,675	\$1,040,293	=====	=====	=====	=====
	WARRANTS Balance, December 31, 2001.....	--	\$ --	Units offering, net of issuance			
	costs.....	39,100,000	2,278	Warrants exercised.....		(3,300)	--
	Balance, September 30, 2002.....	39,096,700	\$ 2,278	=====	=====	CAPITAL	

COMMON SHARES Retirement On April 3, 2002 the Company issued 361,561,230 common shares, representing approximately 72% of the outstanding common shares after giving effect to such issuance, in exchange for all of its \$100 million aggregate principal amount of 11% junior subordinated debentures due 2027, plus accrued and unpaid interest thereon (the "capital securities"). Following this issuance of common shares, and as at April 3, 2002, the principal holders of the Company's common shares and their respective ownership positions in the Company were Newmont Mining Corporation of Canada Limited ("Newmont Canada") (48.8%) and Kinross (11.4%). In connection with the completion of the capital securities exchange, three directors of the Company resigned from the board of directors. Two of the vacancies created by these resignations were filled by executive officers of Newmont Canada. As a result of eliminating the capital securities, the Company recorded an increase to common shares of \$303.7 million, based on their quoted market value at the date of issue. The quoted market value of the common shares issued exceeded the book value of the capital securities by \$134.8 million. This difference, along with transaction costs of \$3.0 million, were recorded proportionately between interest expense (\$5.5 million) and deficit (\$132.3 million) in the second quarter of 2002 based on the debt and equity classifications of the capital securities.

UNITS OFFERING In May 2002, the Company sold a total of 39,100,000 units at a price of \$0.70 per unit for aggregate gross proceeds of approximately \$27.4 million. Each unit consisted of one common share and one share purchase warrant. The common shares and the warrants comprising the units separated upon closing and trade separately on the Toronto Stock Exchange and the American Stock Exchange. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.90 at any time prior to November 14, 2003.

8. CAPITAL SECURITIES On April 3, 2002 the Company issued 361,561,230 common shares in exchange for all of its capital securities (note 7). Prior to the exchange, the present value of the capital securities' principal amount was classified as debt (note 5) and the present value of the future interest payments plus deferred accrued interest was classified within a separate component of shareholders' equity. Interest on the debt portion of the capital securities was classified as interest expense on the consolidated statement of earnings and interest on the equity portion of the capital securities was charged directly to deficit on the consolidated balance sheet. The loss on conversion of the capital securities was charged proportionately between earnings and deficit (note 7). For purposes of per share calculations, the equity portions of interest and the loss on conversion decreases the earnings attributable to common shareholders. See note 10 for a discussion of differences in treatment of the capital securities under generally accepted accounting principles in the United States.

9. INTEREST AND OTHER THREE MONTHS ENDED NINE MONTHS ENDED SEPTEMBER 30 SEPTEMBER 30 ----- 2002 2001 2002 2001 ----- Interest

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income.....	\$ (104)	\$ (163)	\$ (322)	\$ (662)	Interest expense.....	119
551 661 1,962 Gain on sale of assets.....	(130)	--	(1,229)	(285)	Unrealized loss on share	
investments.....	-- 2	-- 104	Other.....	404 64 1,016 167	-----	
-----	\$ 289	\$ 454	\$ 126	\$ 1,286	=====	F-113 10. DIFFERENCES BETWEEN
CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) U.S.						
GAAP FINANCIAL STATEMENTS The Company prepares its consolidated financial statements in accordance with						
accounting principles generally accepted in Canada. These differ in some respects from those in the United States, as						
described below and in the footnotes to the financial statements included in the Company's annual report on Form						
10-K for the year ended December 31, 2001. CAPITAL SECURITIES RETIREMENT In accordance with Canadian						
GAAP, the loss on the retirement of the capital securities (note 7) was recorded proportionately between interest						
expense (\$5.5 million) and deficit (\$132.3 million) in the second quarter of 2002 based on the debt and equity						
classifications of the capital securities. Under U.S. GAAP, the entire loss of \$137.8 million would be recorded as an						
extraordinary item. The effects of the GAAP differences on the consolidated statement of operations would have been						
as follows. THREE MONTHS ENDED NINE MONTHS ENDED SEPTEMBER 30 SEPTEMBER 30						
-----	2002	2001	2002	2001	-----	Net earnings (loss) under
Canadian GAAP.....	\$ 3,742	\$ (187)	\$ 7,729	\$ 3,203	Additional interest expense on capital securities.....	
-- (4,065) (4,581) (12,721)	Amortization of deferred financing on capital securities....	-- (158)	(158)	(475)	Loss on	
retirement of capital securities.....	-- --	5,461	--	Change in market value of foreign exchange contracts.....		
(719) (780) (48) (2,720)	Change in market value of option contracts.....	(172)	345	(1,875)	(446)	Modification
of derivative contracts realized in net earnings.....	344	--	1,031	--	Transition adjustment on	
adoption of FAS 133.....	-- -- --	(3,090)	Kettle River exploration expense.....	-- (122)	-- (1,425)	
Kettle River amortization expense.....	--	488	--	1,657	Unrealized loss on share	
investments.....	-- 2	-- 104	-----	-----	Net earnings (loss) under U.S. GAAP before	
extraordinary loss.....	\$ 3,195	\$ (4,477)	\$ 7,559	\$(15,913)	Loss on retirement of capital	
securities, net of nil tax effect.....	-- --	(137,763)	--	-----	-----	Net
earnings (loss) under U.S. GAAP.....	\$ 3,195	\$ (4,477)	\$(130,204)	\$(15,913)	=====	=====
=====	=====	=====	=====	=====	=====	=====
Earnings (loss) per share under U.S. GAAP -- basic and diluted -- before extraordinary						
loss.....	\$ 0.01	\$ (0.03)	\$ 0.02	\$ (0.11)	-- extraordinary loss.....	\$ -- \$ -- \$ (0.35) \$
--	-----	-----	-----	-----	-- after extraordinary loss.....	\$ 0.01 \$ (0.03) \$ (0.33) \$ (0.11)
=====	=====	=====	=====	=====	=====	=====
Weighted average number of shares outstanding (thousands) --						
basic.....	541,269	140,607	392,620	140,607	-- diluted.....	
547,105 140,607 397,488 140,607	=====	=====	=====	=====	=====	The effects of the GAAP
-----	-----	-----	-----	-----	-----	differences on the consolidated balance sheet would have been as follows. CANADIAN SHORT-TERM
DERIVATIVE U.S. SEPTEMBER 30, 2002 GAAP INVESTMENTS CONTRACTS OTHER(1) GAAP						
-----	-----	-----	-----	-----	-----	Short-term investments.....
\$14,094 \$ -- \$ -- \$ 16,264	Other long-term assets.....	53,846	-- (25,507)	-- 28,339	Accounts payable	
and accrued liabilities.....	22,271	-- 2,387	-- 24,658	Deferred income.....	19,799	--
(19,799) -- --	Common shares.....	1,042,571	-- --	36,428 1,078,999		
Deficit.....	(863,819)	178 (4,314)	(36,428)	(904,383)	Foreign currency	
translation.....	(27,654)	-- --	27,654	--	Accumulated other comprehensive loss.....	-- 13,916
(3,781) (27,654) (17,519)	Shareholders' equity.....	151,098	14,094 (8,095)	-- 157,097		
-----	(1) The adjustment to common shares and deficit relates to the 1996 acquisition and 1997 write-off of					
the Company's investment in Santa Elina. F-114 The following statement of comprehensive income (loss) would be						
disclosed in accordance with U.S. GAAP. THREE MONTHS ENDED NINE MONTHS ENDED SEPTEMBER 30						
SEPTEMBER 30	-----	2002	2001	2002	2001	-----
-----	-----	-----	-----	-----	-----	Net earnings
(loss) under U.S. GAAP.....	\$ 3,195	\$ (4,477)	\$(130,204)	\$(15,913)	Other comprehensive income (loss),	
after a nil income tax effect: Unrealized gain on share investments arising during						
period.....	1,702	742	11,458	1,098	Foreign currency translation adjustments.....	
(2,356) (2,756) 1,651 (3,671)	Transition adjustment on implementation of FAS 133.....	-- -- --	39,234	Modification		
of derivative contracts realized in net earnings (loss).....	(7,406)	(4,166)	(25,266)	(11,960)	-----	
-----	-----	-----	-----	-----	-----	Other comprehensive income (loss).....
	(8,060)	(6,180)	(12,157)	24,701	-----	

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----- Comprehensive income (loss).....	\$ (4,865)	\$ (10,657)	\$ (142,361)	\$ 8,788
=====	=====	=====	=====	=====
Additionally, under U.S. GAAP, the equity section of the balance sheet would present a subtotal for accumulated other comprehensive loss, as follows. SEPTEMBER 30 DECEMBER 31 2002 2001 -----				
----- Unrealized gain on share investments.....	\$ 13,916	\$ 2,458	Modification of derivative contracts.....	(27,654)
(29,305) -----	(3,781)	21,485	Foreign currency translation.....	(27,654)
----- Accumulated other comprehensive loss.....	\$ (17,519)	\$ (5,362)	=====	=====
=====	=====	=====	=====	=====
RECENT ACCOUNTING PRONOUNCEMENTS In 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 143, Accounting for Asset Retirement Obligations, which is effective for fiscal years beginning after June 15, 2002. The Statement requires obligations associated with the retirement of long-lived assets be recognized at their fair value at the time that the obligations are incurred. Upon initial recognition of a liability, that cost should be capitalized as part of the related long-lived assets and allocated to expense over the useful life of the asset. The Company will adopt Statement 143 on January 1, 2003. The impact of adoption of Statement 143 on the Company's financial position or results of operations has not yet been determined.				
11. SEGMENT INFORMATION The Company's management regularly evaluates the performance of the Company by reviewing operating results on a minesite by minesite basis. As such, the Company considers each producing minesite to be an operating segment. In the third quarter of 2002, the Company had three operating mines: Round Mountain in Nevada, USA; Kettle River in Washington, USA; and Lupin in the Nunavut Territory of Canada. All of the Company's mines are 100% owned except for Round Mountain, which is 50% owned. The Company operated a fourth mine, McCoy/Cove in Nevada, USA, until March 31, 2002 at which date mining and processing activities were completed. The Company's management generally monitors revenue on a consolidated basis. Information regarding the Company's consolidated revenue is provided below. THREE MONTHS ENDED NINE MONTHS ENDED				
SEPTEMBER 30	SEPTEMBER 30	-----	2002 2001	2002 2001
-----	-----	-----	-----	-----
Total gold and silver revenues.....	\$ 51,996	\$ 58,545	\$ 161,750	\$ 186,658
Average gold price realized per ounce.....	\$ 361	\$ 298	\$ 360	\$ 302
Average silver price realized per ounce.....	\$ --	\$ 4.43	\$ 4.36	\$ 4.77
-----	-----	-----	-----	-----
F-115 In making operating decisions and allocating resources, the Company's management specifically focuses on the production levels and cash operating costs generated by each operating segment, as summarized in the following tables. THREE MONTHS ENDED NINE MONTHS ENDED				
SEPTEMBER 30	SEPTEMBER 30	-----	2002 2001	2002 2001
-----	-----	-----	-----	-----
PRODUCTION (OUNCES)				
-----	-----	-----	-----	-----
----- Gold Round Mountain (50%).....	100,063	102,883	289,133	301,021
Lupin.....	31,118	33,000	84,478	105,710
Kettle River.....	7,907	12,200	27,894	41,418
McCoy/Cove.....	--	23,450	16,501	73,138
Total gold.....	139,088	171,533	418,006	521,287
-----	-----	-----	-----	-----
----- Silver -- all from McCoy/Cove.....	--	1,731,444	1,470,094	5,028,029
=====	=====	=====	=====	=====
THREE MONTHS ENDED NINE MONTHS ENDED				
SEPTEMBER 30	SEPTEMBER 30	-----	2002 2001	2002 2001
-----	-----	-----	-----	-----
OPERATING COSTS				
-----	-----	-----	-----	-----
----- Round Mountain (50%).....	\$ 19,751	\$ 20,052	\$ 52,873	\$ 58,312
Lupin.....	8,016	6,943	26,287	22,797
Kettle River.....	--	11,663	13,453	40,637
McCoy/Cove.....	--	11,663	13,453	40,637
Total operating costs per financial statements.....	\$ 30,104	\$ 42,173	\$ 99,520	\$ 133,317
=====	=====	=====	=====	=====
THREE MONTHS ENDED NINE MONTHS ENDED				
SEPTEMBER 30	SEPTEMBER 30	-----	2002 2001	2002 2001
-----	-----	-----	-----	-----
ROYALTIES				
-----	-----	-----	-----	-----
----- Round Mountain (50%).....	\$ 1,949	\$ 2,147	\$ 5,543	\$ 5,354
Kettle River.....	67	90	138	448
McCoy/Cove.....	--	47	41	168
Total royalties per financial statements.....	\$ 2,016	\$ 2,284	\$ 5,722	\$ 5,970
=====	=====	=====	=====	=====
THREE MONTHS ENDED NINE MONTHS ENDED				
SEPTEMBER 30	SEPTEMBER 30	-----	2002 2001	2002 2001
-----	-----	-----	-----	-----
DEPRECIATION AND AMORTIZATION				
-----	-----	-----	-----	-----
----- Round Mountain (50%).....	\$ 6,267	\$ 5,261	\$ 16,996	\$ 15,919
Lupin.....	1,436	1,103	3,636	3,708
Kettle River.....	--	2,778	4,385	9,842
McCoy/Cove.....	--	2,778	4,385	9,842
Total depreciation and amortization per financial statements.....	\$ 8,577	\$ 10,182	\$ 28,300	\$ 32,451



===== 12. HEDGING ACTIVITIES AND COMMITMENTS GOLD  
 COMMITMENTS At September 30, 2002, the Company had commitments to deliver 15,000 ounces of gold in October 2002 at a price of \$293 per ounce. The gold ounces were delivered as scheduled. The Company's option position at September 30, 2002 included 75,000 ounces of gold call options in October 2002 at an average strike price of \$294 per ounce. The Company delivered 15,000 ounces into gold call options at \$302 per ounce and settled the remaining 60,000 gold call options at a cost of \$1.1 million in October 2002. CURRENCY POSITION At September 30, 2002, the Company had an obligation under foreign currency exchange contracts to purchase C\$12.3 million during the remainder of 2002 at an exchange rate of C\$1.60 to U.S.\$1.00. On October 7, 2002, the Company entered into foreign currency contracts to purchase C\$45.1 million through June 2003 at an exchange rate of C\$1.61 to U.S.\$1.00. F-116 Shown below are the carrying amounts and estimated fair values of the Company's hedging instruments at September 30, 2002 and December 31, 2001. SEPTEMBER 30, 2002 DECEMBER 31, 2001  
 ----- CARRYING ESTIMATED CARRYING ESTIMATED AMOUNT FAIR  
 VALUE AMOUNT FAIR VALUE ----- Gold forward sales..... \$ --  
 \$ (400) \$ -- \$2,000 Gold options -- calls sold..... (697) (2,000) (876) (700) Foreign currency  
 contracts..... -- 100 -- 100 ----- \$(2,300) \$1,400 ===== Fair values are estimated  
 based upon market quotations of various input variables. These variables were used in valuation models that estimate the fair market value. 13. OTHER COMMITMENTS AND CONTINGENCIES SUMMA In September 1992, Summa Corporation commenced a lawsuit against two indirect subsidiaries of the Company, Echo Bay Exploration Inc. and Echo Bay Management Corporation (together the "Subsidiaries") alleging improper deductions in the calculation of royalties payable over several years of production at McCoy/Cove and another mine, which is no longer in operation. The matter was tried in the Nevada State Court in April 1997, with Summa claiming more than \$13 million in damages, and, in September 1997, judgment was rendered for the Subsidiaries. The decision was appealed by Summa to the Supreme Court of Nevada, which in April 2000 reversed the decision of the trial court and remanded the case back to the trial court for "a calculation of the appropriate [royalties] in a manner not inconsistent with this order." The case was decided by a panel comprised of three of the seven Justices of the Supreme Court of Nevada and the Subsidiaries petitioned that panel for a rehearing. The petition was denied by the three member panel on May 15, 2000 and remanded to the lower court for consideration of other defences and arguments put forth by the Subsidiaries. The Subsidiaries filed a petition for a hearing before the full Supreme Court and on December 22, 2000, the Court recalled its previous decision. Both the Subsidiaries and their counsel believe that grounds exist to modify or reverse the decision. The Company has \$1.5 million accrued related to this litigation. If the appellate reversal of the trial decision is maintained and the trial court, on remand, were to dismiss all of the Subsidiaries' defences, the royalty calculation at McCoy/Cove would change and additional royalties would be payable. Neither the Company, nor counsel to the Subsidiaries believe it is possible to quantify the precise liability pursuant to a revised royalty calculation. HANDY & HARMAN On March 29, 2000 Handy & Harman Refining Group, Inc., which operated a facility used by the Company for the refinement of dore bars, filed for protection under Chapter 11 of the U.S. Bankruptcy Code. The Company has a claim for gold and silver accounts at this refining facility with an estimated market value of approximately \$2.4 million. Further, in March 2002, the liquidating trustee for Handy & Harman commenced a series of adversary proceedings against numerous creditors, including two Company subsidiaries, alleging that certain creditors received preferential payments in metal or otherwise. The Company intends to oppose these proceedings vigorously. The success or failure of the liquidating trustee in prosecuting the claims may have an impact on the ultimate distribution of funds to creditors. The outcome of these proceedings is uncertain at this time. SECURITY FOR RECLAMATION Certain of the Company's subsidiaries have provided corporate guarantees and other forms of security to regulatory authorities in connection with future reclamation activities. Early in 2001, regulators in Nevada called upon two of the Company's subsidiaries to provide other security to replace corporate guarantees that had been given in respect of the Round Mountain and McCoy/Cove operations totaling approximately \$33 million. The Company disagrees with the regulators' position and believes that the subsidiaries qualify under the criteria set out for corporate guarantees and will oppose the regulatory decision. Although the outcome cannot be predicted, the Company and its counsel believe that the Company will prevail. F-117 REPORT OF INDEPENDENT CHARTERED ACCOUNTANTS The Board of Directors ECHO BAY MINES LTD. We have audited the consolidated balance sheets of Echo Bay Mines Ltd. as at December 31, 2001 and 2000 and the consolidated statements of operations, deficit and cash flow for each of the years in the three-year period ended December 31, 2001. 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 auditing standards generally accepted in Canada and the United States. 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, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at December 31, 2001 and 2000 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2001 in accordance with accounting principles generally accepted in Canada. Edmonton, Canada (SIGNED) ERNST & YOUNG LLP January 31, 2002, except for notes 7 and 20 Chartered Accountants as to which the dates are March 28, 2002 and June 9, 2002, respectively F-118 ECHO BAY MINES LTD. CONSOLIDATED BALANCE SHEETS

December 31 2001 2000 ----- (thousands of U.S. dollars)			
<b>ASSETS</b>			
Current assets:	Cash and cash equivalents.....	\$ 12,351	\$ 14,269
	Short-term investments.....	1,910	2,186
	Interest and accounts receivable.....	3,645	3,022
	Inventories (note 2).....		29,506
	Prepaid expenses and other assets.....	3,725	6,058
	Plant and equipment (note 3).....	120,969	138,527
	Mining properties (note 3).....		32,903
	Long-term investments and other assets (note 4).....	55,795	68,412
		\$260,804	\$313,608
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities:	Accounts payable and accrued liabilities.....	\$ 24,284	\$ 24,159
	Income and mining taxes payable.....	3,570	5,780
	Debt and other financings (note 5).....	17,000	26,500
	Reclamation and mine closure liabilities (note 8).....		3,841
	Deferred income (note 6).....	876	3,964
	Debt and other financings (note 5).....	6,714	6,032
	Deferred income (note 6).....		47,042
	Reclamation and mine closure liabilities (note 8).....	49,726	49,632
	Deferred income taxes.....		925
	Commitments and contingencies (notes 8, 18 and 19)		
Shareholders' equity:	Common shares (note 14), no par value, unlimited number authorized; issued and outstanding -- 140,607,145 shares.....		713,343
	Capital securities (note 7).....	157,453	140,076
	Deficit.....		
	(734,665) (711,680) Foreign currency translation.....	(29,305)	(24,954)
		\$260,804	\$313,608
	On behalf of the Board (signed) Robert L. Leclerc (signed) John W. Abell Director Director See accompanying notes. F-119 ECHO BAY MINES LTD. CONSOLIDATED STATEMENTS OF OPERATIONS		
Year ended December 31 2001 2000 1999 ----- (thousands of U.S. dollars, except for per share data)			
Revenue.....		\$237,684	\$280,976
Expenses:	Operating costs.....	175,341	173,435
	Royalties (note 19).....	7,597	8,034
	Production taxes.....		7,197
	Depreciation and amortization.....	42,101	50,664
	Reclamation and mine closure.....		54,941
	General and administrative.....	5,623	5,650
	Exploration and development.....	3,466	10,336
	Interest and other (note 9).....		8,754
	Interest and other (note 9).....	1,722	3,012
	Provision for impaired assets (note 10).....	4,384	--
	Loss on sale of interest in Paredones Amarillos (note 11).....	--	--
	Loss on sale of interest in Paredones Amarillos (note 11).....	13,795	246,509
		264,163	247,407
Earnings (loss) before income taxes.....		(8,825)	16,813
	Income tax expense (recovery) (note 12).....	(3,147)	(1,748)
	Net earnings (loss).....	216	
		\$ (5,678)	\$ 18,561
		\$ (37,272)	\$ (37,272)
	Net earnings (loss) attributable to common shareholders (note 7).....	\$ (22,985)	\$ 3,164
		\$ (50,969)	\$ (50,969)
	Earnings (loss) per share -- basic and fully diluted.....	\$ (0.16)	\$ 0.02
		\$ (0.36)	\$ (0.36)
	Weighted average number of shares outstanding (thousands) -- basic and fully diluted.....	140,607	140,607
		140,607	140,607
<b>CONSOLIDATED STATEMENTS OF DEFICIT</b>			
Year ended December 31 2001 2000 1999 ----- (thousands of U.S. dollars)			
Balance, beginning of year.....			
		\$(711,680)	\$(714,844)
	Net earnings (loss).....	(5,678)	18,561
	Interest on capital securities, net of nil tax effect (note 7).....	(17,307)	(15,397)
		(13,697)	
	Balance, end of year.....	\$ (734,665)	\$ (711,680)
		\$ (714,844)	
See accompanying notes. F-120 ECHO BAY MINES LTD. CONSOLIDATED			

STATEMENTS OF CASH FLOW		Year ended December 31		2001 2000 1999		----- (thousands of U.S. dollars)		
<b>CASH PROVIDED FROM (USED IN): OPERATING ACTIVITIES</b>								
Net earnings (loss).....	\$ (5,678)	\$ 18,561	\$ (37,272)	Add (deduct):	Depreciation.....	31,093	32,457	
Amortization.....	40,957	11,008	18,207	13,984	Amortization (deferral) of mining costs.....	6,118	4,202	
Deferred income included in revenue (note 6).....	(8,107)	(18,609)	(24,473)	(11,129)	Deferred income included in operating costs (note 6).....	(2,846)	(3,149)	
-- Deferral of gains on restructuring of hedge commitments... --	4,287	14,324	Deferred income taxes.....	(3,358)	(2,400)	-- Net gain on sale of other assets (note 9).....	(700)	
(432)	(736)	Unrealized losses on share investments.....	150	28	1,508	Provision for impaired assets (note 10).....	4,384	
-- --	13,795	Other.....	588	(1,084)	651	Change in cash invested in operating assets and liabilities:	Interest and accounts receivable.....	
(648)	(85)	864	Inventories.....	8,780	(2,869)	882	Prepaid expenses and other assets.....	
166	(31)	290	Accounts payable and accrued liabilities.....	3,304	496	(459)	Income and mining taxes payable.....	
(2,174)	2,790	13	-----	-----	31,578	46,505	29,565	
<b>INVESTING ACTIVITIES</b>								
Mining properties, plant and equipment.....	(22,817)	(11,589)	(25,158)	Long-term investments and other assets.....	(1,879)	(524)	(5,135)	
Proceeds on sale of plant and equipment.....	943	332	972	Cost of repurchase of gold and silver hedging contracts.....	--	--	(3,334)	
Other.....	(243)	894	(926)	-----	-----	(23,996)	(10,887)	
(33,581)	<b>FINANCING ACTIVITIES</b>							
Debt borrowings.....	--	12,000	17,000	Debt repayments.....	(9,500)	(36,750)	(16,181)	
Other.....	--	--	--	(1,389)	-----	-----	(9,500)	
(24,750)	(570)	-----	-----	Net increase (decrease) in cash and cash equivalents.....	(1,918)	10,868	(4,586)	
Cash and cash equivalents, beginning of year.....	14,269	3,401	7,987	-----	-----	-----	Cash and cash equivalents, end of year.....	
\$ 12,351	\$ 14,269	\$ 3,401	===== See accompanying notes. F-121 ECHO BAY MINES LTD. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2001 Tabular dollar amounts in thousands of U.S. dollars, except amounts per share and per ounce or unless otherwise noted 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES GENERAL Echo Bay Mines Ltd. mines, processes and explores for gold and silver. Gold accounted for 86% of 2001 revenue and silver 14%. The Company has four operating mines: Round Mountain and McCoy/Cove in Nevada, U.S.A.; Kettle River in Washington, U.S.A.; and Lupin in Nunavut Territory, Canada. All of the Company's mines are 100% owned except for Round Mountain, which is 50% owned. The Company's financial position and operating results are directly affected by the market price of gold in relation to the Company's production costs. Silver price fluctuations also affect the Company's financial position and operating results, although to a lesser extent. Gold and silver prices fluctuate in response to numerous factors beyond the Company's control. The consolidated financial statements are prepared on the historical cost basis in accordance with accounting principles generally accepted in Canada and, in all material respects, conform with accounting principles generally accepted in the United States, except as described in note 15. The statements are expressed in U.S. dollars. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Certain of the comparative figures have been reclassified to conform to the current year's presentation. PRINCIPLES OF CONSOLIDATION The consolidated financial statements include the accounts of the Company and its subsidiaries. Interests in joint ventures, each of which by contractual arrangement is jointly controlled by all parties having an equity interest in the joint venture, are accounted for using the proportionate consolidation method to consolidate the Company's share of the joint venture's assets, liabilities, revenues and expenses. SHARE INVESTMENTS Short-term investments, comprised of publicly traded common shares, are recorded at the lower of cost or quoted market prices, with unrealized losses included in income. Long-term common share investments are recorded at cost. A provision for loss is recorded in income if there is a decline in the market value of a long-term share investment that is other than temporary. If the Company's share investment represents more than a 20% ownership interest and the Company can exercise significant influence over the investee, the equity method of accounting is used. The equity method reports the investment at cost adjusted for the Company's pro rata share of the investee's undistributed earnings or losses since acquisition. FOREIGN CURRENCY TRANSLATION The Company's self-sustaining Canadian operations are translated into U.S. dollars					

===== See accompanying notes. F-121 ECHO BAY MINES LTD. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2001 Tabular dollar amounts in thousands of U.S. dollars, except amounts per share and per ounce or unless otherwise noted 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES GENERAL Echo Bay Mines Ltd. mines, processes and explores for gold and silver. Gold accounted for 86% of 2001 revenue and silver 14%. The Company has four operating mines: Round Mountain and McCoy/Cove in Nevada, U.S.A.; Kettle River in Washington, U.S.A.; and Lupin in Nunavut Territory, Canada. All of the Company's mines are 100% owned except for Round Mountain, which is 50% owned. The Company's financial position and operating results are directly affected by the market price of gold in relation to the Company's production costs. Silver price fluctuations also affect the Company's financial position and operating results, although to a lesser extent. Gold and silver prices fluctuate in response to numerous factors beyond the Company's control. The consolidated financial statements are prepared on the historical cost basis in accordance with accounting principles generally accepted in Canada and, in all material respects, conform with accounting principles generally accepted in the United States, except as described in note 15. The statements are expressed in U.S. dollars. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Certain of the comparative figures have been reclassified to conform to the current year's presentation. PRINCIPLES OF CONSOLIDATION The consolidated financial statements include the accounts of the Company and its subsidiaries. Interests in joint ventures, each of which by contractual arrangement is jointly controlled by all parties having an equity interest in the joint venture, are accounted for using the proportionate consolidation method to consolidate the Company's share of the joint venture's assets, liabilities, revenues and expenses. SHARE INVESTMENTS Short-term investments, comprised of publicly traded common shares, are recorded at the lower of cost or quoted market prices, with unrealized losses included in income. Long-term common share investments are recorded at cost. A provision for loss is recorded in income if there is a decline in the market value of a long-term share investment that is other than temporary. If the Company's share investment represents more than a 20% ownership interest and the Company can exercise significant influence over the investee, the equity method of accounting is used. The equity method reports the investment at cost adjusted for the Company's pro rata share of the investee's undistributed earnings or losses since acquisition. FOREIGN CURRENCY TRANSLATION The Company's self-sustaining Canadian operations are translated into U.S. dollars

using the current-rate method, which translates assets and liabilities at the year-end exchange rate and translates revenue and expenses at average exchange rates. Exchange differences arising on translation are recorded as a separate component of shareholders' equity. The change in the balance is attributable to fluctuations in the exchange rate of U.S. dollars to Canadian dollars. REVENUE RECOGNITION Revenue is recognized when title to delivered gold or silver and the risks and rewards of ownership pass to the buyer. EARNINGS (LOSS) PER SHARE Earnings (loss) per share are calculated based on the weighted average number of common shares outstanding during the year. For per share calculations, the amount of capital securities interest that is charged directly to the deficit decreases the earnings, or increases the loss, attributable to common shareholders. Fully diluted earnings (loss) per share are the same as basic earnings (loss) per share because the Company's outstanding options are not dilutive. CASH AND CASH EQUIVALENTS The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. F-122 INVENTORIES Precious metals and in-process inventories are valued at the lower of cost, using the "first-in, first-out" method, or net realizable value. Materials and supplies are valued at the lower of average cost or replacement cost. PLANT AND EQUIPMENT Plant and equipment are recorded at cost. Depreciation is provided using the straight-line method over each asset's estimated economic life to a maximum of 20 years. MINING PROPERTIES -- PRODUCING MINES' ACQUISITION AND DEVELOPMENT COSTS Mining properties are recorded at cost of acquisition. Mine development costs include expenditures incurred to develop new ore bodies, to define further resources in existing ore bodies and to expand the capacity of operating mines. These expenditures are amortized against earnings on the unit-of-production method based on estimated recoverable ounces of gold. Estimated recoverable ounces of gold include proven and probable reserves and non-reserve material when sufficient objective evidence exists to determine that it is probable the non-reserve material will be produced. For the purpose of preparing financial information in accordance with United States generally accepted accounting principles, only proven and probable reserves are considered when applying the unit-of-production method. Non-reserve material was not used in the periods covered by these financial statements when applying the unit-of-production method under both Canadian and U.S. generally accepted accounting standards. DEVELOPMENT PROPERTIES At properties identified as having the potential to add to the Company's proven and probable reserves, the direct costs of acquisition and development are capitalized only if there is sufficient objective evidence to indicate that it is probable that the property will become an operating mine. Factors considered in making this assessment include the existence and nature of known resources and proven and probable reserves, whether the proximity of the property to existing mines and ore bodies increases the probability of developing an operating mine, the results of recent drilling on the property and the existence of feasibility studies or other analyses demonstrating the existence of commercially recoverable ore. Capitalized costs are evaluated for recoverability when events or circumstances indicate that investment in the property may be impaired and are written off if it is determined that the project is not commercially feasible in the period in which this determination is made. The assessment of cost recoverability is based on proven and probable reserves on the property, if any, as well as resources which do not meet the criteria for classification as a proven or probable reserve. If production commences, capitalized costs are transferred to "producing mines" acquisition and development costs" and amortized as described above. For the purpose of preparing financial information in accordance with United States generally accepted accounting principles, all costs associated with a property that has the potential to add to the Company's proven and probable reserves are expensed until a final feasibility study demonstrating the existence of proven and probable reserves is completed. No costs have been capitalized in the periods covered by these financial statements that do not meet the criteria for capitalization under both Canadian and U.S. generally accepted accounting standards. DEFERRED MINING COSTS Mining costs incurred to remove ore and waste from an open pit and to access new production areas in an underground mine are capitalized as long-term deferred costs. These costs are deferred because they relate to gold that will be produced in future years and they are charged to operating costs in the period that the related production occurs. For open pit operations, mining costs are capitalized on an individual mine basis, using the ratio of total tons of waste and ore to be mined to total gold ounces to be recovered over the life of the mine. Costs are capitalized in periods when the ratio of tons mined to gold produced exceeds the expected average for the mine. Amortization occurs in periods when the ratio is less than the expected average. This accounting method considers variations in grade and recovery in addition to waste-to-ore ratios and results in the recognition of mining costs evenly over the life of the mine as gold is produced. For underground mining operations, the costs of accessing and developing new production areas are deferred and expensed as operating costs in the period in which the related production occurs. EXPLORATION COSTS The costs of exploration

programs are expensed as incurred. **RECLAMATION AND MINE CLOSURE COSTS** Estimated site restoration and closure costs for each producing mine are charged against operating earnings on the unit-of-production method based on estimated recoverable ounces of gold. **INCOME TAXES** In 2000, the Company adopted the provisions of CICA Handbook Section 3465 "Income Taxes" on a prospective basis. The provisions require the use of the liability method of tax allocation and the recognition of deferred income taxes based on the differences between the carrying F-123 amounts of assets and liabilities for accounting and tax purposes. The adoption of the standard had no effect on the Company's financial statements. **PROPERTY EVALUATIONS** The Company annually reviews detailed engineering life-of-mine plans for each mine. Long-lived assets are evaluated for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Expected future undiscounted cash flows are calculated using estimated recoverable ounces of gold (considering proven and probable mineral reserves and mineral resources expected to be converted into mineral reserves), future sales prices (considering current and historical prices, price trends and related factors), operating costs, capital expenditures, reclamation and mine closure costs. Reductions in the carrying amount of long-lived assets, with a corresponding charge to earnings, are recorded to the extent that the estimated future cash flows are less than the carrying amount. The Company's estimates of future cash flows are subject to risks and uncertainties. It is possible that changes may occur which could affect the recoverability of the Company's long-lived assets. For the purpose of preparing financial information in accordance with United States generally accepted accounting principles, estimated recoverable ounces of gold include proven and probable reserves. Impairment amounts reported in these financial statements under Canadian or U.S. generally accepted accounting standards are not affected by this difference. **RESERVE RISKS** If the Company were to determine that its reserves and future cash flows should be calculated at a significantly lower gold price than the \$300 per ounce price used at December 31, 2001, there would likely be a material reduction in the amount of gold reserves. In addition, if the price realized by the Company for its gold or silver bullion were to decline substantially below the price at which mineral reserves were calculated for a sustained period of time, the Company potentially could experience material write-downs of its investment in its mining properties. Under certain of such circumstances, the Company might discontinue the development of a project or mining at one or more of its properties or might temporarily suspend operations at a producing property and place that property in a "care and maintenance" mode. Reserves could also be materially and adversely affected by changes in operating and capital costs and short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades and ore types. Significant changes in the life-of-mine plans can occur as a result of mining experience, new ore discoveries, changes in mining methods and rates, process changes, investments in new equipment and technology, and other factors. Changes in the significant assumptions underlying future cash flow estimates, including assumptions regarding precious metals prices, may have a material effect on future carrying values and operating results. **CAPITALIZATION OF INTEREST** Interest cost is capitalized on construction programs until the facilities are ready for their intended use. **EMPLOYEE BENEFIT PLANS** Obligations and related costs under defined contribution employee benefit plans are accrued as the benefits are earned by the employees. The Company does not have any defined benefit plans. **STOCK-BASED COMPENSATION PLANS** The Company has three stock-based compensation plans, which are described in note 14. No compensation expense is recognized for these plans when the stock or stock options are issued to employees. Any consideration paid by employees on the exercise of stock options is credited to share capital. **HEDGING ACTIVITIES** The Company's profitability is subject to changes in gold and silver prices, exchange rates, interest rates and certain commodity prices. To reduce the impact of such changes, the Company locks in the future value of certain of these items through hedging transactions. These transactions are accomplished through the use of derivative financial instruments, the value of which is derived from movements in the underlying prices or rates. The gold- and silver-related instruments used in these transactions include forward sales contracts and options. These forward sales contracts obligate the Company to sell gold or silver at a specific price on a future date. Call options give the holder the right, but not the obligation to buy gold or silver at a specific future date at a specific price. These tools reduce the risk of gold and silver price declines, but also could limit the Company's participation in increases of gold and silver prices. The Company engages in forward currency-exchange contracts to reduce the impact on the Lupin mine's operating costs caused by fluctuations in the exchange rate of U.S. dollars to Canadian dollars. Gains and losses resulting from hedging activities are recognized in earnings on a basis consistent with the hedged item. When hedged production is sold, revenue is recognized in amounts implicit in the commodity loan, delivery commitment or option agreement. Gains or losses on foreign currency are recorded in operating costs,

or capitalized in the cost of assets, when the hedged Canadian dollar transactions occur. Gains and losses on early termination of hedging contracts are deferred until the formerly hedged items are recognized in earnings. Premiums paid or received on gold and silver option contracts purchased or sold are deferred and recognized in earnings on the option expiration dates. F-124 Call options written after October 24, 2000 are carried at fair value in accordance with Emerging Issues Committee Abstract 113, "Accounting by Commodity Producers for Written Call Options." 2.

INVENTORIES 2001	2000	-----	Precious metals bullion.....	\$12,215	\$18,357
In-process.....	5,720	8,293	Materials and supplies.....	11,571	12,793
-----	\$29,506	\$39,443	=====	=====	=====

3. PROPERTY, PLANT AND EQUIPMENT NET BOOK VALUE 2001 2000 ----- PLANT AND MINING NET BOOK NET BOOK PROPERTY AND PERCENTAGE OWNED EQUIPMENT PROPERTIES VALUE VALUE -----

-----	Round Mountain (50%).....	\$ 57,387	\$18,614	\$76,001	\$ 81,333	McCoy/Cove (100%).....	10,093	11 10,104	20,786	Lupin (100%).....	20,638	1,555
22,193	26,066	Kettle River (100%).....	-- --	1,948	Aquarius (100%).....	30,957	12,723	43,680	48,025	Other.....	1,894	--
1,894	2,060	-----	\$120,969	\$32,903	\$153,872	\$180,218	=====	=====	=====	=====	=====	=====

===== PLANT AND EQUIPMENT 2001 2000 ----- NET BOOK NET BOOK COST VALUE COST VALUE ----- Land improvements and utility systems..... \$ 72,977 \$ 3,220 \$ 72,853 \$ 5,165 Buildings..... 153,779 25,466 155,893 33,518 Equipment..... 385,086 53,371 384,236 62,311 Construction in progress..... 43,337 38,912 40,671 37,533 ----- \$655,179 \$120,969 \$653,653 \$138,527 ===== MINING PROPERTIES 2001 2000 ----- Producing mines' acquisition and development costs..... \$280,545 \$276,951 Less accumulated amortization..... 260,365 248,792 ----- 20,180 28,159 Development properties' acquisition and development costs... 12,723 13,532 ----- \$ 32,903 \$ 41,691 ===== During 2001, the Company wrote down the carrying values of the Kettle River mine (note 10). F-125 4. LONG-TERM INVESTMENTS AND OTHER ASSETS 2001 2000 ----- Modification of hedging contracts..... \$29,305 \$30,458 Deferred mining costs..... 15,648 21,808 Reclamation and other deposits..... 10,485 8,639 Premiums paid on gold and silver option contracts..... 1,871 11,115 Other..... 357 253 ----- 57,666 72,273 Less current portion included in prepaid expenses and other assets..... 1,871 3,861 ----- \$55,795 \$68,412 =====

===== MODIFICATION OF HEDGING CONTRACTS Losses on the early termination or other restructuring of gold and silver hedging contracts are deferred until the formerly hedged items are recognized in earnings. These deferred losses are expected to be recognized as follows: \$5.0 million in 2002, \$5.2 million in 2003, \$11.0 million in 2004, \$4.6 million in 2005, \$1.9 million in 2006 and \$1.6 million thereafter. Refer to note 6 for a discussion of the deferral of gains on the modification of hedging contracts. DEFERRED MINING COSTS The deferred mining ratio for the Round Mountain mine in 2001 was 112 tons per ounce recovered (2000 -- 127 tons, 1999 -- 127 tons). The deferred mining ratio for the McCoy/Cove mine in 2001 was 15 tons per ounce recovered (2000 -- 76 tons, 1999 -- 60 tons). PREMIUMS PAID ON GOLD AND SILVER HEDGING CONTRACTS Premiums paid on gold and silver hedging contracts are deferred and recognized in earnings on their expiration dates. These deferred premiums will be recognized in 2002. Refer to note 6 for a discussion of the deferral of premiums received on gold and silver option contracts sold. 5. DEBT AND OTHER FINANCINGS 2001 2000 ----- Currency loans..... \$17,000 \$26,500 Capital securities (note 7)..... 6,714 6,032 ----- 23,714 32,532 Less current portion..... 17,000 26,500 ----- \$ 6,714 \$ 6,032 ===== CURRENCY LOANS On October 5, 2001, a new \$17 million revolving credit and \$4 million letter of credit facility was established with HSBC Bank USA. The new facility has been guaranteed by an affiliate of Franco-Nevada Mining Corporation Limited. The Company has drawn down on the revolving credit facility to repay bank debt of \$17 million and has replaced the \$4 million letter of credit issued under the previous facility. The principal amount of the credit facility matures on September 30, 2002 and interest is payable quarterly at LIBOR plus 2.125%. As a result of Franco-Nevada agreeing to give this guarantee, the interest rate payable by the Company is lower than it would have been without the guarantee. Accordingly, the Company has agreed to pay Franco-Nevada a fee equal to 50 percent of the saving realized by the Company. At December 31, 2001, the effective interest rate on the

revolving loan was 4.335%. OTHER INFORMATION Certain of the Company's financing arrangements require it to maintain specified ratios of assets to liabilities and cash flow to debt. The Company is in compliance with these ratios and other covenant requirements. The Company had \$24.7 million in outstanding surety bonds and letters of credit at December 31, 2001, primarily related to the bonding of future reclamation obligations. At December 31, 2001, annual fees on the letters of credit range from 0.5% to 2.125%. Interest payments were \$1.8 million in 2001, \$4.3 million in 2000 and \$5.0 million in 1999. F-126 6. DEFERRED INCOME 2001 2000 ----- Modification of hedging contracts..... \$47,042 \$66,471 Premiums received on gold and silver hedging contracts..... 876 11,641

----- 47,918 78,112 Less current portion..... 876 3,964 ----- \$47,042 \$74,148

===== MODIFICATION OF HEDGING CONTRACTS Gains on the early termination or other restructuring of gold, silver and foreign currency hedging contracts are deferred until the formerly hedged items are recognized in earnings. These deferred gains are expected to be recognized as follows: \$35.6 million in 2002, \$2.5 million in 2003, \$3.9 million in 2004, \$3.7 million in 2005 and \$1.3 million in 2006. Refer to note 4 for a discussion of the deferral of losses on the modification of hedging contracts. PREMIUMS RECEIVED ON GOLD AND SILVER OPTION CONTRACTS Premiums received on gold and silver option contracts sold are deferred and recognized in earnings on the option expiration dates. These deferred premiums will be recognized in 2002. Refer to note 4 for a discussion of the deferral of premiums paid on gold and silver hedging contracts. 7. CAPITAL SECURITIES In 1997, the Company issued \$100.0 million of 11% capital securities due in April 2027. The effective interest rate on the capital securities is 11%, or 12% compounded semi-annually during a period of interest deferral. The Company has the right to defer interest payments on the capital securities for a period not to exceed 10 consecutive semi-annual periods. During a period of interest deferral, interest accrues at a rate of 12% per annum, compounded semi-annually, on the full principal amount and deferred interest. Since April 1998, the Company has exercised its right to defer its interest payments to holders of the capital securities. Interest accrued and deferred to date amounts to \$64.2 million at December 31, 2001 and is payable no later than April 1, 2003 together with any additional compounded or deferred interest up to that date. The Company, at its option, may satisfy its deferred interest obligation by delivering common shares to the indenture trustee for the capital securities. The trustee would sell the Company's shares and remit the proceeds to the holders of the securities in payment of the deferred interest obligation. Deferred interest obligations not settled with proceeds from the sale of shares remain an unsecured liability of the Company. The present value of the capital securities' principal amount, \$6.7 million, has been classified as debt within gold and other financings (note 5). The present value of the future interest payments of \$93.3 million plus deferred accrued interest has been classified within a separate component of shareholders' equity as the Company has the unrestricted ability to settle the future interest payments by issuing its own common shares to the trustee for sale. Interest on the debt portion of the capital securities has been classified as interest expense on the consolidated statement of earnings, and interest on the equity portion of the capital securities has been charged directly to deficit on the consolidated balance sheet. For purposes of per share calculations, interest on the equity portion decreases the earnings attributable to common shareholders. See note 15 for a discussion of differences in treatment of the capital securities under generally accepted accounting principles in the United States. On March 28, 2002 the Company's common shareholders authorized the issuance of up to an aggregate of 361,561,230 common shares in exchange for the capital securities. See note 20. 8. RECLAMATION AND MINE CLOSURE LIABILITIES 2001 2000 -----

----- Round Mountain..... \$13,674 \$10,659 McCoy/Cove..... 17,546 19,284 Lupin..... 9,584 8,280 Kettle River..... 9,119 8,620 Sunnyside..... 3,644 4,703 ----- 53,567 51,546 Less current portion..... 3,841 1,914 ----- \$49,726 \$49,632

===== At December 31, 2001, the Company's estimate of future reclamation and mine closure costs is \$62.1 million, which it believes will meet current regulatory requirements. The aggregate obligation accrued to December 31, 2001 was \$53.6 million, including accruals of \$7.4 million in 2001, \$10.6 million in 2000, and \$7.0 million in 1999. The remaining \$8.5 million, including \$6.6 million at Round Mountain and \$1.9 million at Lupin, will be accrued on the unit-of-production method over the remaining life of each mine. Assumptions used to estimate reclamation and mine closure costs are based on the work that is required under currently applicable permits, laws and regulations. These estimates may change based on future changes in operations, cost of reclamation activities and regulatory requirements. F-127 9. INTEREST AND OTHER 2001 2000 1999 ----- INTEREST INCOME..... \$ (760) \$ (964) \$ (166) Interest expense..... 2,560 5,194

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4,723 Unrealized loss on share investments..... 150 28 1,508 Gain on sale of share investments..... -- (181) (485) Gain on sale of plant and equipment..... (700) (251) (251) Alaska-Juneau reclamation..... -- (2,048) -- Other..... 472 1,234 2,865 ----- \$1,722 \$ 3,012 \$8,194 ===== 10. PROVISION FOR IMPAIRED ASSETS The recoverability of the Company's carrying values of its operating and development properties are assessed by comparing carrying values to estimated future net cash flows from each property when conditions are present indicating impairment may exist. In 2001, the Company recorded a \$4.4 million provision for impaired assets relating to its Kettle River mine due to an unexpected decrease in reserves. 11. LOSS ON SALE OF INTEREST IN PAREDONES AMARILLOS The Company agreed in 1999 to sell its 60% interest in the Paredones Amarillos project in Mexico to its joint venture partner. In return, the Company received full ownership of a mill, valued at \$2.5 million, owned by the joint venture and a 2% net profits royalty capped at \$2.0 million related to Paredones Amarillos production. The joint venture partner assumed all project liabilities. In 1999, the Company recognized a loss on the sale of Paredones Amarillos of \$13.8 million. 12. INCOME TAX EXPENSE GEOGRAPHIC COMPONENTS The geographic components of earnings before income tax expense and income tax expense were as follows. 2001 2000 1999 ----- Earnings (loss) before income taxes: Canada..... \$ 952 \$ 637 \$(22,386) United States and other..... (9,777) 16,176 (14,670) ----- \$ (8,825) \$ 16,813 \$(37,056) ===== Current income tax expense: Canada..... \$ 166 \$ 201 \$ 216 United States and other..... 45 451 -- ----- 211 652 216 ----- Deferred income tax expense (recovery): Canada..... (3,358) (2,400) -- United States and other..... -- -- -- ----- (3,358) (2,400) -- ----- Income tax expense (recovery)..... \$ (3,147) \$ (1,748) \$ 216 ===== F-128 EFFECTIVE TAX RATE The effective tax rate on the Company's earnings differed from the combined Canadian federal and provincial corporate income tax rates of 43.1% for 2001 and 2000 and 43.5% for 1999 for the following reasons. 2001 2000 1999 ----- Earnings (loss) before income taxes..... \$ (8,825) \$ 16,813 \$(37,056) ===== Income tax effect of: Expected Canadian federal and provincial corporate income taxes..... \$ (3,805) \$ 7,246 \$(16,115) Utilization of net operating loss..... -- (5,760) (838) Operating loss from which no tax benefit is derived..... 3,964 -- -- Canadian resource allowance and earned depletion..... (172) 113 (2,153) Foreign earnings subject to different income tax rates.... 965 (1,326) 18,182 Other items..... (4,099) (2,021) 1,140 ----- Income tax expense (recovery)..... \$ (3,147) \$ (1,748) \$ 216 ===== Effective tax rate (current and deferred)..... 35.7% (10.4%) (0.6%) ===== LOSS CARRYFORWARDS At December 31, 2001, the Company had U.S. net operating loss carryforwards of approximately \$416 million to apply against future taxable income and \$207 million to apply against future alternative minimum taxable income. These loss carryforwards do not include the provisions for impaired assets, which have not yet been recognized fully for income tax purposes. The net operating loss carryforwards expire at various times from 2002 to 2021. Additionally, the Company has Canadian non-capital loss carryforwards of approximately \$81 million and net capital loss carryforwards of approximately \$202 million. The non-capital loss carryforwards expire at various times from 2003 to 2008. The net capital loss carryforwards have no expiration date. DEFERRED TAX LIABILITIES AND ASSETS Significant components of the Company's deferred tax liabilities and assets are as follows. 2001 2000 ----- U.S. U.S. CANADA AND OTHER TOTAL CANADA AND OTHER TOTAL ----- (millions of U.S. dollars) Deferred tax liabilities: Tax over book depreciation and depletion..... \$ 3.3 \$ -- \$ 3.3 \$ 6.4 \$ -- \$ 6.4 Other tax liabilities..... 2.7 -- 2.7 5.3 0.8 6.1 ----- Total deferred tax liabilities..... 6.0 -- 6.0 11.7 0.8 12.5 ----- Deferred tax assets: Net operating loss and other carryforwards..... 120.3 147.9 268.2 117.2 145.0 262.2 Book over tax depreciation and depletion..... 33.0 21.3 54.3 34.5 13.2 47.7 Accrued liabilities..... 5.1 17.6 22.7 4.7 19.8 24.5 Other tax assets..... 1.8 4.7 6.5 9.2 4.7 13.9 ----- Total deferred tax assets before allowance..... 160.2 191.5 351.7 165.6 182.7 348.3 Valuation allowance for deferred tax assets..... (155.1) (191.5) (346.6) (158.6) (181.9) (340.5) ----- Total deferred tax assets..... 5.1 -- 5.1 7.0 0.8 7.8 ----- Net deferred tax liabilities..... \$ 0.9 \$ -- \$ 0.9 \$ 4.7 \$ -- \$ 4.7 ===== The net increase in the valuation allowance for deferred



tax assets was \$6.1 million for 2001 and \$71.0 million for 2000. INCOME TAX PAYMENTS Income tax payments were \$0.7 million in 2001, \$0.2 million in 2000 and \$0.2 million in 1999. 13. PREFERRED SHARES The Company is authorized to issue an unlimited number of preferred shares, issuable in series. Each series is to consist of such number of shares and to have such designation, rights, privileges, restrictions and conditions as may be determined by the directors. No preferred shares are currently issued. F-129 14. COMMON SHARES The Company had 140,607,145 common shares outstanding during each of the three years ended December 31, 1999, 2000 and 2001. DIVIDENDS The Company has not paid dividends since 1996 and is prohibited from paying common share dividends during a period of interest deferral related to the capital securities (note 7). RESTRICTED SHARE GRANT PLAN Effective February 1997, the Company adopted a restricted share grant plan to provide incentive to officers of the Company. The Company has reserved an aggregate of 750,000 common shares for issuance under the plan, but no grants are outstanding. The vesting of any shares, which may be granted under this plan, is at the discretion of the Compensation Committee of the Board of Directors. EMPLOYEE SHARE INCENTIVE PLAN AND DIRECTOR EQUITY PLAN These plans provide for the granting of options to purchase common shares to officers and employees (under the employee share incentive plan) and to eligible directors (under the director equity plan). Outstanding share options under the plans are exercisable at prices equal to the market value on the date of grant. The option holder may exercise each share option over a period of 10 years from the date of grant. Options generally vest in 25% increments on the first, second, third and fourth year anniversaries following the grant date. Option prices are denominated in Canadian dollars. No more grants are to be made under the director equity plan. Changes in the number of options outstanding during the three years ended December 31, 2001 were as follows:

	WEIGHTED AVERAGE NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Options outstanding, December 31, 1998.....	4,977,320	C\$10.44
1999: Options granted.....	1,170,000	2.55
Options expired.....	(34,937)	9.75
Options forfeited.....	(618,697)	9.94
Options outstanding, December 31, 1999.....	5,493,686	C\$ 8.82
2000: Options granted.....		
Options expired.....	(100,458)	12.88
Options forfeited.....	(1,021,417)	8.92
Options outstanding, December 31, 2000.....	4,371,811	C\$ 8.71
2001: Options granted.....		
Options expired.....	(64,655)	8.88
Options forfeited.....	(666,589)	8.66
Options outstanding, December 31, 2001.....	3,640,567	C\$ 8.72

The number of shares reserved for future grants at December 31, 2001 is 5,971,935 under the Employee Share Incentive Plan. The number and weighted average price of shares exercisable under the Employee Share Incentive Plan are 3,076,154 at C\$9.80 at December 31, 2001; 3,389,484 at C\$10.41 at December 31, 2000; and 3,521,787 at C\$11.66 at December 31, 1999. The number and weighted average price of shares exercisable under the Director Equity Plan are 217,700 at C\$11.78 at December 31, 2001; 196,575 at C\$12.40 at December 31, 2000; and 171,575 at C\$12.73 at December 31, 1999. Options outstanding at December 31, 2001 had the following characteristics.

RANGE	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Employee Share Incentive Plan	1,402,533	C\$ 2.55 - C\$ 3.59	8,838,120	C\$ 3.04	1,007,721
Director Equity Plan	143,000	C\$ 3.70 - C\$12.50	119,750	C\$ 8.67	5,133,250

15. DIFFERENCES BETWEEN CANADIAN AND U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) U.S. GAAP FINANCIAL STATEMENTS The Company prepares its consolidated financial statements in accordance with accounting principles generally accepted in Canada, which differ in some respects from those in the United States, as described below. In accordance with Canadian GAAP, the present value of the principal amount of the capital securities issued in 1997 is classified as debt within gold and other financings, while the present value of the future interest payments is classified as a separate component of shareholders' equity (note 7). The deferred accrued interest is classified within this equity component as the Company has the option to satisfy the

deferred interest by delivering common shares. The related issuance costs were allocated proportionately to deferred financing charges and retained earnings based on the debt and equity classifications. Interest on the capital securities has been allocated proportionately to interest expense and deficit based on the debt and equity classifications. Under U.S. GAAP, the face value of the securities would be classified entirely as debt within gold and other financings; the related issuance costs would be classified as deferred financing charges within long-term investments and other assets and would be amortized to interest expense over the life of the securities; and the interest on the capital securities would be classified entirely as interest expense. In accordance with Canadian GAAP, certain long-term foreign exchange contracts are considered to be hedges of the cost of goods to be purchased in foreign currencies in future periods. Gains and losses related to changes in market values of such contracts are recognized as a component of the cost of goods when the related hedged purchases occur. In 2001, the Company recognized \$2.8 million in deferred foreign exchange gains. Under U.S. GAAP, foreign exchange contracts would be carried at market value and changes included in current earnings. In accordance with Canadian GAAP, the Company's short-term share investments are carried at the lower of cost or market based on quoted market prices. Under U.S. GAAP, these investments would have been marked to market, with unrealized gains or losses excluded from earnings and reported as accumulated other comprehensive income in shareholders' equity, net of tax. At December 31, 2001, the Company had 120,000 ounces of gold call options sold with an average strike price of \$297 per ounce. The Company sold these call options to enhance prices on certain of its gold forward contracts. In accordance with U.S. GAAP, the 120,000 ounces of gold call options sold would not qualify for hedge accounting and therefore would be marked to market at December 31, 2001. As a result, the Company recorded a loss of \$0.8 million in 2001, a gain of \$3.0 million in 2000 and a loss of \$2.1 million in 1999 under U.S. GAAP. In accordance with Canadian GAAP, capitalized mine development costs include expenditures incurred to develop new ore bodies, to define further resources in existing ore bodies and to expand the capacity of operating mines. The Company capitalized development costs of \$2.2 million in 2001; \$1.2 million in 2000 and \$0.1 million in 1999 for the extension to the K-2 deposit at the Kettle River mine. Under U.S. GAAP, development costs are capitalized only when converting mineralized material to reserves or for further delineation of existing reserves. The development expenditures resulted in additions to mineralized material but did not add to mineral reserves. Therefore under U.S. GAAP, the expenditures would be classified as exploration expense. The effects on the consolidated statement of earnings of the above differences would have been as follows: 2001 2000 1999

Net earnings (loss) under Canadian GAAP.....	\$ (5,678)	\$ 18,561	\$ (37,272)
Additional interest expense on capital securities.....	(17,307)	(15,397)	(13,697)
Amortization of deferred financing costs on capital securities.....	(634)	(633)	(633)
Change in market value of foreign exchange contracts.....	426,948	5,540	
Change in market value of option contracts.....	(1,291)	2,964	(2,146)
Amortization of deferred foreign exchange gains.....	(2,846)	(3,149)	--
Transition adjustment on adoption of FAS 133.....	(3,090)	--	--
Unrealized loss on short-term investments.....	150	28	--
Kettle River exploration expense.....	(2,234)	(1,229)	(108)
Kettle River amortization expense.....		2,103	163
Provision for impaired assets.....	1,305	--	--
Net earnings (loss) under U.S. GAAP.....	\$ (29,096)	\$ 2,256	\$ (48,316)

===== Earnings (loss) per share under U.S. GAAP..... \$ (0.21) \$ 0.02 \$ (0.34) =====

F-131 The effects of the GAAP differences on the consolidated balance sheet would have been as follows. CANADIAN CAPITAL

Short-term investments.....	\$ 1,910	\$ --	\$ --	\$ 2,636
Long-term investments and other assets.....	4,546	55,795	158	(29,305)
Accounts payable and accrued liabilities.....	24,284	--	691	--
Debt and other financings.....	24,975	23,714	93,286	--
Deferred income.....	117,000	47,918	--	(47,918)
Accrued interest on capital securities.....	--	64,167	--	64,167
Common shares.....	713,343	--	--	36,428
Capital securities.....	157,453	(157,453)	--	--
Deficit.....				(734,665)
Foreign currency translation.....	(3,563)	(36,109)	(774,179)	
Shareholders' equity (deficit).....	(29,305)	--	--	29,305
Accumulated other comprehensive loss.....	--	--	21,485	(26,847)
Shareholders' equity (deficit).....	(157,295)	17,922	2,777	(29,770)

CANADIAN CAPITAL U.S. DECEMBER 31, 2000 GAAP SECURITIES OTHER GAAP -----

Short-term investments.....	\$ 2,186	\$ --	\$ 760	\$ 2,946
Mining properties.....	41,691	--	(1,174)	40,517
Debt and other financings.....	32,532	93,968	--	126,500

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Deferred income..... 78,112 -- (2,846) 75,266 Accrued interest on capital securities..... -- 46,108 -- 46,108 Common shares..... 713,343 -- 36,428 749,771 Capital securities..... 140,076 (140,076) -- -- Deficit..... (711,680) 792 (34,195) (745,083) Foreign currency translation..... (24,954) -- 24,954 -- Accumulated other comprehensive loss..... -- -- (24,222) (24,222) Shareholders' equity (deficit)..... 116,785 (139,284) 2,965 (19,534) The continuity of shareholders' equity (deficit) from December 31, 2000 to December 31, 2001 under U.S. GAAP would have been as follows. 2001 ----- Balance, beginning of year..... \$(19,534) Net loss..... (29,096) Other comprehensive income..... 18,860 ----- Balance, end of year..... \$(29,770) ===== The following statement of comprehensive income (loss) would be disclosed in accordance with U.S. GAAP. 2001 2000 1999 ----- ----- ----- Net earnings (loss) under U.S. GAAP..... \$(29,096) \$ 2,256 \$(48,316) Other comprehensive income (loss), after a nil income tax effect: Unrealized gain on share investments arising during period..... 1,726 732 -- Foreign currency translation adjustments..... (4,351) (2,940) 4,562 Transition adjustment on adoption of FAS 133..... 39,234 -- -- Modification of derivative contracts realized in net income..... (17,749) -- -- ----- Other comprehensive income (loss)..... 18,860 (2,208) 4,562 ----- ----- Comprehensive income (loss)..... \$(10,236) \$ 48 \$(43,754) ===== ===== ===== Additionally, under U.S. GAAP, the equity section of the balance sheet would present a subtotal for accumulated other comprehensive loss, as follows. 2001 2000 ----- ----- ----- Unrealized gain on share investments..... \$ 2,458 \$ 732 Modification of derivative contracts..... 21,485 -- Foreign currency translation..... (29,305) (24,954) ----- ----- Accumulated other comprehensive loss..... \$ (5,362) \$(24,222) ===== ===== F-132 STOCK-BASED COMPENSATION Financial Accounting Standards Board (FASB) Statement No. 123, "Accounting for Stock-Based Compensation," gives the option to either follow fair value accounting or to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB No. 25") and related Interpretations. The Company has determined that it will elect to continue to follow APB No. 25 and related Interpretations in accounting for its employee and director stock options in financial information prepared in conformity with U.S. GAAP. In accordance with Canadian GAAP and U.S. GAAP (under APB No. 25), the Company does not recognize compensation expense for stock option grants in the earnings statement, as the market prices of the underlying stock on the grant dates do not exceed the exercise prices of the options granted. Had the Company adopted Statement No. 123 for its U.S. GAAP disclosure, the following net earnings and losses would have been reported. 2001 2000 1999 ----- ----- ----- Net earnings (loss) under U.S. GAAP..... \$(29,096) \$2,256 \$(48,316) Pro forma stock compensation expense, after a nil income tax effect..... (405) (929) (1,845) ----- ----- ----- Pro forma net earnings (loss) under U.S. GAAP..... \$(29,501) \$1,327 \$(50,161) ===== ===== ===== Pro forma earnings (loss) per share under U.S. GAAP..... \$ (0.21) \$ 0.01 \$ (0.36) ===== ===== ===== The Company has utilized the Black-Scholes option valuation model to estimate the fair value of options granted, assuming a weighted average option life of six years, a risk-free interest rate of 6.25%, a zero dividend yield and a volatility factor of 60% for 1999 grants. The weighted average fair value of options granted was estimated at \$1.08 per share in 1999. There were no grants in 2001 or 2000. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES On January 1, 2001, the Company implemented FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" and Statement No. 138 "Accounting for Certain Derivative Instruments and Certain Hedging Activities." The Company has designated its gold forward contracts as normal sales as defined by Statement No. 138 and these contracts are therefore excluded from the scope of Statement No. 133. Foreign exchange contracts and gold call options have not been designated as hedges for U.S. GAAP purposes and are recognized at fair value on the balance sheet with changes in fair value recorded in earnings. Gains and losses on the early termination or other restructuring of gold, silver and foreign currency hedging contracts are deferred in accumulated other comprehensive income until the formerly hedged items are recorded in earnings. The transition adjustment recorded under U.S. GAAP at January 1, 2001 decreased assets by \$18.3 million, liabilities by \$54.4 million and net earnings by \$3.1 million, and increased accumulated other comprehensive income by \$39.2 million. RECENT ACCOUNTING PRONOUNCEMENTS In 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 143, Accounting for Asset Retirement Obligations, which is effective for fiscal years beginning after June 15, 2002. The Statement requires legal obligations associated with the

retirement of long-lived assets be recognized at their fair value at the time that the obligations are incurred. Upon initial recognition of a liability, that cost should be capitalized as part of the related long-lived assets and allocated to expense over the useful life of the asset. The Company will adopt Statement 143 on January 1, 2003. Due to the number of operating facilities that the Company maintains, the expected impact of adoption of Statement 143 on the Company's financial position or results of operations has not yet been determined. OTHER The estimated fair values of cash and cash equivalents, short-term investments and currency loans approximate their book values. The fair values were determined from quoted market prices or estimated using discounted cash flow analysis. See note 18 for further disclosure regarding estimated fair values of financial instruments. 16. JOINT VENTURES Summarized below is the Company's 50% interest in the Round Mountain mine, accounted for by the proportionate consolidation method.

2001	2000	1999	-----	Revenues.....	\$105,450	\$ 90,633	\$ 87,469
Expenses: Operating costs..... 72,049 60,231 52,880							
6,881	5,585	5,021		Royalties.....			
Production taxes..... 664 470 57							
Depreciation and amortization..... 20,570 18,978 17,704							
2,438				Reclamation and mine closure.....	3,361	2,880	
Exploration..... 663 529 431							
Other..... (761) (753) 753							
----- Earnings before income taxes..... \$ 2,023 \$ 2,713 \$ 8,185 =====							
===== F-133 2001 2000 1999 ----- Current assets..... \$							
40,224	\$ 33,425	\$ 33,105		Non-current assets.....	96,376	109,211	126,611
Current liabilities..... (15,154) (11,244) (10,667)							
(18,023)	(18,845)			Non-current liabilities.....	(15,311)		
----- Equity..... \$106,135 \$113,369 \$130,204							
===== 2001 2000 1999 ----- Net cash provided from (used in):							
Operating activities..... \$ 15,146 \$ 10,849 \$ 4,538							
(15,046)	(4,664)	(8,229)		Investing activities.....			
Financing activities..... - - - - - Net increase							
(decrease) in cash..... \$ 100 \$ 6,185 \$ (3,691) =====							

17. SEGMENT INFORMATION The Company's management regularly evaluates the performance of the Company by reviewing operating results on a minesite by minesite basis. As such, the Company considers each producing minesite to be an operating segment. The Company has four operating mines: Round Mountain and McCoy/Cove in Nevada, U.S.A.; Kettle River in Washington, U.S.A.; and Lupin in Nunavut Territory, Canada. The Company recommenced operations at its Lupin mine in the Nunavut Territory, Canada in April 2000. All are 100% owned except for Round Mountain, which is 50% owned. The Company's management generally monitors revenues on a consolidated basis. Information regarding the Company's consolidated revenues is provided below. 2001 2000 1999 -----

----- Total gold and silver revenues..... \$237,684 \$280,976 \$210,351							
Average gold price realized per ounce..... \$ 305 \$ 319 \$ 325							
Average silver price realized per ounce..... \$ 4.70 \$ 5.28 \$ 5.69							

In making operating decisions and allocating resources, the Company's management specifically focuses on the production levels and operating costs incurred by each operating segment, as summarized in the following tables.							
GOLD PRODUCTION (OUNCES) 2001 2000 1999 ----- Round Mountain							
(50%).....	373,475	320,064	270,904	McCoy/Cove.....	94,633		
162,784	124,536			Lupin.....	139,327	117,729	-- Kettle
River.....	50,349	94,086	104,396	----- Total			
gold.....	657,784	694,663	499,836	===== SILVER			

PRODUCTION (OUNCES) 2001 2000 1999 ----- Total silver-all from							
McCoy/Cove.....	6,451,425	12,328,297	8,430,072	=====			
OPERATING COSTS 2001 2000 1999 ----- Round Mountain							
(50%).....	\$ 72,049	\$ 60,501	\$ 53,055	McCoy/Cove.....	53,015		
69,920	63,429			Lupin.....	34,722	22,883	-- Kettle River.....
15,555	20,131	23,332		----- Total operating costs per financial statements..... \$ 175,341 \$			
173,435	\$ 139,816			===== ROYALTIES 2001 2000 1999 -----			
----- Round Mountain (50%)..... \$ 6,880 \$ 5,585 \$ 5,021							
McCoy/Cove.....	213	1,228	644	Kettle River.....	504	1,221	
1,532				----- Total royalties per financial statements..... \$ 7,597 \$ 8,034 \$ 7,197			
===== F-134 DEPRECIATION AND AMORTIZATION 2001 2000 1999							
----- Round Mountain (50%)..... \$ 20,570 \$							

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18,978	\$ 17,704	McCoy/Cove.....	12,638	21,539	22,743		
Lupin.....	5,226	4,874	5,381	Kettle River.....	2,011	2,637	
6,141	Depreciation of non-minesite assets.....	1,656	2,636	2,972	-----	-----	Total
	depreciation and amortization per financial statements.....		\$ 42,101	\$ 50,664	\$ 54,941		
=====	=====	TOTAL ASSETS	2001	2000	-----	-----	Minesites:
Round Mountain (50%).....	\$ 110,864	\$ 121,592	McCoy/Cove.....				
21,256	42,354	Lupin.....	31,199	34,860	Kettle River.....	5,351	
10,101	Development properties: Aquarius.....	44,048	48,437	Non-minesite			
assets.....	48,086	56,264	-----	-----	Total assets.....	\$ 260,804	
\$ 313,608	=====	=====	CAPITAL EXPENDITURES	2001	2000	1999	-----
-----	-----	Round Mountain (50%).....	\$ 15,033	\$ 4,620	\$ 7,669		
McCoy/Cove.....	1,002	670	1,147	Lupin.....	2,622	4,642	11
Kettle River.....	4,150	1,402	467	DEFERRED (APPLIED) MINING EXPENDITURES			
2001	2000	1999	-----	-----	-----	-----	Round Mountain
(50%).....	\$ (5,323)	\$ 411	\$ 5,058	McCoy/Cove.....	(2,247)	(5,062)	
9,534	Lupin.....	1,452	449	-- Financial information regarding geographic areas is set			
out below.	2001	2000	1999	-----	-----	-----	Revenue: Canada.....
44,370	\$ --	United States.....	184,524	236,606	210,351	-----	-----
revenue.....	\$ 237,684	\$ 280,976	\$ 210,351	=====	=====	=====	Total
2001	2000	-----	-----	Assets: Canada.....	\$ 108,824	\$ 118,073	United
States.....	150,089	193,431	Other.....	1,891	2,104	-----	
-----	Total assets.....	\$ 260,804	\$ 313,608	=====	=====	=====	18.

**HEDGING ACTIVITIES AND COMMITMENTS** The Company reduces the risk of future gold price declines by hedging a portion of its production. The principal hedging tools used are gold forward sales contracts and options. The Company assesses the exposure that may result from a hedging transaction prior to entering into the commitment, and only enters into transactions which it believes accurately hedge the underlying risk and could be safely held to maturity. The Company does not engage in the practice of trading derivative securities for profit. The Company regularly reviews its unrealized gains and losses on hedging transactions. The credit risk exposure related to all hedging activities is limited to the unrealized gains on outstanding contracts based on current market prices. To reduce counterparty credit exposure, the Company deals only with large, credit-worthy financial institutions and limits credit exposure to each. The counterparties for the Company's current hedge positions do not require margin deposits. In addition, the Company deals only in markets it considers highly liquid to allow for situations where positions may need to be reversed. F-135 Gains and losses on the early termination or other restructuring of gold, silver and foreign currency hedging contracts are deferred until the formerly hedged items are recognized in earnings (notes 4 and 6). Premiums paid or received on gold and silver options contracts purchased or sold are deferred and recognized in earnings on the option expiration dates (notes 4 and 6).

**GOLD COMMITMENTS** At December 31, 2001, the Company has commitments to deliver 60,000 ounces of gold at a minimum price of \$293 per ounce. The Company's option position at December 31, 2001 included 120,000 ounces of gold call options sold at an average strike price of \$297 per ounce. Forward Sales contracts of 60,000 ounces of gold as well as the call options sold of 120,000 ounces of gold represent approximately 5% of the Company's reserves. This amount of future hedging is reduced from 2001. In 2001, 19% of gold production was delivered against forward sales contracts. The reduced hedging position results from continued weakness in spot gold prices and low forward premiums resulting in lower hedge prices that can be achieved. The Company continues to monitor its hedging policy in light of forecasted production, operating and capital expenditures, exploration and development requirements and factors affecting gold price volatility.

**CURRENCY POSITION** At December 31, 2001, the Company had an obligation under foreign currency exchange contracts to purchase C\$33.3 million in 2002 at an exchange rate of C\$1.60 to U.S.\$1.00. In January 2002, the Company entered into contracts to purchase an additional C\$33.0 million in 2002 at the same rate. Shown below are the carrying amounts and estimated fair values of the Company's other outstanding hedging instruments at December 31, 2001 and 2000.

DECEMBER 31, 2001	DECEMBER 31, 2000	-----	-----	CARRYING
ESTIMATED	CARRYING	ESTIMATED	AMOUNT	FAIR VALUE
-----	-----	-----	-----	-----
-----	-----	Gold forward sales.....	\$ --	\$2,000
			\$ --	\$5,700
				Silver forward

sales..... -- -- -- 1,800 Gold options -- calls sold..... (630) (700) (3,000)  
 (2,200) -- calls purchased..... -- -- 6,800 2,400 Silver options -- puts  
 purchased..... -- -- 1,200 1,400 -- puts sold..... -- -- (1,300) (400) --  
 calls purchased -- calls..... -- -- 700 -- Foreign currency contracts..... --  
 100 -- (300) ----- \$1,400 \$8,400 ===== Fair values are estimated for the contract settlement dates  
 based on market quotations of various input variables. These variables are used in valuation models that estimate the  
 fair market value. The fair value of the Company's hedged position can be affected by market conditions beyond the  
 Company's control. The effect of changes in various market factors on the Company's outstanding hedged position at  
 December 31, 2001 would be as follows. AMOUNT EFFECT ON OF MARKET VALUE OF CHANGE HEDGED  
 POSITION ----- Change in: Gold prices..... \$ 10/ounce \$900 Canadian  
 dollars..... U.S. \$0.01 \$300 Interest rates (effect on gold and silver forward sales and  
 options)..... 1% \$140 F-136 Hedging gains and losses represent the difference between spot or  
 market prices and realized amounts. The hedging gains (losses) recognized in earnings are as follows. 2001 2000 1999  
 ----- Revenue: Gold loans and swaps..... \$ 703 \$ 1,289 \$ 1,658 Gold forward  
 sales..... 22,245 25,754 17,710 Silver forward sales..... 3,426 3,333 3,439  
 Gold and silver options..... (402) (506) 4,077 Operating costs: Foreign currency  
 contracts..... (2,113) (1,179) (3,068) ----- \$23,859 \$28,691 \$23,816 =====

===== 19. OTHER COMMITMENTS AND CONTINGENCIES ROYALTIES Round Mountain mine  
 production is subject to a net smelter return royalty ranging from 3.53% at gold prices of \$320 per ounce or less to  
 6.35% at gold prices of \$440 per ounce or more. Its production is also subject to a gross revenue royalty of 3.0%,  
 reduced to 1.5% after \$75.0 million has been paid. McCoy/Cove production is subject to a 2% net smelter return  
 royalty. This royalty is based on sales less certain deductions. A portion of production from the Lamefoot area of the  
 Kettle River mine is subject to a 5% net smelter return royalty. K-2 area production at Kettle River is subject to a 5%  
 gross proceeds royalty and a net smelter return royalty ranging from 2% at gold prices of \$300 per ounce or less to 3%  
 at gold prices of \$400 per ounce or more. OPERATING LEASE COMMITMENTS The Company's principal lease  
 commitments are for equipment and office premises. The Company incurred \$1.1 million in rental expense in 2001,  
 net of \$1.4 million in rental income related to office subleases. The Company's commitments under the remaining  
 terms of the leases are approximately \$6.7 million, payable as follows: \$2.0 million in 2002, \$1.6 million in 2003,  
 \$1.5 million in 2004, \$1.0 million in 2005, \$0.1 million in 2006 and \$0.5 million thereafter. SUMMA In September  
 1992, the Summa Corporation commenced a lawsuit against Echo Bay Exploration Inc. and Echo Bay Management  
 Corporation, indirect subsidiaries of the Company, alleging improper deductions in the calculation of royalties  
 payable over several years of production at the McCoy/Cove and Manhattan mines. The matter was tried in the  
 Nevada State Court in April 1997, with Summa claiming more than \$13 million in damages, and, in September 1997,  
 judgement was rendered for the Echo Bay companies. The decision was appealed by Summa to the Supreme Court of  
 Nevada, which heard the matter on November 9, 1999. On April 26, 2000, the Supreme Court of Nevada reversed the  
 decision of the trial court and remanded the case back to the trial court for "a calculation of the appropriate [royalties]  
 in a manner not inconsistent with this order." The case was decided by a panel comprised of three of the seven Justices  
 of the Supreme Court of Nevada and the Echo Bay defendants petitioned that panel for a rehearing. The petition was  
 denied by the three member panel on May 15, 2000 and remanded to the lower court for consideration of other  
 defenses and arguments put forth by the Echo Bay defendants. The Echo Bay defendants filed a petition for a hearing  
 before the full Court and on December 22, 2000, the Court recalled its previous decision. Both the Echo Bay  
 defendants and their counsel believe that grounds exist to modify or reverse the decision. The Company has \$1.5  
 million accrued related to the Summa litigation. If the appellate reversal of the trial decision is maintained and the trial  
 court, on remand, were to dismiss all the Echo Bay defenses, the royalty calculation at McCoy/Cove would change  
 and additional royalties would be payable. HANDY AND HARMAN On March 29, 2000 Handy & Harman Refining  
 Group, Inc., which operated a facility used by the Company for the refinement of dore bars, filed for protection under  
 Chapter 11 of the U.S. Bankruptcy Code. The Company has a claim for gold and silver accounts at this refining  
 facility with an estimated market value of approximately \$2.4 million. The outcome of these proceedings is uncertain  
 at this time. SECURITY FOR RECLAMATION Certain of the Company's subsidiaries have provided corporate  
 guarantees and other forms of security to regulatory authorities in connection with future reclamation activities. Early  
 in 2001, regulators in Nevada called upon two of the Company's subsidiaries to provide other security to replace

corporate guarantees that had been given in respect of the Round Mountain and McCoy/Cove operations totaling approximately \$33 million. The Company disagrees with the regulators' position and believes that the subsidiaries qualify under the criteria set out for corporate guarantees and will oppose the regulatory position. Although the outcome cannot be predicted, the Company and its counsel believe that the Company will prevail. F-137 20.

SUBSEQUENT EVENTS On February 13, 2002, the Company entered into an agreement with Newmont Mining Corporation providing for the conveyance of the McCoy/Cove mine and facilities in exchange for \$6.0 million and the assumption of all reclamation obligations at McCoy/Cove. The agreement is subject to the completion of due diligence by Newmont on or before July 31, 2002. On June 9, 2002, the Company entered into a new asset purchase agreement, amended as of November 19, 2002, with an affiliate of Newmont Mining Corporation (Newmont) providing for the conveyance of the McCoy/Cove mine and facilities. The closing of the transaction is subject to, among other conditions, the completion of the combination of Kinross Gold Corporation, TVX Gold Inc. and the Company, as well as the purchase of Newmont Mining Corporation's 49% interest in the TVX Newmont Americas joint venture. In consideration for the purchase of such assets, the Newmont affiliate has agreed to assume all liabilities and obligations relating to the reclamation and remediation required for the McCoy/Cove complex. The new agreement does not result in any cash payment to the Company and is intended to replace the agreement dated February 13, 2002. On April 3, 2002 the Company issued 361,561,230 common shares in exchange for the entire capital securities debt obligation of \$100 million in principal amount plus accrued and unpaid interest. The new principal holders of common shares and their respective ownership positions in the Company are Newmont Mining Corporation of Canada Limited (48.8%) and Kinross Gold Corporation (11.4%). As a result of eliminating the capital securities, the Company will record in the second quarter an increase to common shares of \$303.7 million, based on the market value of common shares at the date of issue. The market value of the common shares issued exceeded the book value of the capital securities (note 7) by \$134.8 million. This difference along with share issue costs of \$3.0 million will be recorded proportionately between interest expense (\$5.5 million) and deficit (\$132.3 million) in the second quarter of 2002 based on the debt and equity classifications of the capital securities. Under U.S. GAAP, the entire loss of \$137.8 million would be recorded as an extraordinary item. On May 17 and 24, 2002 the Company sold a total of 39,100,000 units, each unit consisting of one common share and one common share purchase warrant for total gross proceeds of \$27.4 million. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.90 per share at any time on or prior to November 14, 2003. On May 28, 2002, the \$17 million revolving bank debt was repaid. F-138 EXHIBIT A COMBINATION AGREEMENT KINROSS GOLD CORPORATION AND TVX GOLD INC. AND ECHO BAY MINES LTD. ----- JUNE 10, 2002 ----- 1

COMBINATION AGREEMENT THIS COMBINATION AGREEMENT made as of the 10th day of June, 2002, AMONG: KINROSS GOLD CORPORATION, a corporation governed by the Business Corporations Act (Ontario) (hereinafter called "Kinross") and TVX GOLD INC., a corporation governed by the Canada Business Corporations Act (hereinafter called "TVX") and ECHO BAY MINES LTD., a corporation governed by the Canada Business Corporations Act (hereinafter called "Echo Bay") WHEREAS Kinross, TVX and Echo Bay wish to combine their respective businesses and acquire the Newmont TVX NA Joint Venture Interest now owned indirectly by Newmont Mining Corporation ("Newmont"); AND WHEREAS the Parties hereto intend to cause (i) the amalgamation of Kinross Subco and TVX in which Kinross will issue common shares of Kinross to the holders of the common shares of TVX, and (ii) the exchange of the common shares of Echo Bay for common shares of Kinross, in each case pursuant to the Arrangement and as a consequence of which the outstanding options and warrants to purchase common shares of TVX and Echo Bay will, respectively be deemed to be options and be replaced by warrants to purchase common shares of Kinross; AND WHEREAS it is intended that, immediately before the completion of the Arrangement, the Newmont TVX NA Joint Venture Interest will be acquired pursuant to the terms of agreements existing between TVX and Newmont or their respective subsidiaries; AND WHEREAS the Parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the Combination; NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto do hereby covenant and agree as set forth below. 2 ARTICLE 1 INTERPRETATION 1.1 DEFINITIONS In this Agreement, including the recitals and Schedules hereto, unless the context otherwise requires: "ACQUISITION PROPOSAL" means (i) any proposal or offer for a merger, amalgamation, reorganization, recapitalization or other business combination involving a Party or a Material

Subsidiary or a Material Joint Venture Interest of a Party, (ii) any proposal or offer to acquire in any manner, directly or indirectly, assets which individually or in the aggregate exceed 10% of the consolidated assets of a Party, (iii) any proposal or offer to acquire in any manner, directly or indirectly, any shares or securities convertible, exercisable or exchangeable for securities which exceed 10% of the outstanding voting securities of a Party, or (iv) any sale of treasury shares, or securities convertible, exercisable or exchangeable for treasury shares, which exceed 10% of the outstanding voting securities of the Party or rights or interests therein or thereto, excluding the Pre-Combination Steps, the Purchase and the Arrangement and the transactions permitted pursuant to Section 4.3; "AGREEMENT" means this agreement together with the Schedules hereto; "AMALCO" means the corporation resulting from the amalgamation of Kinross Subco and TVX as a part of the Arrangement; "AMALCO COMMON SHARES" means the common shares in the capital of Amalco; "ANNOUNCEMENT PRESS RELEASE" means a joint press release issued by the Parties and substantially in the form of Schedule 2.1 hereto; "ARRANGEMENT" means the arrangement involving Kinross, Kinross Subco, TVX and Echo Bay under the provisions of the CBCA on the terms and conditions set forth in the Plan of Arrangement resulting, inter alia, in the issuance of Kinross Shares to the holders of record immediately prior to the Effective Date of the TVX Common Shares and of the Echo Bay Common Shares; "ARTICLES OF AMENDMENT" means the articles of amendment of Kinross effecting the Kinross Share Consolidation; "ARTICLES OF ARRANGEMENT" means the articles of arrangement in respect of Kinross Subco, TVX and Echo Bay; "BEECH LOCK-UP AGREEMENT" means the agreement between Beech LLC and TVX dated the date hereof and providing, inter alia, that Beech LLC will vote the TVX Common Shares held by it in favour of the participation by TVX in the Arrangement; "BENEFIT PLAN" means, in respect of a Party, any benefit, employment, personal services, consulting, compensation, incentive, bonus, stock option, restricted stock, stock appreciation right, phantom equity, change in control, severance, termination pay, vacation, holiday pay, overtime, time-off, perquisite or other similar agreement, plan, policy or arrangement covering one or more current or former employees of the specified Party and each of its Subsidiaries, other than unionized employees; "BOARD OF DIRECTORS", in respect of a Party, means the board of directors of the specified Party; "BUSINESS DAY" means any day, other than Saturday or Sunday or a day that is a statutory or civic holiday in the place where an action is to be taken; "CBCA" means the Canada Business Corporations Act, R.S.C. 1985, c. C-44, as amended, and the regulations thereunder; "CANADIAN PROVINCIAL AUTHORITIES" means the Canadian provincial securities commissions; "CHANGE OF CONTROL PROPOSAL" means (i) any proposal or offer for a merger, amalgamation, reorganization, recapitalization or other business combination involving a Party or a Material Subsidiary or a Material Joint Venture Interest of a Party, (ii) any proposal or offer to acquire in any manner, directly or indirectly, assets which individually or in the aggregate exceed 50% of the consolidated assets of a Party, (iii) any proposal or offer to acquire in any manner, directly or indirectly, any shares or securities convertible, exercisable or exchangeable for securities which 3 exceed 50% of the outstanding voting securities of the Party, or (iv) any sale of treasury shares, or securities convertible, exercisable or exchangeable for treasury shares, which exceed 50% of the outstanding voting securities of the Party or rights or interests therein or thereto, excluding the Pre-Combination Steps, the Purchase and the Arrangement and the transactions permitted pursuant to Section 4.3; "COMBINATION" means the Purchase and the Arrangement; "COMPETITION ACT" means the Competition Act (Canada), R.S.C. 1985, c. C-34, as amended, and the regulations thereunder; "CONFIDENTIALITY AGREEMENT" means the Confidentiality and Standstill Agreement initially dated as of May 14, 2002 entered into among Kinross, TVX and Newmont together with the counterpart thereof dated as of May 21, 2002 executed by Echo Bay, relating to the transactions contemplated by this Agreement; "COURT" means the Superior Court of Ontario; "ECHO BAY COMMON SHARES" means the common shares in the capital of Echo Bay; "ECHO BAY MEETING" means the special meeting of the holders of the Echo Bay Common Shares called for the purpose of considering and, if thought fit, approving the Arrangement; "EFFECTIVE DATE" means the date, determined in accordance with Section 2.2, on which the Combination is to be effected; "FINAL ORDER" means the order of the Court sanctioning the Arrangement, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed; "FINAL TERMINATION DATE" means December 31, 2002; "GAAP" means Canadian generally accepted accounting principles as contemplated by the Handbook of the Canadian Institute of Chartered Accountants, applied on a consistent basis; "GOVERNMENTAL ENTITY" means (a) any multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, stock exchange, self-regulated securities market, board, bureau or agency, whether domestic or foreign,



(b) any subdivision, agent, commission, board or authority of any of the foregoing or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; "HSR ACT" means the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; "INITIAL TERMINATION DATE" means November 30, 2002; "INTERIM ORDER" means the order of the Court containing declarations and directions with respect to the Arrangement; "JOINT INFORMATION CIRCULAR" means the management information circular prepared by each of Kinross, TVX and Echo Bay for the Meetings; "KINROSS COMMON SHARES" means the common shares in the capital of Kinross prior to the Kinross Share Consolidation; "KINROSS FINANCING" means the public offering of Kinross Common Shares or other securities for aggregate proceeds of not more than U.S.\$250,000,000 which Kinross intends to proceed with as soon as possible after the date hereof; "KINROSS LOCK-UP AGREEMENT" means the agreement between Kinross and Echo Bay dated the date hereof and providing, inter alia, that Kinross will continue to hold the Echo Bay Common Shares held by it until the conclusion of the Echo Bay Meeting and that it will vote such shares in favour of the participation by Echo Bay in the Arrangement; "KINROSS MEETING" means the special meeting of the holders of the Kinross Common Shares called for the purpose of considering and, if thought fit, approving the Kinross Share Consolidation, approving the Kinross Share Issuance (if such approval is required under any applicable Laws) and electing directors of Kinross; 4 "KINROSS PLACER JOINT VENTURE" means the joint venture to be entered into between Kinross and a wholly-owned Subsidiary of Placer Dome Inc. concerning certain gold mining operations in the Porcupine district in Ontario; "KINROSS SHARE CONSOLIDATION" means the consolidation of the Kinross Common Shares on a one-for-three basis; "KINROSS SHARE ISSUANCE" means the issue of Kinross Shares pursuant to (a) the Arrangement, (b) the exercise of any options that were granted prior to the Effective Date under the stock option plans of TVX and Echo Bay on the basis set out in Section 4.11 and (c) the exercise of any warrants that were granted prior to the Effective Date under the Warrant Indenture as set out in Section 4.9(2)(c); "KINROSS SHARES" means the common shares in the capital of Kinross immediately after the filing of Articles of Amendment, if any, approved at the Kinross Meeting giving effect to the Kinross Share Consolidation or, in the absence of such filing, means the Kinross Common Shares; "KINROSS SUBCO" means 5082389 Canada Inc., a corporation incorporated under the CBCA, which is a wholly-owned Subsidiary of Kinross; "LAWS" means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgements or other requirements of any Governmental Entity; "MATERIAL" means, where used in relation to the affairs of one of the Parties, a fact, asset, liability, transaction or circumstance concerning the business, operations, capital or financial condition of such Party and its Subsidiaries and Material Joint Venture Interests, taken as a whole, that would reasonably be considered to be important to a reasonable investor in making an investment decision with respect to such Party (the Parties agreeing that any matter or thing, or series of related matters or things, involving an aggregate amount of U.S.\$10,000,000 would be important to such an investor) or that would significantly impede the ability of that Party to complete the Combination in accordance with this Agreement; "MATERIAL ADVERSE CHANGE" or "MATERIAL ADVERSE EFFECT" means, where used in respect of any Party, any change, effect, event, occurrence or state of facts that is, or would reasonably be expected to be, Material and adverse to the business, operations, capital or financial condition of such Party and its Subsidiaries and Material Joint Venture Interests, taken as a whole, other than any change, effect, event or occurrence: (a) relating to the global economy or securities markets in general; (b) affecting the worldwide gold mining industry in general and which does not have a materially disproportionate effect on such Party and its Subsidiaries and Material Joint Venture Interests, taken as a whole; (c) resulting from changes in the price of gold; (d) relating to the rate at which Canadian dollars can be exchanged for United States dollars; or (e) which is a change in the trading price of the publicly traded securities of a Party immediately following and reasonably attributable to the disclosure of the Combination, this Agreement and the matters contemplated hereby, including the Kinross Financing; "MATERIAL JOINT VENTURE INTEREST" means: (a) in respect of Kinross, the Refugio project in Chile; (b) in respect of TVX, the interest currently held by TVX in the TVX NA Joint Venture and the co-ownership interests and joint ventures included therein; and (c) in respect of Echo Bay, none; "MATERIAL SUBSIDIARY" in respect of a Party, means a Subsidiary of that Party the total assets of which constituted more than 10% of the consolidated assets of that Party or the total revenues of which constituted more than 10% of the consolidated revenues of that Party, in each case as set out either in the audited annual consolidated financial statements of that Party as at and for the year ended December 31, 2001 or in the unaudited quarterly consolidated financial statements of that Party as at and for the three months ended March 31, 2002; "MCCOY/COVE COMPLEX" means the mine and ancillary facilities indirectly

owned by Echo Bay located 30 miles southwest of Battle Mountain, Nevada, U.S.A.; "MCCOY/COVE PURCHASE AGREEMENT" means the agreement entered into between Echo Bay and Newmont providing for the purchase by Newmont from Echo Bay of the McCoy/Cove Complex; "MEETINGS" means the Kinross Meeting, the TVX Meeting and the Echo Bay Meeting, and "MEETING" means any of them; "NEWMONT" has the meaning attributed thereto in the recitals; 5 "NEWMONT LOCK-UP AGREEMENT" means the agreement between Newmont and Echo Bay dated the date hereof and providing, inter alia, that Newmont will continue to hold the Echo Bay Common Shares held by it until the conclusion of the Echo Bay Meeting and that it will vote such shares in favour of the participation by Echo Bay in the Arrangement; "NEWMONT TVX NA JOINT VENTURE INTEREST" means the indirect interest of Newmont in the TVX NA Joint Venture, comprising 52,213,000 common shares in the capital of TVX Newmont Americas (Canada) Inc. held by Newmont Americas Holdings Limited and 93,943,500 voting preferred shares and 41,239,500 newinco preferred shares in the capital of TVX Newmont Americas (Cayman) Inc. held by Normandy Cayman Holdco Inc.; "PARTIES" means Kinross, TVX and Echo Bay and "PARTY" means any one of them; "PERSON" includes an individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative or government, including any Governmental Entity; "PLAN OF ARRANGEMENT" means the Plan of Arrangement involving Kinross, Kinross Subco, TVX and Echo Bay; "PRE-COMBINATION STEPS" means the steps set out herein which are to be undertaken by the Parties and their Subsidiaries in advance of the Combination to give effect thereto and to the other matters set out in this Agreement and such other steps as are approved by the Parties in writing; "PUBLIC DISCLOSURE DOCUMENTS" means, with respect to a Party, all publicly available forms, reports, schedules, statements and other documents filed by a Party with the SEC or the Canadian Provincial Authorities; "PURCHASE" means the purchase of the Newmont TVX NA Joint Venture Interest in exchange for consideration consisting of the payment of U.S.\$180,000,000; "REGULATORY APPROVAL" means any approval, consent, waiver, permit, order or exemption from any Governmental Entity having jurisdiction or authority over any Party or any Material Subsidiary or Material Joint Venture Interest of any Party which is required, necessary or advisable to be obtained in order to permit the Combination to be effected, and "REGULATORY APPROVALS" means all such approvals, consents, waivers, permits, orders and exemptions; "SEC" means the United States Securities and Exchange Commission; "SUBSIDIARY" means, with respect to a specified body corporate, any body corporate of which securities carrying more than 50% of the votes that may be cast to elect directors are at the relevant time owned directly or indirectly by such specified body corporate and the voting rights carried by such securities are sufficient, if exercised, to elect a majority of the directors thereof, and shall include any body corporate, partnership, joint venture or other entity over which such specified body corporate exercises direction or control or which is in like relation to a subsidiary; provided, however, in the case of TVX, "Subsidiary" shall not include the interest of TVX in bodies corporate which comprise the TVX NA Joint Venture; "SUPERIOR PROPOSAL" has the meaning ascribed thereto by Section 4.4(1); "TAXES" means all taxes, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any Governmental Entity, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), capital taxes, payroll and employee withholding taxes, employment insurance, social insurance taxes (including Canada Pension Plan payments), sales and use taxes, goods and services taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers' compensation, pension assessment and other governmental charges, royalties, lease and licensing fees paid to a Governmental Entity, and other obligations of the same or of a similar nature to any of the foregoing, which a Party or any of its Subsidiaries is required to pay, withhold or collect; "TVX COMMON SHARES" means the common shares in the capital of TVX or if the TVX Share Consolidation is effected after the date hereof, such shares as consolidated; "TVX MEETING" means the special meeting of the holders of the TVX Common Shares called for the purpose of considering and, if thought fit, approving the Arrangement; 6 "TVX NA JOINT VENTURE AGREEMENTS" means the several agreements dated June 11, 1999 among TVX, Normandy Mining Limited, Normandy Americas Holdings Limited, TVX Normandy Americas (Canada) Inc., TVX Cayman Inc., Normandy Cayman Holdco Inc. and TVX Normandy Americas (Cayman) Inc., among others, dealing with, inter alia, the holding and disposition of the Newmont TVX NA Joint Venture Interest; "TVX NA JOINT VENTURE" means the business venture formed by TVX and certain Subsidiaries of Newmont, pursuant to the TVX NA Joint Venture Agreements, to explore, develop and operate gold properties in North America and South America; "TVX NA PURCHASE AGREEMENT" means the

agreement or agreements dated the date hereof pursuant to which Newmont or one or more of its Subsidiaries and TVX or a Subsidiary of TVX will effect the Purchase; "TVX SHARE CONSOLIDATION" means the consolidation of TVX Common Shares on a one-for-ten basis which was approved by the shareholders of TVX at its most recent annual and special meeting of shareholders held on May 16, 2002; "WARRANT INDENTURE" means the Warrant Indenture dated May 9, 2002 between Echo Bay and Computershare Trust Company of Canada providing for the issue of 39,100,000 Echo Bay share purchase warrants; and "U.S. TAX CODE" means the United States Internal Revenue Code of 1986, as amended.

1.2 INTERPRETATION NOT AFFECTED BY HEADINGS The division of this Agreement into Articles, Sections, subsections, paragraphs and Schedules and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

1.3 ARTICLE REFERENCES Unless the contrary intention appears, references in this Agreement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Agreement.

1.4 NUMBER AND GENDER In this Agreement, unless the contrary intention appears, words importing the singular number only shall include the plural and vice-versa, and words importing the use of any gender shall include all genders.

1.5 DATE FOR ANY ACTION If the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next day which is a Business Day in such place.

1.6 CURRENCY Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

1.7 SCHEDULES The Schedules annexed to this Agreement, being: Schedule 2.1 -- Announcement Press Release Schedule 4.1 -- Kinross Board of Directors and Chief Executive Officer respectively, are incorporated by reference into this Agreement and form part hereof.

1.8 ACCOUNTING MATTERS Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under GAAP and all determinations of an accounting nature required to be made shall be made in a manner consistent with GAAP.

1.9 DISCLOSURE Where in this Agreement reference is made to disclosure made by a Party, the reference shall refer and be construed to refer solely to (i) disclosure in the Party's Public Disclosure Documents or (ii) disclosure made in writing by the Party to the other Parties, in either case on or prior to the date hereof.

1.10 KNOWLEDGE In this Agreement, references to "the knowledge of" and similar references mean the actual knowledge of any of the directors and senior executive officers of a Party, after reasonable inquiry, and such directors and senior executive officers shall make such inquiry as is reasonable in the circumstances, except that in respect of the Material Joint Venture Interests of such Party, references to "the knowledge of" and similar references mean the actual knowledge of any of the directors and senior executive officers of such Party without inquiry of the other participants in, or of those members of the management or employees who are unrelated to such Party of, any Material Joint Venture Interest.

ARTICLE 2 THE COMBINATION

2.1 THE COMBINATION In order to implement the Combination: (a) the Purchase shall be completed; (b) each of Kinross, TVX and Echo Bay shall take all necessary steps, including those set out in Section 4.8, in order to enable it to participate in and effect the Combination; (c) each of Kinross, TVX and Echo Bay shall take all necessary action to call and hold its Meeting to consider and, if thought appropriate, approve its participation in the Combination; and (d) if the Kinross Share Issuance and the Arrangement receive the necessary shareholder approvals: (i) Kinross shall cause Kinross Subco to amalgamate with TVX to form Amalco, as a result of which holders of TVX Common Shares will receive 0.2167 Kinross Shares for each TVX Common Share held (or 0.65 Kinross Common Shares, if the Kinross Share Consolidation is not approved), and Kinross as the sole shareholder of Kinross Subco will receive Amalco Common Shares in exchange for shares of Kinross Subco, on a one-for-one basis; provided that in the event that the TVX Share Consolidation is effected after the date hereof, the number of Kinross Shares (or Kinross Common Shares if the Kinross Share Consolidation is not approved) to be issued to holders of TVX Common Shares pursuant to the Arrangement shall be adjusted accordingly; and (ii) upon the completion of step (i), Echo Bay and Kinross will effect a share exchange, as a result of which holders of Echo Bay Common Shares will receive 0.1733 Kinross Shares for each Echo Bay Common Share held (or 0.52 Kinross Common Shares, if the Kinross Share Consolidation is not approved).

2.2 EFFECTIVE DATE The Combination shall be effected on the first Business Day following fulfillment or waiver of the conditions set forth in Article 5 (or such other Business Day as soon as practicable thereafter as the Parties may otherwise agree) (the "Effective Date"). On the Effective Date, the Parties shall take the following steps in the order specified: (a) the Purchase shall be completed; 8 (b) Kinross shall file the Articles of Amendment with the Director under the Business Corporations Act (Ontario) to give effect to the Kinross Share Consolidation, if the Kinross Share Consolidation has

been approved; (c) Kinross shall cause Kinross Subco to file the Articles of Arrangement with the Director under the CBCA to give effect to the Arrangement; and (d) the resolution of the shareholders of Kinross electing a new Board of Directors shall be come effective. ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE PARTIES

3.1 REPRESENTATIONS AS TO BOARD APPROVALS Each Party represents and warrants to the other Parties that: (a) the special committee or independent committee, if any, formed by the Board of Directors of such Party to consider the participation by such Party in the Combination has recommended that such Board of Directors approve such participation in the Combination on the basis contemplated herein and has further recommended that such Board of Directors recommend to the shareholders of such Party that they approve its participation in the Combination on such basis; (b) its Board of Directors has determined that: (i) the Combination is fair to its shareholders and is in the best interests of such Party; and (ii) it will recommend to the shareholders of such Party that they should vote in favour of the Arrangement or, in the case of Kinross, the Kinross Share Issuance (if such approval is required under applicable Laws), the Kinross Share Consolidation and the election as directors of Kinross of the persons set out in Schedule 4.1; and (c) in the case of each of TVX and Echo Bay, its special committee or Board of Directors has received an opinion from its financial advisor that as of the date of the opinion, the exchange ratio prescribed herein is fair to the shareholders of such Party from a financial point of view.

3.2 REPRESENTATION OF KINROSS AND ECHO BAY Each of Kinross and Echo Bay represents and warrants to the other Parties that the Kinross Lock-Up Agreement, a true copy of which has been delivered to each other Party, is in full force and effect as regards Kinross and Echo Bay, respectively, unamended.

3.3 REPRESENTATIONS OF ECHO BAY Echo Bay represents and warrants to the other Parties that: (a) the Newmont Lock-Up Agreement, a true copy of which has been delivered to each other Party, is in full force and effect as regards Echo Bay, unamended; and (b) the McCoy/Cove Purchase Agreement, a true copy of which has been delivered to each other Party, is in full force and effect as regards Echo Bay, unamended.

3.4 REPRESENTATIONS OF TVX TVX represents and warrants to the other Parties that: (a) the Beech Lock-Up Agreement, a true copy of which has been delivered to each other Party, is in full force and effect as regards TVX, unamended; and (b) TVX and Newmont (or Subsidiaries thereof) have entered into the TVX NA Purchase Agreement, a true copy of which has been delivered to each other Party, and such agreement is in full force and effect as regards TVX, unamended.

9 3.5 GENERAL REPRESENTATIONS OF THE PARTIES (1) Each of the Parties hereby represents and warrants to the other Parties that except as disclosed to the other Parties: (a) it has filed with the Canadian Provincial Authorities and the SEC all forms, reports, schedules, statements and other documents required to be filed by it since December 31, 2000; (b) since December 31, 2000, its Public Disclosure Documents at the time filed, except to the extent that such statements have been modified or superseded by a later Public Disclosure Document, (i) did not contain any misrepresentation, as defined under applicable securities Laws and (ii) complied in all material respects with the requirements of applicable securities Laws; (c) none of the information supplied or to be supplied by the Party for inclusion or incorporation by reference in the Joint Information Circular will, at the date the Joint Information Circular is mailed to shareholders of Kinross, TVX and Echo Bay, contain any misrepresentation, as defined under applicable securities Laws, with respect to such Party; (d) it has not filed any confidential material change report since December 31, 2000, which remains confidential; (e) the Party has the corporate power and authority to enter into this Agreement and to execute, deliver and perform its obligations under this Agreement and this Agreement has been duly authorized, executed and delivered by the Party and constitutes a legal, valid and binding obligation of the Party enforceable against the Party in accordance with its terms, subject to bankruptcy, insolvency and other Laws affecting the rights of creditors generally, the equitable power of the courts to stay proceedings before them and the execution of judgements and the qualifications that (i) equitable remedies such as specific performance and injunction may be granted only in the discretion of a court of competent jurisdiction, and (ii) rights to indemnity and contribution may be limited by applicable Law; (f) the execution and delivery of this Agreement, the consummation by the Party of the transactions contemplated in this Agreement and compliance by the Party with the terms of this Agreement do not and will not result in any violation of the charter or by-laws or similar documents of the Party or any Subsidiary or Material Joint Venture Interest or give rise to a right to terminate or accelerate the due date of any payment due under, or conflict with, violate or result in the breach of any term or provision of or constitute a default (or any event which with notice, or lapse of time, or both, would constitute a default) under, or require consent, approval, authorization, order or waiver under, or result in the execution or imposition of any lien, charge or encumbrance upon any properties or assets of the Party or any of its Subsidiaries or Material Joint Venture Interests under: (i) any indenture, mortgage, loan agreement, trust deed, note or other

agreement or instrument to which the Party or any Subsidiary or Material Joint Venture Interest is a party or by which the Party or any Subsidiary or Material Joint Venture Interest or any of their respective properties or businesses is bound or affected, or any franchise, license or permit, (ii) any existing applicable Canadian federal statute or regulation or any statute or regulation of any jurisdiction in which the Party or any Subsidiary or Material Joint Venture Interest carry on business, (iii) any judgement, order or decree of any Government Entity having jurisdiction over the Party or any Subsidiary or Material Joint Venture Interest or any of their properties or assets, or (iv) any statute, rule, or regulation applicable to the Party or any Subsidiary or Material Joint Venture Interest, except any consent, approval, permit, authorization, order or filing which shall have been obtained before the Effective Date and other than any such conflicts, violations, defaults, rights or liens that individually or in the aggregate have not had and would not reasonably be expected to have a Material Adverse Effect; (g) neither the Party nor any Subsidiary or Material Joint Venture Interest is in violation of any term or provision of its charter or by-laws or any agreement, franchise, licence, permit, approval, consent, judgement, decree, order, statute, rule or regulation, where the consequences of such violation would have a 10 Material Adverse Effect on the assets, properties, business, results of operations, prospects or condition, financial or otherwise, of the Party and its Subsidiaries and Material Joint Venture Interest, taken as a whole; and (h) the consolidated financial statements of the Party (including the notes thereto) included in its Public Disclosure Documents under the requirements of applicable securities Laws present fairly its consolidated financial position, its consolidated results of operations and cash flows and surplus and the other information purported to be shown therein at the respective dates and for the respective periods to which they apply; such financial statements have been prepared in conformity with GAAP or United States generally accepted accounting principles (except, in the case of unaudited statements, as permitted by Canadian Provincial Authorities and the SEC), as applicable, consistently applied throughout the periods involved (except as may be indicated in the notes thereto), and all adjustments necessary for a fair presentation of the results for such periods have been made (subject, in the case of unaudited statements, to normal year-end audit adjustments). (2) Each of the Parties hereby represents and warrants to the other Parties that neither the Party nor any Subsidiary has taken or agreed to take any action or knows of any fact, agreement, plan or other circumstance that is reasonably likely to prevent the share exchange effected by the Parties pursuant to the Arrangement from qualifying for U.S. Federal income tax purposes as a reorganization within the meaning of Section 368(a) of the U.S. Tax Code. (3) Kinross represents and warrants to the other Parties that it is not a "non-Canadian" within the meaning of the Investment Canada Act (Canada) and that no application for review and no notification under the Investment Canada Act (Canada) is required in connection with the Combination. (4) Each of the Parties acknowledges that each of the other Parties is relying upon the representations and warranties of such Party in this Agreement in connection with entering into this Agreement and participating in the Combination. (5) Each of TVX and Echo Bay acknowledges that the prospectus to be prepared and filed with securities regulatory authorities in connection with the Kinross Financing is required to include certain information about each of TVX and Echo Bay and that this information will be derived from, or included in the prospectus by incorporation by reference of, certain Public Disclosure Documents of those Parties. Each of TVX and Echo Bay acknowledges that Kinross is relying upon the representation and warranty of each of TVX and Echo Bay in subsection (1) in connection with the disclosure made or incorporated into the prospectus concerning each of TVX and Echo Bay. Each of the Parties acknowledges that its legal counsel may be requested to provide the underwriters of the Kinross Financing with comfort that the prospectus prepared in connection with the Kinross Financing does not offend the prohibition in Rule 10b-5 of the United States Securities Exchange Act of 1934, as amended.

3.6 INVESTIGATION Any investigation by a Party and its advisors shall not mitigate, diminish or affect the representations and warranties given to such Party by the other Parties pursuant to this Agreement.

3.7 SURVIVAL OF REPRESENTATIONS AND WARRANTIES The representations and warranties of each of the Parties contained in this Agreement shall not survive the completion of the Combination and shall expire and be terminated and extinguished at the Effective Date.

ARTICLE 4 COVENANTS

4.1 KINROSS BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER The Parties agree that it is their intention that the Chairman and the other members of the Board of Directors, and the Chief Executive Officer, of Kinross as of and immediately after the Effective Date shall be the individuals named in Schedule 4.1. Kinross covenants and agrees that at the Kinross Meeting the holders of the Kinross Common Shares will be requested to consider and, if thought fit, to elect as directors of Kinross the individuals named in Schedule 4.1 to hold office from and after the Effective Date until their successors have been duly elected or appointed.

11 4.2 CONSULTATION Subject to Section 4.8(c), the Parties agree to consult with each

other before issuing any press release or otherwise making any public statement with respect to this Agreement or the Combination and in making any filings with any Governmental Entity, including any filing with any securities administrator or stock exchange with respect thereto. Each Party shall use reasonable commercial efforts to provide the other Parties with an opportunity to review and comment on all such press releases and filings prior to the release thereof.

**4.3 MUTUAL COVENANTS** Each of the Parties covenants and agrees, to the extent it is within its control (including, without limitation, in respect of any of its Material Joint Venture Interests in each case only to the extent that such Party has the power to do so with respect to each such Material Joint Venture Interest), that, except (i) as disclosed by the Party, or (ii) with the prior written consent of the other Parties, which consent shall not be unreasonably withheld, or (iii) as contemplated in this Agreement or the Combination or in connection with effecting any Pre-Combination Steps, the Kinross Financing, or the Kinross Placer Joint Venture, until the Effective Date or the day upon which this Agreement is terminated pursuant to Article 8, whichever is earlier: (a) it shall, and shall cause each of its Subsidiaries and Material Joint Venture Interests to, conduct its and their respective businesses only in, and not take any action except in, the usual, ordinary and regular course of business and consistent with past practice; (b) except as may be required to give effect to any court order or arbitral award, it shall not directly or indirectly do or permit to occur any of the following: (i) issue, sell, pledge, lease, dispose of, encumber or agree to issue, sell, pledge, lease, dispose of or encumber (or permit any of its Material Subsidiaries or Material Joint Venture Interests to issue, sell, pledge, lease, dispose of, encumber or agree to issue, sell, pledge, lease, dispose of or encumber): 1. any shares of or units in, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares of or units in it or any of its Material Subsidiaries or Material Joint Venture Interests, other than pursuant to the exercise of stock options, warrants or conversion or exchange rights attaching to securities which are currently outstanding (including for greater certainty the Kinross 5.5% Convertible Unsecured Subordinated Debentures issued December 5, 1996) or under existing share issuance or grant plans or stock options issued consistent with past practices and share issuances in respect thereof; or 2. except in the usual, ordinary and regular course of business and consistent with past practice, any Material assets of it or any of its Material Subsidiaries or Material Joint Venture Interests; (ii) except for the TVX Share Consolidation, amend or propose to amend its articles or by-laws or those (or the equivalent charter documents) of any of its Material Subsidiaries or the joint venture, partnership, management, operating or similar agreements or similar documents in respect of any of its Material Joint Venture Interests; (iii) except for the TVX Share Consolidation, split, combine or reclassify any of its outstanding shares, or declare, set aside or pay any dividend or other distribution payable in cash, stock, property or otherwise with respect to its shares (other than dividends or distributions made by a wholly-owned Subsidiary to a Party or to a wholly-owned Subsidiary of that Party or regular quarterly dividends in respect of its common shares, in amounts consistent with past practice, and, in the case of Kinross, dividends provided for pursuant to the provisions of its preferred shares); (iv) redeem, purchase or offer to purchase, or permit any of its Subsidiaries to redeem, purchase or offer to purchase, any shares or other securities of it or any of its Material Subsidiaries, unless otherwise required by the terms of such securities as in effect on the date hereof; provided however that Kinross shall not be precluded from redeeming its 5.5% Convertible Unsecured Subordinated Debentures issued December 5, 1996; 12 (v) except for internal reorganizations, amalgamations or mergers involving it and/or any of its direct or indirect wholly-owned Subsidiaries, reorganize, amalgamate or merge it or any of its Material Subsidiaries with any other Person; (vi) acquire or agree to acquire any Person, or acquire or agree to acquire any assets, which in each case are individually or in the aggregate Material, or permit any of its Subsidiaries or Material Joint Venture Interests to do any of the foregoing; (vii) (1) satisfy or settle any claims or liabilities which are individually or in the aggregate Material, except such as have been reserved against in its most recent audited annual consolidated financial statements delivered to the other Parties; (2) relinquish any contractual rights which are individually or in the aggregate Material; (3) enter into any interest rate, currency or commodity swaps, hedges or other similar financial instruments which individually or in the aggregate are Material; or (4) permit any of its Subsidiaries or Material Joint Venture Interests to do any of the foregoing; or (viii) except for the purpose of the renewal of or the replacement of existing credit facilities, incur or commit to provide guarantees, incur any indebtedness for borrowed money or issue any amount of debt securities, in each case which are individually or in the aggregate Material, or permit any of its Subsidiaries or Material Joint Venture Interests to do any of the foregoing; (c) it shall not, and shall cause each of its Material Subsidiaries and Material Joint Venture Interests to not: (i) except in the usual, ordinary and regular course of business and consistent with past practice or as required pursuant to existing Benefit Plans, enter into or modify any such Benefit Plans, or grant any bonuses, salary increases, stock options,

pension or supplemental pension benefits, profit sharing, retirement allowances, deferred or other compensation, incentive compensation, severance or termination pay to, or make any loan to, any of its directors, officers, employees, consultants, contractors or agents; and (ii) except as set forth in the capital budgets of the Party or its Material Subsidiaries or Material Joint Venture Interests that have been approved by such Party's Board of Directors, or where such Board of Directors determines, acting reasonably and after giving appropriate consideration to the effect on the other Parties hereto and on the transactions contemplated hereby, that it is in the best interests and necessary course of business of such Party and its Material Subsidiaries and Material Joint Venture Interests, taken as a whole, that it so reallocate or incur or commit to such capital expenditures without obtaining the written consent of the other Parties, reallocate capital expenditures among categories within such budgets, or incur or commit to capital expenditures, prior to the Effective Date, individually or in the aggregate exceeding U.S.\$10,000,000; (d) it shall use its reasonable commercial efforts to cause its current insurance policies and those of its Material Subsidiaries and Material Joint Venture Interests, including directors' and officers' insurance or re-insurance policies, not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums or premiums consistent with then current industry premium experience are in full force and effect; provided that nothing in this Section shall limit: (i) the Parties' ability to purchase and maintain six year run-off directors' and officers' insurance for the benefit of its directors and officers and those of its Subsidiaries or Material Joint Venture Interests; and (ii) Kinross' obligations pursuant to Section 4.9(2)(b); (e) it shall: (i) use its reasonable commercial efforts, and cause each of its Material Subsidiaries and Material Joint Venture Interests to use its reasonable commercial efforts, to preserve intact its business organizations and goodwill, to keep available the services of its officers and employees as a group and to maintain 13 existing relationships with suppliers, consultants, joint venture participants, partners, professional advisors, agents, distributors, customers, Governmental Entities and others having business relationships with it, its Material Subsidiaries and its Material Joint Venture Interests; (ii) not take any action, or permit any of its Subsidiaries or Material Joint Venture Interests to take any action, that would or reasonably may be expected to render (1) any representation or warranty made by it in this Agreement that is qualified as to materiality untrue or (2) any of such representations and warranties that are not so qualified untrue in any Material respect; and (iii) to the extent it has knowledge thereof, promptly notify the other Parties of (1) any Material Adverse Change, or any change which could reasonably be expected to become a Material Adverse Change, and (2) any Governmental Entity or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated) which are Material; (f) it shall not, and shall cause each of its Subsidiaries and Material Joint Venture Interests not to, settle or compromise any claim brought by any present, former or purported holder of any of its securities in connection with the transactions contemplated by this Agreement or the Combination prior to the Effective Date; (g) except in the usual, ordinary and regular course of business and consistent with past practice, or except as required by applicable Laws, it shall not, and shall cause each of its Subsidiaries and Material Joint Venture Interests not to, enter into or modify any contract, agreement, commitment or arrangement which new contract or series of related new contracts or modification to an existing contract or series of related existing contracts would be Material to that Party or would have a Material Adverse Effect; (h) it shall not, and shall not permit any of its Subsidiaries or Material Joint Venture Interests to, take any action, or permit any action to be taken on its behalf, and it shall, and shall cause its Subsidiaries or Material Joint Venture Interests to, refrain from taking any action which, in either case, if taken, would be inconsistent with this Agreement or which would interfere with or be inconsistent with or would reasonably be expected to significantly impede the completion of the Combination or any of the transactions contemplated hereby; (i) to the extent it has knowledge thereof, it shall, in all Material respects, conduct itself so as to keep the other Parties fully informed as to the Material decisions or actions made or required to be made with respect to the operation of its business and that of its Material Subsidiaries and Material Joint Venture Interests, provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver could not reasonably be obtained and provided further that no such disclosure is required in respect to competitively sensitive information relating to properties, areas or projects where the Parties are competitors; (j) it shall cause its nominees on the board of directors or management or operating committee of each Material Joint Venture Interest, subject to fulfilment of the fiduciary duties to which any such nominee is subject, applicable Law and any existing contractual obligations, to perform such

acts and to do such other things consistent with the foregoing as if they applied to the Material Joint Venture Interest; (k) it shall use its reasonable commercial efforts to conduct its affairs and those of its Material Subsidiaries and Material Joint Venture Interests so that all of its representations and warranties contained herein shall be true and correct in all Material respects on and as of the Effective Date as if made thereon (except to the extent that any such representations and warranties speak as of an earlier date or except as affected by transactions contemplated or permitted by this Agreement or except for any failures or breaches of representations and warranties which individually or in the aggregate would not have a Material Adverse Effect on the Party or materially impede the completion of the Combination or the other transactions contemplated hereby); and (l) it shall not make any change to existing accounting practices, except as the regular, independent auditors advise in writing are required by applicable Laws, GAAP or United States generally accepted accounting principles, as applicable, or write up, down or off the book value of any assets in an amount that in the 14 aggregate would exceed \$1,000,000, except where required for compliance with GAAP or United States generally accepted accounting principles, as applicable. Notwithstanding the foregoing provisions of Sections 4.3(b)(vi) and (vii) and Section 4.3(c)(ii), where a Party is obliged to approve a budget, operating plan or other business plan (or an amendment thereto) for a Material Joint Venture Interest in circumstances where it is subject to confidentiality obligations which preclude it from disclosing the subject matter of such budget or plan (or amendment) to the other Parties and where it is therefore effectively precluded from seeking the consent of the other Parties thereto, such Party shall be entitled to give or refrain from giving such approval without obtaining the prior written consent of the other Parties as long as it has concluded, acting reasonably, that the approval given by it is in the best interests of such Material Joint Venture Interest.

#### 4.4 MUTUAL COVENANTS REGARDING NON-SOLICITATION

(1) No Party shall, or shall permit any of its Subsidiaries or Material Joint Venture Interests (to the extent that such Party has the power to do so with respect to its Material Joint Venture Interests) to, directly or indirectly, through any officer, director, employee, advisor, representative or agent, solicit, initiate, facilitate or knowingly encourage (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) the initiation of an Acquisition Proposal; provided, however, that nothing contained in this Section or the other provisions of this Agreement shall prevent the Board of Directors of any Party which receives an unsolicited bona fide Acquisition Proposal in respect of that Party, from considering, negotiating, approving or recommending to its shareholders an Acquisition Proposal: (a) in respect of which any required financing has been demonstrated to the satisfaction of the Board of Directors of the Party subject to the Acquisition Proposal, acting in good faith, to be reasonably likely to be obtained; (b) which is not subject to a due diligence access condition which allows access to the books, records and personnel of the Party subject to the Acquisition Proposal or any of its Material Subsidiaries or Material Joint Venture Interests or their representatives beyond 5:00 p.m. (Eastern Time) on the tenth Business Day after which access is afforded to the Person making the Acquisition Proposal (provided, however, that the foregoing shall not restrict the ability of such Person to continue to review information properly provided to such Person); (c) in respect of which the Board of Directors of the Party subject to the Acquisition Proposal receives an opinion of counsel, that is reflected in the minutes of such Board of Directors, that it is required to consider the Acquisition Proposal in order to discharge properly its fiduciary duties; and (d) which the Board of Directors of the Party subject to the Acquisition Proposal determines in good faith, after consultation with its financial advisors, would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction (1) more favourable to its shareholders than the Combination, (2) having consideration with a value greater than the value of the consideration provided by the Combination, and (3) is reasonably capable of being completed within a reasonable period of time (any such Acquisition Proposal being referred to herein as a "Superior Proposal"). (2) Subject to the ability of the Party to carry on business in accordance with Section 4.3, each Party shall immediately cease and cause to be terminated any existing discussions or negotiations with any party (other than the other Parties) with respect to any potential Acquisition Proposal. Each Party agrees not to release any third party from any confidentiality agreement to which such third party is a party. Each Party further agrees not to waive the operation of, or release any third party from, any standstill agreement or provision to which such third party is a party unless concurrently therewith such third party makes a Superior Proposal. Each Party shall immediately request the return or destruction of all information provided to any third party which, at any time since January 1, 2001, has entered into a confidentiality agreement with such Party relating to an Acquisition Proposal and shall use all reasonable commercial efforts to ensure that such requests are honoured. (3) Each Party shall promptly notify the other Parties orally and in writing of any Acquisition Proposal of which a director



or officer of the Party or a Material Subsidiary hereafter becomes aware, or any amendment to the foregoing, or any request for non-public information relating to a Party or any of its Material Subsidiaries or Material Joint Venture Interests, as the case may be, in connection with such an Acquisition Proposal or for access to the properties, books or records of such Party or any Material Subsidiary or Material Joint Venture Interests, by any Person that informs such Party or such Material Subsidiary that it is considering making, or has made, an Acquisition Proposal. Such written notice shall include a copy of any such written Acquisition Proposal and all amendments thereto. (4) If any Party receives a request for material non-public information from a Person who makes a bona fide Acquisition Proposal and the Board of Directors of such Party determines that such proposal, if consummated, would be a Superior Proposal pursuant to subsection (1), assuming the satisfactory outcome of a due diligence condition which conforms to clause (1)(b), then, and only in such case, the Board of Directors of such Party may, subject to the execution by such Person of a confidentiality agreement containing standstill provisions substantially the same as those contained in the Confidentiality Agreement, provide such Person with access in accordance with subsection (1) to information regarding such Party, acting reasonably; provided, however, that the Person making the Acquisition Proposal shall not be precluded thereunder from making the Acquisition Proposal, and provided further that such Party sends a copy of any such confidentiality agreement to each other Party immediately upon its execution and each other Party is immediately provided with a list and, upon request, copies of all information provided to such Person not previously provided to such other Party and is immediately provided with access to information similar to that which was provided to such Person. (5) Each Party shall ensure that its officers, directors and employees and those of its Material Subsidiaries and any financial, legal or other advisors or representatives retained by each Party are aware of the provisions of this Section, and such Party shall be responsible for any breach of this Section by its financial, legal or other advisors or representatives.

**4.5 NOTICE OF SUPERIOR PROPOSAL DETERMINATION** (1) No Party shall accept, approve, recommend or enter into any agreement, arrangement or understanding to implement a Superior Proposal (other than a confidentiality agreement) without: (a) complying fully with the provisions of Section 4.4; (b) providing to each other Party (i) written notice that the Board of Directors of such Party has determined that it has received and is prepared to accept a Superior Proposal, and (ii) a copy of any agreement in respect of such Superior Proposal as executed by the Person making the Superior Proposal, in each case as soon as possible but in any event not less than five Business Days prior to acceptance of the Superior Proposal by the Board of Directors of such Party; (c) if such five Business Day period would not terminate on or before the date fixed for such Party's Meeting, such Party shall either adjourn its Meeting to a date that is not less than two nor more than five Business Days after the expiration of the five Business Day period or obtain the waiver of each of the other Parties of the obligation to do so; (d) providing each other Party with an opportunity (but not the obligation), before the expiration of such five Business Day period, to propose to amend this Agreement to provide for consideration having a value and financial and other terms equivalent to or more favourable to the shareholders of such Party than those contained in such Superior Proposal with the result that the Superior Proposal would cease to be a Superior Proposal; and (e) terminating this Agreement pursuant to Section 8.1(e). (2) In the event that the other Parties agree to amend this Agreement in the manner described in clause (d), but otherwise on terms substantially the same as the terms of this Agreement, the Board of Directors of such Party shall consider the terms of the amendment, and if it concludes the Superior Proposal is no longer a Superior Proposal such Party shall not implement the proposed Superior Proposal and may not terminate this Agreement pursuant to Section 8.1(e), and shall agree to the amendments to this Agreement. (3) In the event that the other Parties do not agree to amend this Agreement as contemplated by subsection (2) and immediately prior to the termination of this Agreement such Superior Proposal constitutes a Superior Proposal in comparison with the terms hereof or of any proposal made by the Parties to amend this Agreement, such Party may terminate this Agreement in accordance with Section 8.1(e) and thereafter may enter into an agreement in order to implement the Superior Proposal. (4) The provision of information by one Party to another Party or other Parties hereunder shall be "Proprietary Information" as defined in, and shall be governed by and subject to the terms and conditions of, the provisions of the Confidentiality Agreement.

**4.6 ACCESS TO INFORMATION AND CONFIDENTIALITY** Subject to the provisions of the Confidentiality Agreement and applicable Laws and subject to obtaining any required third party consents, upon reasonable notice, each Party shall (and shall cause each of its Subsidiaries to) afford the other Parties' officers, employees, legal counsel, financial advisors, accountants and other authorized representatives and advisors access, during normal business hours from the date hereof and until the earlier of the Effective Date and the termination of this Agreement, to its properties, books, contracts and records as well as

to its management personnel, and during such period each Party shall (and shall cause each of its Subsidiaries to) furnish promptly to the other Parties all material filings with Governmental Entities and all material information concerning its business, properties and personnel as the other Parties may reasonably request. Each Party acknowledges and agrees that all information furnished pursuant to the provisions of this Section shall be "Proprietary Information" as defined in, and shall be subject to, the provisions of the Confidentiality Agreement.

**4.7 MUTUAL STANDSTILL PROVISIONS** Except as contemplated by this Agreement, prior to the Effective Date, no Party will, or will permit any of its Subsidiaries to: (a) acquire, directly or indirectly, by purchase or otherwise, any voting securities or securities convertible into or exchangeable for voting securities, or direct or indirect rights or options to acquire any voting securities, of another Party hereto; (b) make, or in any way participate, directly or indirectly, in any solicitation of proxies to vote, or seek to advise or influence any other Person or entity with respect to the voting of, any voting securities of another Party hereto; (c) otherwise act, either alone or jointly or in concert with any other Person, to seek to control the management, Board of Directors or policies of another Party hereto; or (d) discuss with any other Person any proposal with respect to another Party hereto, that involves or would involve any of the foregoing; without that other Party's prior express written consent. A Party's (the "first mentioned Party") obligations with respect to another Party to this Agreement (the "second mentioned Party") under the provisions of this Section shall terminate immediately upon the earliest of: (1) 12 months from the date on which this Agreement is first executed; (2) the date on which the Board of Directors of the second mentioned Party (i) has withdrawn or changed any of its recommendations or determinations referred to in Section 3.1 in a manner materially adverse to the other Parties or which would materially impede the completion of the Combination or shall have resolved to do so for any reason other than: (a) a breach by the first mentioned Party of any of its representations, warranties or covenants herein contained in any Material respect or the occurrence of a Material Adverse Change with respect to the first mentioned Party; or (b) a withdrawal or change resulting solely because the financial advisor to such Party has withdrawn or adversely amended its opinion referred to in Section 3.1(c); (ii) has agreed to a Superior Proposal with a third party; or (iii) has agreed to support such a transaction; and (3) the date on which a bona fide Acquisition Proposal is publicly announced, proposed, offered or made to the shareholders of the second mentioned Party. For greater certainty, the entering into by Kinross and Echo Bay of the Kinross Lock-Up Agreement, the entering into by Echo Bay of the Newmont Lock-Up Agreement and the McCoy/Cove Purchase Agreement, the entering into by TVX of the Beech Lock-Up Agreement and the TVX NA Purchase Agreement, the exercise by TVX of its rights pursuant to the TVX NA Joint Venture Agreements, the transactions contemplated hereby and the participation by each of the Parties in the solicitation of proxies in respect of any of the Meetings in favour of the Combination is expressly agreed to by each of the Parties.

**4.8 COVENANTS IN RESPECT OF THE COMBINATION** Each Party covenants and agrees that, except as otherwise contemplated in this Agreement, until the earlier of the Effective Date and the date upon which this Agreement is terminated, it will: (a) in a timely and expeditious manner, take all necessary actions in order to enable it to participate in the Combination and use all commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article 5 to the extent the same are within its control; take, or cause to be taken, all other actions and do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Combination, including using its commercially reasonable efforts to: (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, joint venture agreements, partnership agreements, leases, licences and other contracts; (ii) make or co-operate as necessary in the making of all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable Laws including the Regulatory Approvals; (iii) effect all necessary registrations, filings, applications and submissions of information requested by Governmental Entities required to be effected by it in connection with the Combination and, if necessary, participate and appear in any proceedings of any Party before or by any Governmental Entity; (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate, the transactions contemplated hereby or by the Combination; and (v) co-operate with each of the other Parties in connection with the performance by it of its obligations hereunder; and (vi) cause the share exchange effected by the Parties pursuant to the Arrangement to qualify as one or more reorganizations described in Section 368(a) of the U.S. Tax Code and not take actions or cause actions to be taken that could reasonably be expected to disqualify the share exchange effected by the Party pursuant to the Arrangement as a reorganization under the

provisions of Section 368(a) of the U.S. Tax Code; (b) in the case of Kinross, cause the organization of Kinross Subco and subscribe for common shares in the capital of Kinross Subco, which shares shall be the sole issued and outstanding shares in the capital of Kinross Subco from the date of issue to the Effective Date; (c) issue jointly with the other Parties the Announcement Press Release as soon as practicable, which release is in a form acceptable to all Parties, and file a copy of the Announcement Press Release, a material change report and any other documents with applicable regulatory authorities as required; (d) in the case of Kinross, cause Kinross Subco to notify the Director under the CBCA of and apply for the Interim Order and in the case of each of TVX and Echo Bay, join in such application; 18 (e) assist and co-operate in the preparation and filing with all applicable securities commissions or similar securities regulatory authorities of Canada and the United States of all necessary applications to seek exemptions, if required, from the prospectus, registration and other requirements of the applicable securities Laws of Canada and any province or territory thereof and the United States and any state thereof for the calling of the Meetings, the Kinross Financing, the issue by Kinross of Kinross Shares in exchange for the Kinross Common Shares (if applicable), the TVX Common Shares and the Echo Bay Common Shares pursuant to the Combination and the resale of such Kinross Shares (other than by control Persons and subject to requirements of general application); (f) in a timely and expeditious manner: (i) prepare, in consultation with the other Parties, and file the Joint Information Circular with respect to the Meetings in all jurisdictions where the same is required to be filed and mail the same in accordance with the requirements of all applicable Laws and as specified by the Interim Order, in all jurisdictions where the same is required, complying in all material respects with all applicable Laws in effect on the date of mailing thereof and not containing any misrepresentation, as defined under such applicable Laws, with respect to such Party, its Material Subsidiaries and its Material Joint Venture Interests, taken as a whole; (ii) convene its Meeting; (iii) provide notice to each of the other Parties of its Meeting and allow representatives of the other Parties to attend its Meeting; and (iv) hold and conduct its Meeting in accordance with the articles and by-laws of the Party and any instrument governing such Meeting, as applicable, and as otherwise required by applicable Laws and as specified by the Interim Order; (g) in a timely and expeditious manner, prepare, in consultation with the other Parties, and file any amendments or supplements to the Joint Information Circular with respect to the Meetings which are mutually agreed or otherwise required by applicable Laws in all jurisdictions where the same are required to be filed and mail the same in accordance with the requirements of all applicable Laws and as specified by the Interim Order, complying in all material respects with all applicable Laws in effect on the date of mailing thereof; (h) in the case of Kinross, in a timely and expeditious manner, take all steps necessary or advisable in order to obtain the listing on The Toronto Stock Exchange and on the American Stock Exchange, and to use its best efforts to obtain the listing of the Kinross Shares on the New York Stock Exchange, of the Kinross Shares issued or to be issued on or in respect of the completion of the Combination; (i) except for executed forms of proxy and other non-substantive communications, furnish promptly to the other Parties a copy of each notice, report, schedule or other document or communication delivered, filed or received by, to, with or from (as applicable) the Party under applicable Laws or otherwise, and any reports of dealings with, regulatory agencies or other Governmental Entities, in connection with the Combination or any of the transactions contemplated hereby; (j) in the case of Kinross, subject to the approval of the Arrangement in accordance with the provisions of the Interim Order at the TVX Meeting and at the Echo Bay Meeting, cause Kinross Subco to forthwith proceed with and diligently prosecute an application for the Final Order and in the case of TVX and Echo Bay, join in such application; (k) in the case of Kinross, subject to the approval of the Kinross Share Consolidation at the Kinross Meeting, file the Articles of Amendment with the Director under the Business Corporations Act (Ontario); (l) in the case of Kinross, cause Kinross Subco forthwith to carry out the terms of the Interim Order and the Final Order and, subject to the receipt of the Final Order and the satisfaction of any applicable conditions precedent, cause Kinross Subco to file the Articles of Arrangement with the Director under the CBCA in order for the Arrangement to become effective; (m) in the case of TVX and Echo Bay, carry out the terms of the Interim Order and the Final Order and, subject to the receipt of the Final Order and the satisfaction of any applicable conditions precedent, join with 19 Kinross Subco in the filing of the Articles of Arrangement with the Director under the CBCA in order for the Arrangement to become effective; (n) in the case of Kinross and TVX, cause the Purchase to be completed; and (o) in the case of Kinross, as soon as practicable after the Effective Date, provide or cause to be provided certificates representing the appropriate number of Kinross Shares to the former holders of the Kinross Common Shares (if the Kinross Share Consolidation is approved) and to the former holders of the Echo Bay Common Shares and of the TVX Common Shares. Fractions of Kinross Shares shall not be issued, but in lieu thereof Kinross

shall pay to each Person who would otherwise receive fractional Kinross Shares an amount determined by reference to the volume weighted average price of Kinross Shares on The Toronto Stock Exchange on the first five trading days on which such shares trade on such exchange following the Effective Date.

**4.9 FURTHER COVENANTS OF KINROSS**

(1) Kinross covenants and agrees that, on the date of the filing of the Joint Information Circular with the SEC and on the Effective Date, it shall execute and deliver a customary letter of representation to each of Echo Bay and TVX in form and substance satisfactory to Echo Bay and to TVX, respectively, acting reasonably, which representation letters may be provided by Echo Bay and TVX to their respective U.S. counsel in connection with the opinions being requested of such counsel to the effect that the share exchange effected by Kinross with the shareholders of each of Echo Bay and TVX pursuant to the Arrangement will not cause recognition of income or gain by Echo Bay or the U.S. shareholders of Echo Bay or by TVX or the U.S. shareholders of TVX, as the case may be.

(2) Kinross covenants and agrees that, as of the Effective Date and following the completion of the Combination: (a) it shall have and maintain in force directors' and officers' insurance or reinsurance policies in respect of the directors and officers of Kinross and its Subsidiaries providing coverage substantially similar in all material respects to the coverage provided by the directors' and officers' insurance or reinsurance policies maintained by Kinross; (b) except to the extent that the Parties have purchased such insurance, and to the extent possible, it shall have and maintain six year run-off directors' and officers' insurance policies for the benefit of each individual who ceases to be a director or officer of a Party or a Subsidiary or a Material Joint Venture Interest by reason of or on the implementation of the Combination; and (c) it shall execute a supplemental indenture by which it assumes Echo Bay's due and punctual performance and observance of each covenant and condition of the Warrant Indenture in accordance with its terms and shall take all corporate action necessary to reserve for issuance a sufficient number of Kinross Shares for delivery upon exercise of the warrants referred to therein.

**4.10 FURTHER COVENANTS OF KINROSS, ECHO BAY AND TVX**

Each of Kinross, in respect of the Kinross Lock-Up Agreement, Echo Bay, in respect of the Kinross Lock-Up Agreement, the McCoy/Cove Purchase Agreement and the Newmont Lock-Up Agreement and TVX, in respect of the Beech Lock-Up Agreement and the TVX NA Purchase Agreement, covenants and agrees with the other Parties that it will not amend or permit the amendment of the terms of the relevant agreement and it will enforce and not vary or waive any of the terms of the relevant agreement without, in each case, the prior written consent of the other Parties.

**4.11 STOCK OPTIONS**

(1) As soon as practicable following the date of this Agreement, the Board of Directors of TVX and the Board of Directors of Echo Bay, as applicable (or, if appropriate, any committee administering the option plans of TVX or Echo Bay, as applicable), shall adopt such resolutions or take such other actions (including, without limitation, amending such plans by resolution or court order) as may be required to effect the following: (a) adjust the terms of all outstanding stock options granted by TVX and Echo Bay, as applicable, and the terms of the stock option plans of TVX and Echo Bay, as applicable, to provide that, at the Combination, each stock option granted by TVX or Echo Bay, as applicable, outstanding immediately prior to the Combination shall be deemed to constitute an option to acquire, on substantially identical terms and conditions as were applicable under such stock option, the same number of Kinross Shares as the holder of such stock option would have been entitled to receive pursuant to the Combination had such holder exercised such stock option in full immediately prior to the Combination, at a price per share equal to (i) the aggregate exercise price for the TVX Common Shares or Echo Bay Common Shares, as applicable, otherwise purchasable pursuant to such stock option divided by (ii) the number of Kinross Shares deemed purchasable pursuant to such stock option; and (b) make such other changes to the stock option plans of TVX and Echo Bay, as applicable, and stock options awarded thereunder, as applicable, as they deem appropriate to give effect to the Combination.

(2) On the Effective Date, subject to obtaining any shareholder approval required by applicable Laws for the Kinross Share Issuance described in paragraph (b) of that definition, Kinross shall be deemed to assume, and shall thereafter comply with the terms of, the stock option plans of TVX and Echo Bay. As soon as practicable after the Combination, Kinross shall deliver to the holders of stock options issued by TVX or Echo Bay, as applicable, appropriate notices setting forth such holders' rights pursuant to the respective stock option plans, and the agreements evidencing the grants of such stock options shall continue in effect on the same terms and conditions (subject to the adjustments required by this Section after giving effect to the Combination). Kinross shall recognize service with TVX or Echo Bay, as the case may be, or their respective Subsidiaries for all purposes of the stock options and stock option plans assumed in accordance with this Section.

(3) Kinross shall take all corporate action necessary, including seeking any required shareholder approval required by applicable Laws for the Kinross Share Issuance described in paragraph (b) of that definition, to reserve for issuance a sufficient number of Kinross Shares for delivery upon

exercise of the stock options issued by TVX or Echo Bay, as applicable, assumed in accordance with this Section. (4) Kinross shall prepare and file with the Canadian Provincial Authorities, the SEC and the stock exchanges on which the Kinross Shares are listed, all necessary reports, applications, registration statements, prospectuses or other documents required in order to permit the issuance of Kinross Shares upon exercise of stock options issued by TVX or Echo Bay and the free and unrestricted transferability of such Kinross Shares after such issuance.

**4.12 EMPLOYEE MATTERS** (1) For a period of one year after the Effective Date, Kinross shall, or shall cause its Subsidiaries to, provide benefits to those persons who are employees of Echo Bay and its Subsidiaries ("Echo Bay Employees") and those persons who are employees of TVX, the TVX NA Joint Venture and TVX's Subsidiaries ("TVX Employees") immediately prior to the Combination and who continue to be employees of Kinross, TVX, Echo Bay or their Subsidiaries or Material Joint Venture Interests following the Effective Date (a) that are comparable in the aggregate to those provided to such employees under the Benefit Plans of Echo Bay and its Subsidiaries (other than benefits providing for the issuance of Echo Bay Common Shares or based on the value of Echo Bay Common Shares) ("Echo Bay Benefit Plans") and the Benefit Plans of TVX and its Subsidiaries (other than benefits providing for the issuance of TVX Common Shares or based on the value of TVX Common Shares) ("TVX Benefit Plans"), as applicable, at the benefit levels in effect as of the date of this Agreement and (b) with respect to Benefit Plans providing for the issuance of Kinross Shares or that are based on the value of Kinross Shares, that are comparable in the aggregate to those provided to similarly situated employees of Kinross and its Subsidiaries. (2) For a period of one year after the Effective Date (or for the length of time required by an applicable individual agreement in effect as of the date of this Agreement, if different), Kinross shall, and shall cause its Subsidiaries to, honour in accordance with their respective terms (as in effect on the date of this Agreement) all TVX and Echo Bay employment, severance, change of control and termination agreements, plans and policies which have been disclosed to Kinross. (3) With respect to any Benefit Plan maintained by Kinross or any of its Subsidiaries (including any severance plan or policy), for all purposes, including determining eligibility to participate, level of benefits and vesting, service with Echo Bay or any of its Subsidiaries or TVX or any of its Subsidiaries, as applicable (or any predecessor employer of an employee of Echo Bay or any of its Subsidiaries or TVX or any of its Subsidiaries, as applicable, to the extent service with such predecessor employer is recognized by Echo Bay or its applicable Subsidiary or TVX or 21 its applicable Subsidiary) prior to the Combination shall be treated as service with Kinross or its Subsidiaries; provided however that such service need not be recognized to the extent that such recognition would result in any duplication of benefits. (4) For purposes of each Benefit Plan of Kinross or its Subsidiaries, Kinross and its Subsidiaries shall use all reasonable efforts to cause all pre-existing condition exclusions and actively-at-work requirements of such plans to be waived for Echo Bay Employees and TVX Employees and their covered dependents (other than pre-existing condition exclusions or waiting periods that are already in effect with respect to such employees and dependents under the Echo Bay Benefit Plans or the TVX Benefit Plans, as applicable, and that have not been satisfied as of the date such employees and dependents commence participation in such benefit plans of Kinross and its Subsidiaries). Kinross and its Subsidiaries shall give full credit for all co-payments and deductibles to the extent satisfied in the plan year in which the Combination occurs (or the year in which Echo Bay Employees or TVX Employees, as applicable, and their dependents commence participation in the benefit plans of Kinross and its Subsidiaries, if later) as if there had been a single continuous employer. (5) Notwithstanding the foregoing, the provisions of subsections (1) through (3) shall not apply to TVX Employees or Echo Bay Employees who are members of a labour union or other similar bargaining unit or are parties to or the beneficiaries of a collective agreement with respect to their employment or who have organized to be covered by any such labour union or other similar bargaining unit or collective agreement.

**4.13 MERGER OF COVENANTS** Except as to the contrary expressly required by the terms thereof, the covenants set out in this Agreement shall not survive the completion of the Combination, and shall expire and be terminated without recourse between the Parties upon such completion.

**ARTICLE 5 CONDITIONS**

**5.1 MUTUAL CONDITIONS** The obligations of the Parties to complete the transactions contemplated hereby are subject to the fulfilment or waiver of the following conditions on or before the Effective Date or such other time prior thereto as is specified below: (a) the Interim Order shall have been granted in form and substance acceptable to the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to any of the Parties, acting reasonably, on appeal or otherwise; (b) the holders of the Kinross Common Shares shall have approved, if and as required by applicable Laws, the Kinross Share Issuance and the election as directors of Kinross as of the Effective Date the individuals named in Schedule 4.1 or such other individuals acceptable to TVX and Echo Bay in their discretion; (c) the Arrangement shall

have received the approval of the shareholders of each of TVX and Echo Bay required by applicable Laws; (d) the Purchase shall have been completed; (e) the Final Order shall have been granted in form and substance acceptable to the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to any of the Parties, acting reasonably, on appeal or otherwise; (f) there shall be no proceeding of a juridical or administrative nature or otherwise, brought by or before a Governmental Entity in progress that if successful, or any Law proposed, enacted, promulgated or applied that would result in an order, ruling, judgement or decree, which: (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Combination or any other material transaction contemplated hereby or in the Pre-Combination Steps; or (ii) results in a judgement or assessment of damages, directly or indirectly, relating to the transactions contemplated hereby which causes a Material Adverse Effect on the Party to which it applies; 22 (g) all other Regulatory Approvals and approvals of any other Person, and the expiry of any waiting periods, in connection with, or required to permit, the completion of the Combination, the failure to obtain which or the non-expiry of which would cause a Material Adverse Effect on any of the Parties or materially impede the completion of the Combination, shall have been obtained or received on terms which will not cause a Material Adverse Effect on any of the Parties or shall have occurred, and reasonably satisfactory evidence thereof shall have been delivered to each Party; (h) without limiting the scope of the condition in paragraph (g), either: (i) the applicable waiting period under Section 123 of the Competition Act shall have expired without the Competition Commissioner (the "Competition Commissioner") appointed under the Competition Act having given notice that he intends to make an application to the Competition Tribunal for an order under Section 92 or 100 of the Competition Act in respect of the Arrangement; or (ii) the Competition Commissioner shall have issued an advance ruling certificate under Section 102 of the Competition Act in respect of the Arrangement; and the applicable waiting periods under the HSR Act shall have expired or been earlier terminated; (i) the Kinross Shares to be issued pursuant to the Combination shall have been conditionally approved for listing on The Toronto Stock Exchange and on either the American Stock Exchange or the New York Stock Exchange, as applicable, subject to the filing of required documentation; any required prospectus, registration or similar exemptions shall have been obtained; and such securities shall not be subject to resale restrictions in Canada and the United States other than in respect of control Persons and subject to requirements of general application; (j) rights of dissent in relation to the Arrangement by which the Combination is effected shall not have been exercised by the holders of more than 5% of the issued and outstanding shares of any Party the shareholders of which are entitled by Law or under the Plan of Arrangement to exercise such rights; and (k) this Agreement shall not have been terminated pursuant to Article 8. The foregoing conditions are for the mutual benefit of each of the Parties and may be waived, in whole or in part, by any Party at any time, provided that no Party may waive any mutual condition on behalf of any other Party. 5.2 SEVERAL CONDITIONS The obligation of each Party to complete the transactions contemplated hereby is subject to the fulfilment by each of the other Parties of the following conditions on or before the Effective Date or such other time prior thereto as is specified below: (a) the representations and warranties made to such Party by each of the other Parties in this Agreement shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that any such representations and warranties speak as of an earlier date or except as affected by transactions contemplated or permitted by this Agreement or except for any failures or breaches of representations and warranties which in the reasonable judgement of such Party, individually or in the aggregate would not have a Material Adverse Effect on any other Party or materially impede the completion of the Combination or the other transactions contemplated hereby), and each Party shall have provided to the others a certificate of two senior officers of such Party certifying, in such capacity and not personally, such accuracy and completeness on the Effective Date; (b) each of the other Parties shall have complied with its covenants herein, if, in the reasonable judgement of such Party for whose benefit the covenant was given, the failure to comply with such covenants would individually or in the aggregate have a Material Adverse Effect on any other Party or materially impede the completion of the Combination or the other transactions contemplated in this Agreement, and on the Effective Date each Party shall have provided to the others a certificate of two senior officers of such Party certifying, in such capacity and not personally, that the Party has so complied with its covenants herein; and (c) from the date hereof up to and including the Effective Date, there shall have been no change, condition, event or occurrence which, in the reasonable judgement of such Party, has or is reasonably likely to have a 23 Material Adverse Effect on any other Party, on the Combination or on the combined business that will result from the completion of the Combination. The foregoing conditions precedent are for the benefit of each Party and may be waived, in whole or in part, by such Party in writing at any time. 5.3 NOTICE OF BREACH Each Party will give prompt notice to the other

Parties of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure to occur would, or would be likely to: (a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect on the date hereof or at the Effective Date; or (b) result in the failure by such Party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder prior to the Effective Date.

**5.4 MERGER OF CONDITIONS** The conditions set out in Sections 5.1 and 5.2 and the provisions of Section 5.3 shall be conclusively deemed to have been satisfied, waived or released upon the filing of the Articles of Arrangement as contemplated by this Agreement.

**ARTICLE 6 AMENDMENT**

**6.1 AMENDMENT** This Agreement may, at any time and from time to time before or after the holding of the Meetings, be amended by mutual written agreement of the Parties without further notice to or authorization on the part of their respective shareholders, provided that: (a) notwithstanding the foregoing, the number of Kinross Shares which the holders of shares of each of the Parties shall have the right to receive or retain on the Combination may not be varied without the approval of the shareholders of each of the Parties given in the same manner as required for the approval of the Kinross Share Consolidation or the Arrangement or as may be ordered by the Court; and (b) any such change, waiver or modification does not invalidate any required security holder approval of the Combination.

**ARTICLE 7 AGREEMENT AS TO DAMAGES AND OTHER ARRANGEMENTS**

**7.1 DAMAGES** Provided that a Party otherwise entitled to payment pursuant to this Section is not in default of any covenant required to be performed by it hereunder in any Material respect and no representation or warranty made by such other Party is untrue in any Material respect, if at any time after the execution of this Agreement: (a) the Board of Directors of a Party has withdrawn or changed any of its recommendations or determinations referred to in Section 3.1 in a manner materially adverse to the other Parties or which would materially impede the completion of the Combination or shall have resolved to do so and thereafter this Agreement is terminated pursuant to Section 8.1(f); or (b) a bona fide Acquisition Proposal is publicly announced, proposed, offered or made, and is not withdrawn, to the shareholders of a Party or to a Party and any approval of the shareholders of such Party required by applicable Laws is not obtained for the requisite resolutions by which such Party would participate in the Combination or such requisite resolutions are not submitted for their approval, and thereafter this Agreement is terminated pursuant to Section 8.1 and within six months after the termination such Party approves, recommends, accepts or enters into a Change of Control Proposal or becomes a Subsidiary of a third party; or (c) this Agreement is terminated by a Party pursuant to Section 8.1(e); each of the above being a "Damages Event", then such Party (the "Defaulting Party") shall pay to the other Parties in the aggregate \$28,000,000 as liquidated damages for a Damages Event; provided, however, in the case of Section 7.1(a), that the amount of liquidated damages shall be \$20,000,000 if the Damages Event is a withdrawal or change by the Board of Directors of a Party of its recommendations or determinations which occurred solely because the financial advisor to the Party has withdrawn or adversely amended its opinion referred to in Section 3.1(c), and the Defaulting Party provides written evidence to the other Parties that the withdrawal or change occurred solely for that reason. Such liquidated damages shall be payable in immediately available funds paid to an account designated by each of the other Parties within one Business Day after the occurrence of the events described above or in the situation in which the event is the failure of a Party to submit the requisite resolutions for approval, within one Business Day of the Parties other than the Defaulting Party becoming aware that the directors do not intend to submit the requisite resolutions or the requisite resolutions have not been submitted for the approval of its shareholders. The payment shall be allocated among and paid to the non-Defaulting Parties or Party in equal amounts. The maximum amount of liquidated damages payable by a Defaulting Party under this Section shall be \$28,000,000. Echo Bay shall not be required to pay damages to Kinross in connection with a Damages Event in Section 7.1(b), in the event that the holders of the Echo Bay Common Shares do not approve the Arrangement solely because Kinross fails to vote its Echo Bay Common Shares in favour thereof. TVX shall still be entitled to its share of damages payable.

**7.2 REIMBURSEMENT OF EXPENSES** If the shareholders of any Party or Parties fail to approve the Combination and the Combination is not completed for any reason other than the fact that the Board of Directors of a Party has withdrawn or changed its recommendation solely because the financial advisor to the Party has withdrawn or adversely amended its opinion referred to in Section 3.1(c), then such non-approving Party or Parties shall be required to reimburse the other Parties or Party whose shareholders approved the Combination for their actual third-party expenses incurred in connection with the Combination up to a maximum of \$2,500,000 payable to each approving Party. In the event that the holders of the Echo Bay Common Shares do not approve the Arrangement solely because Kinross fails to vote its Echo Bay Common Shares in favour of thereof, Echo

Bay shall not be required to make any payment under this Section. 7.3 LIQUIDATED DAMAGES Each Party acknowledges that all of the payment amounts set out in this Article are payments of liquidated damages which are a genuine pre-estimate of the damages which the Party entitled to such damages will suffer or incur as a result of the event giving rise to such damages and the resultant termination of this Agreement and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, the Parties agree that, subject to Article 8, the payment of the amounts determined pursuant to this Article in the manner provided in respect thereof is the sole monetary remedy of the Party receiving such payment in respect of the Damages Events set out in Section 7.1. Nothing herein shall preclude a Party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or the Confidentiality Agreement or otherwise to obtain specific performance of any acts, covenants or agreements set forth in or contemplated by this Agreement or the Confidentiality Agreement, without the necessity of posting a bond or security in connection therewith. ARTICLE 8 TERMINATION 8.1 TERMINATION BY THE PARTIES This Agreement may be terminated at any time prior to the Effective Date: (a) by the mutual written agreement of the Parties; 25 (b) by a Party if any of the conditions for the benefit of that terminating Party contained in Section 5.2 is not satisfied or waived, provided that such terminating Party is not then in breach of any of its representations, warranties or covenants herein contained in any Material respect, but such right of termination may not be exercised unless the Party intending to terminate the Agreement on this basis has delivered written notice to the other Parties specifying in reasonable detail all breaches of representations, warranties and covenants or other matters which the Party delivering such notice is asserting as the basis for termination and the breach remains substantially uncured at the earlier of 30 days after the notice is given and the Initial Termination Date (or if extended pursuant to Section 8.2, the Final Termination Date); (c) by any Party, if any of the conditions contained in Sections 5.1(f), (g) or (j) or any of the conditions for the benefit of the terminating Party contained in Section 5.2 becomes incapable of being satisfied on or before the Initial Termination Date (or if extended pursuant to Section 8.2, the Final Termination Date), provided that the terminating Party is not then in breach of any of its representations, warranties or covenants herein contained in any Material respect; (d) by any Party, if, upon a vote at a duly held Meeting or any adjournment or postponement thereof to obtain the approval of holders of the Kinross Common Shares, TVX Common Shares or Echo Bay Common Shares, as applicable, in favour of the participation of such Party in the Combination, the approval of the shareholders required by applicable Laws is not obtained; (e) by any Party, if the Board of Directors of the Party shall have accepted, approved, and concurrently with such termination, entered into an agreement, arrangement or understanding to implement a Superior Proposal in accordance with the provisions of Section 4.5, provided that the Party shall have paid to the other Parties the amounts specified in Section 7.1 and, if applicable, Section 7.2; or (f) if the Board of Directors of a Party (the "Changing Party") shall have withdrawn or changed its recommendations or determinations referred to in Section 3.1 in a manner materially adverse to the other Parties or which would materially impede the completion of the Combination or shall have resolved to do so, by any Party other than the Changing Party; provided, however, that the Changing Party shall be permitted to terminate this Agreement if such withdrawal or change occurred solely because the financial advisor to such Party has withdrawn or adversely amended its opinion referred to in Section 3.1(c), and the Changing Party provides written evidence to the other Parties that the withdrawal or change occurred solely for that reason. 8.2 TERMINATION AND EXTENSION OF TERMINATION DATE This Agreement shall terminate at 11:59 p.m. Eastern time on the Initial Termination Date if the Effective Date has not then occurred unless the Parties have, prior thereto, agreed in writing to extend the Initial Termination Date to a later date, in which case this Agreement shall be deemed to terminate at 11:59 p.m. Eastern time on such later Initial Termination Date; provided, however, that if on the Initial Termination Date the Effective Date has not occurred only because the condition set out in clause 5.1(e) has not been satisfied, then this Agreement shall remain in force and effect and shall terminate at 11:59 p.m. Eastern time on the Final Termination Date if, but only if, at 11:59 p.m. Eastern time on the Final Termination Date the Effective Date has not then occurred unless the Parties have, prior thereto, agreed in writing to extend the Final Termination Date to a later date, in which case this Agreement shall be deemed to terminate at 11:59 p.m. Eastern time on such later Final Termination Date. 8.3 EFFECT OF TERMINATION In the event of the termination of this Agreement in the circumstances set out in this Article, this Agreement shall forthwith become void and of no force or effect, and no Party shall have any liability or further obligation to the other Parties hereunder except with respect to the obligations set forth in Section 4.7 and Article 7 which shall survive such termination. However, nothing contained in this Section, in Section 4.7 or in Article 7



including the payment of an amount under Article 7 shall relieve or have the effect of or result in relieving any Party in any way from liability for damages incurred or suffered by a Party as a result of a breach of this Agreement by a Party acting in bad faith intended and designed to result in the conditions precedent to the completion of this Agreement not being satisfied.

**26 ARTICLE 9 GENERAL**

**9.1 BROKERS** The Parties represent and warrant to each other that, except for, in the case of Kinross, CIBC World Markets Inc.; in the case of TVX, BMO Nesbitt Burns Inc.; and in the case of Echo Bay, National Bank Financial Inc.; no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission, or to the reimbursement of any of its expenses, in connection with the Combination. Each Party has provided to the other Parties a correct and complete calculation of the fees and expenses payable to its financial advisors if the Combination occurs. Each Party agrees not to amend the terms of any of the agreements between it and its financial advisors relating to the payment of fees and expenses in respect of the Combination without the prior written approval of the other Parties.

**9.2 NOTICES** Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party to any other Party shall be in writing and may be given by delivering it or sending it by facsimile transmission addressed to the Party to which the notice is to be given at its address for service or its facsimile number set out herein. Any such notice, consent, waiver, direction or other communication shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if prior to 4:00 p.m. at the place of receipt on a Business Day, or if not, on the next Business Day) and if sent by facsimile transmission be deemed to have been given and received at the time of receipt unless actually received on a day other than a Business Day or after 4:00 p.m. at the place of receipt on a Business Day in which case it shall be deemed to have been given and received on the next Business Day. Any such address for service or facsimile number may be changed by notice given as aforesaid. The address for service and facsimile number of each of the Parties hereto shall be as follows: (a) if to Kinross: Kinross Gold Corporation 52nd Floor Scotia Plaza 40 King Street West Toronto, Ontario M5H 3Y2 Attention: John W. Ivany Executive Vice-President Fax: (416) 363-6622 with a copy, which shall not constitute notice, to: Blake, Cassels & Graydon LLP Suite 2800, Box 25 Commerce Court West 199 Bay Street Toronto, Ontario M5L 1A9 Attention: J. David A. Jackson Fax: (416) 863-2653 27 (b) if to TVX: TVX Gold Inc. Suite 1200 220 Bay Street Toronto, Ontario M5J 2W4 Attention: T. Sean Harvey Fax: (416) 366-0832 with a copy, which shall not constitute notice, to: Fasken Martineau DuMoulin LLP 42nd Floor Toronto-Dominion Tower Toronto Dominion Centre Toronto, Ontario M5K 1N6 Attention: Jonathan A. Levin Fax: (416) 364-7813 (c) if to Echo Bay: Echo Bay Mines Ltd. Manulife Place Suite 1210 10180 101 Street Edmonton, Alberta T5J 3S4 Attention: Robert Leclerc Fax: (780) 424-4684 with a copy, which shall not constitute notice, to: Fraser Milner Casgrain LLP 3000, 237 4th Avenue S.W. Calgary, Alberta T2P 4X7 Attention: David R.J. Lefebvre Fax: (403) 268-3100

**9.3 TIME OF ESSENCE** Time shall be of the essence in this Agreement.

**9.4 ENTIRE AGREEMENT** This Agreement and the Confidentiality Agreement constitute the entire agreement among the Parties hereto with respect to the subject matter hereof and cancel and supersede all prior agreements and understandings between or among the Parties with respect to the subject matter hereof.

**9.5 FURTHER ASSURANCES** Each Party shall, from time to time and at all times hereafter, at the request of any other Party hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to perform fully and carry out the terms and intent hereof.

**28 9.6 GOVERNING LAW** This Agreement shall be governed by, and be construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario. Each Party hereto hereby irrevocably attorns to the jurisdiction of the Courts of the Province of Ontario in respect of all matters arising under or in relation to this Agreement.

**9.7 EXECUTION IN COUNTERPARTS** This Agreement may be executed in two or more identical counterparts, each of which is and is hereby conclusively deemed to be an original and the counterparts collectively are to be conclusively deemed to be one and the same instrument.

**9.8 WAIVER** No waiver by any Party hereto shall be effective unless express and given in writing, and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

**9.9 ENUREMENT AND ASSIGNMENT** This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement may not be assigned by any Party without the prior written consent of the other Parties.

**IN WITNESS WHEREOF** the Parties hereto have executed this Agreement as of the date first above written.

**KINROSS GOLD CORPORATION TVX GOLD INC.**  
 Per: "Robert M. Buchan" Per: "T. Sean Harvey" -----

----- Per: "John Ivany" Per: -----  
 ----- ECHO BAY MINES LTD Per: "Robert Leclerc"  
 ----- Per: ----- 29 SCHEDULE 2.1 ANNOUNCEMENT

PRESS RELEASE KINROSS, ECHO BAY AND TVX TO COMBINE TO CREATE NEW SENIOR GOLD PRODUCER AND TO ACQUIRE NEWMONT'S TVX NA INTEREST TORONTO/EDMONTON, June 10 /CNW/ -- Kinross Gold Corporation (TSX-K; Amex-KGC) ("Kinross" or the "Company"), Echo Bay Mines Ltd. (TSX-ECO; Amex-ECO) ("Echo Bay") and TVX Gold Inc. (TSX-TVX; NYSE-TVX) ("TVX") are pleased to announce the proposed combination of the three companies and the concurrent acquisition of the 49.9% interest in the TVX Newmont Americas ("TVX NA") joint venture owned by Newmont Mining Corporation (NYSE-NEM; TSX-NMC; ASX-NEM) ("Newmont"). Kinross, after having combined with Echo Bay and TVX and after having acquired the TVX NA interest (referred to herein as "new Kinross"), will possess the following attributes: - Top 10 global gold company with market capitalization in excess of US\$2 billion; - 2 million ounce per year gold producer with total cash costs less than US\$200 per ounce; - Only senior North American primary producer with a non-hedging policy and less than 5% of reserves hedged; - One of the best capitalized gold producers in North America; - 65% of annual production in the United States and Canada; - Highest leverage to gold prices among major North American producers; and - Strong organic growth from a global resource base exceeding 40 million ounces of gold

**TERMS OF THE COMBINATION AND CONCURRENT TRANSACTION** The combination of the companies will be achieved by a Plan of Arrangement, whereby Echo Bay shareholders receive 0.52 of a Kinross share for each Echo Bay share and TVX shareholders receive 0.65 of a Kinross share for each TVX share (adjusted accordingly in the event TVX completes the previously approved ten-for-one share consolidation). Concurrently with the combination taking effect, TVX will acquire Newmont's TVX NA interest for US\$180 million. The parties expect to enter into a combination agreement which will provide that the combination will be effected pursuant to the Plan of Arrangement. Based on the 30 day average trading prices on the TSX of Kinross, Echo Bay and TVX prior to the announcement of the combination, the exchange ratios imply a price of Cdn\$1.81 per Echo Bay share (representing a 23% premium) and a price of Cdn\$2.27 per TVX share (representing a 47% premium).

**OVERVIEW OF THE NEW KINROSS** As a result of these concurrent transactions, the Company's annual gold production is expected to be approximately two million ounces at total cash costs of less than US\$200 per ounce. This production rate will be supported by proven and probable reserves containing 17.9 million ounces of gold and 52.6 million ounces of silver, an additional measured and indicated resource containing 19.2 million ounces of gold and over 60 million ounces of silver, plus a further 8 million ounces of inferred gold resources. Although global in reach, the new Kinross will have 65% of annual production and 50% of reserves based in the United States and Canada. The Company will be the most leveraged to changes in gold price of all major North American based primary gold producers and intends to maintain a strict non-hedging policy in view of the trend of rising gold prices and the Company's new, strong financial position. The new Kinross will be the seventh largest primary gold producer in the world and the only senior North American based primary gold producer with less than 5% of reserves hedged. The Company will operate and maintain joint venture interests in 12 gold mines and one base metal mine located on five continents including seven underground mines, four open pit mines and two operations expected to include both open pit and underground mines.

**APPROVALS AND SUPPORT FOR THE TRANSACTIONS** The combination has been unanimously approved by the boards of directors of Kinross, Echo Bay and TVX. Each board is recommending that its shareholders approve the transaction at shareholder meetings of the three companies 30 expected to be held in the 3rd quarter of 2002 and the transaction is expected to close shortly thereafter. Approval of the combination requires two-thirds votes by the respective shareholders of Echo Bay and TVX and a majority vote by the shareholders of Kinross. Kinross will also be asking its shareholders to approve a three-for-one share consolidation and if approved, shareholders of Echo Bay and TVX would receive consolidated shares of Kinross and the exchange ratios would be adjusted accordingly. The proposed share consolidation of Kinross requires a two-thirds vote by Kinross shareholders, but is not a condition of the combination. Support agreements for the combination have been reached with the largest shareholders of Echo Bay (Newmont 45.2% and Kinross 10.5%) and TVX (Beech LLC 18.6%). An agreement has also been reached with Newmont for the concurrent acquisition of Newmont's TVX NA interest.

**MANAGEMENT AND FINANCIAL STRENGTH IN AN ELEVATED PLATFORM** Robert (Bob) Buchan, Chairman and CEO of Kinross, stated that, "The combination of Kinross, Echo Bay, TVX and TVX NA will create the premier North American senior gold company for those investors seeking maximum leverage to the gold price in a gold company with superb liquidity.

The new Kinross will have a strong group of exploration and development projects for internal growth and an elevated platform to aggressively pursue appropriate external growth opportunities. The pool of talented people in the three former rival companies will ensure a strong entrepreneurial management team going forward. The transactions will result in the new Kinross being one of the best capitalized senior gold companies with a net debt to capitalization ratio of 8%." The after-tax synergies of consolidating the three companies are expected to generate approximately US\$15 million per year in savings (or about US\$8 per ounce of annual gold production) in the areas of general and administrative costs, exploration and purchasing. The combination is expected to be immediately accretive to Kinross' earnings, free cash flow and net asset value. Robert Leclerc, Chairman and CEO of Echo Bay, said, "Echo Bay has approximately US\$10 million of cash on hand, no short or long-term debt and enjoys positive cash flow from its operating mines. This and the improving environment for gold prices have opened a new chapter for Echo Bay and its shareholders to join Kinross and TVX and form a new major gold producer with a global vision and a solid North American base. We support this combination." Sean Harvey, President and CEO of TVX, stated, "For TVX shareholders this combination reunites the components of the long-life asset base of TVX in a much larger entity. Upon TVX shareholders becoming shareholders of new Kinross, they will benefit from the stable, high margin cash flow from the consolidated TVX assets and the strong balance sheet which will complement new Kinross' strong leverage to the gold price. The combined company will also have significant land positions in world-class gold mining districts in the Americas. TVX management and employees have worked hard on behalf of shareholders to accomplish this combination and we expect that they will reap further benefits with the new structure." As a result of the proposed transactions, the new Kinross will be approximately owned as to 40.3% by existing Kinross shareholders, 31.1% by existing TVX shareholders (excluding Newmont), 14.0% by existing Echo Bay shareholders (excluding Newmont and Kinross) and 14.6% by Newmont. Pierre Lassonde, President of Newmont stated, "Newmont supports this transaction as part of the ongoing rationalization of the gold industry. Creating a new, substantial gold company will benefit all of the shareholders involved, including Newmont. The sale of Newmont's TVX NA interest is conditional on the closing of the overall combination." MANAGEMENT AND BOARD OF DIRECTORS OF THE NEW KINROSS The management team of the new Kinross will be led by Bob Buchan as President and Chief Executive Officer and Scott Caldwell as Senior Vice President of Operations and Chief Operating Officer. The Company will maintain the entrepreneurial management style that has seen Kinross grow from a 25,000 ounce per year producer nine years ago to a two million ounce per year gold producer as a result of the proposed transactions. The expanded Board of Directors of Kinross will include six Kinross nominees, two TVX nominees, one Echo Bay nominee and one Newmont nominee. 31 SUMMARY OF THE TRANSACTIONS The parties expect to enter into a definitive combination agreement which will provide that the combination will be effected pursuant to the Plan of Arrangement. The concurrent transactions are subject to customary regulatory approvals in Canada and the United States, the approvals of Kinross, Echo Bay and TVX shareholders and other conditions customary in transactions of this nature. The shareholder meetings are expected to be held in the 3rd quarter of 2002 and transaction is expected to close shortly thereafter. The combination is intended to be tax free to Echo Bay and TVX shareholders in Canada and the United States. The Company will be domiciled in Canada and will maintain its corporate office in Toronto, Ontario, Canada. The common shares of Kinross will continue to trade on the Toronto Stock Exchange ("TSX") under the stock symbol "K" and the Company intends to apply for listing of its common shares on the New York Stock Exchange ("NYSE") under the symbol "KGC". Pending resolution of the NYSE listing, Kinross will continue to trade on the American Stock Exchange ("Amex") under the stock symbol "KGC". If the combination does not occur under certain circumstances, the combination agreement will provide for a break-up fee of up to Cdn\$28 million. Kinross' financial advisor is CIBC World Markets Inc., Echo Bay's financial advisor is National Bank Financial Inc. and TVX's financial advisor is BMO Nesbitt Burns Inc. CONFERENCE CALL AND WEBCAST A conference call is scheduled for Monday, June 10, 2002 at 3:00 p.m. eastern time. Call in numbers: International 416-640-4127 North America 1-800-218-0204 The conference call and presentation slides will also be available simultaneously and archived at www.kinross.com and www.tvxgold.com. The conference call will be available for telephone replay with the Passcode: 193836# (pound key) by calling: International 416-640-1917; North America 1-877-289-8525. CAUTIONARY STATEMENTS This press release includes certain "Forward-Looking Statements" within the meaning of section 21E of the United States Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralization and reserves, exploration results and future plans and objectives of Kinross Gold Corporation, Echo

Bay Mines Ltd. and TVX Gold Inc. are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from expectations are disclosed under the heading "Risk Factors" and elsewhere in Kinross', Echo Bay's and TVX's documents filed from time to time with the Toronto Stock Exchange, the United States Securities and Exchange Commission ("SEC") and other regulatory authorities. Proven and probable reserves and measured, indicated and inferred resources are calculated by the respective companies as of December 31, 2001. Investors are advised that National Policy 43-101 requires that each category of mineral reserves and mineral resources be reported separately. Investors and securities holders should refer to the respective annual information forms of Kinross and TVX and the Form 10-K of Echo Bay, each for the year ended December 31, 2001, for this detailed information, which is subject to the qualifications and footnotes expressed therein. Reserve calculations have been based on a gold price assumption of US\$300 per ounce for all operations except two joint venture operations: Musselwhite at US\$275 per ounce and La Coipa at US\$265 per ounce of gold and US\$4.65 per ounce of silver. United States investors are advised that while the terms "measured" and "indicated" resources and "inferred" resources are recognized and required by Canadian regulations, the SEC does not recognize them. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves. Investors and security holders are urged to read the proxy statement regarding the business combination transaction referred to in the foregoing information, when it becomes available, because it will contain important information. The proxy statement will be filed with the SEC by Echo Bay. Investors and security holders may obtain a free copy of this proxy statement (when it is available) and other documents filed by Echo Bay with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov). The proxy statement (when it is available) and these other documents may also be obtained for free from Echo Bay by directing a request to Lois-Ann L. Brodrick, Vice President and Secretary, 780-496-9704, [lbrodrick@echobaymines.ca](mailto:lbrodrick@echobaymines.ca).

**CERTAIN INFORMATION CONCERNING PARTICIPANTS** Investors may obtain a detailed list of names, affiliations and interests of Echo Bay participants in the solicitation of proxies of stockholders to approve the proposed business combination from a SEC filing under Schedule 14A made by Echo Bay on June 10, 2002. SEDAR: 00002968E For further information: Kinross Gold Corporation: e-mail [info@kinross.com](mailto:info@kinross.com) or contact: Robert M. Buchan, Chairman and Chief Executive Officer, Tel. (416) 365-5650; Gordon A. McCreary, Vice President, Investor Relations and Corporate Development, Tel. (416) 365-5132; Echo Bay Mines Ltd.: e-mail [investor\\_relations@echobaymines.ca](mailto:investor_relations@echobaymines.ca) or contact: Robert L. Leclerc, Chairman and Chief Executive Officer, Tel. (303) 714-8839; Lois-Ann L. Brodrick, Vice President and Secretary, Tel. (780) 496-9002; TVX Gold Inc.: e-mail [info@tvxgold.com](mailto:info@tvxgold.com) or contact: T. Sean Harvey, President and Chief Executive Officer, Tel. (416) 366-8160; Carl B. Hansen, Manager, Investor Relations, Tel. (416) 941-0119; Newmont Mining Corporation: e-mail [correlations@corp.newmont.com](mailto:correlations@corp.newmont.com) or contact: Russell Ball, Group Executive, Investor Relations, Tel. (303) 837-5927; Wendy Yang, Director, Investor Relations, Tel. (303) 837-6141.

**33 SCHEDULE 4.1 KINROSS GOLD CORPORATION BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER** Following the completion of the Combination, the Board of Directors of Kinross Gold Corporation shall consist of the following persons: John A. Brough Robert M. Buchan Harry S. Campbell Arthur H. Ditto David Harquail John M. H. Huxley John E. Oliver Robert L. Leclerc George F. Michals Cameron A. Mingay The Chief Executive Officer of Kinross Gold Corporation shall be Robert M. Buchan.

**34 AMENDING AGREEMENT TO COMBINATION AGREEMENT KINROSS GOLD CORPORATION AND TVX GOLD INC. AND ECHO BAY MINES LTD.** ----- JULY 12, 2002

----- 1 AMENDING AGREEMENT This AMENDING AGREEMENT (this "AGREEMENT") is made and entered into as of July 12, 2002, among KINROSS GOLD CORPORATION ("KINROSS"), a corporation governed by the Business Corporations Act (Ontario), TVX GOLD INC. ("TVX"), a corporation governed by the Canada Business Corporations Act, and ECHO BAY MINES LTD. ("ECHO BAY"), a corporation governed by the Canada Business Corporations Act. RECITALS A. Kinross, TVX and Echo Bay have entered into a Combination Agreement (the "Combination Agreement") dated as of June 10, 2002. Capitalized terms used herein, if not otherwise defined, shall have the meanings given to them in the Combination Agreement. B. By operation of law, Amalco will be assuming the TVX stock option plan upon the Effective Date. C. As a result of such assumption, Amalco will be obligated to deliver Kinross Shares to TVX stock option holders upon exercise of the stock options issued by TVX. D. Kinross, TVX and Echo Bay therefore desire to amend certain terms of the Combination Agreement as set forth herein. NOW, THEREFORE, in consideration of the covenants, promises and representations set forth herein, and for

other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree that the Combination Agreement shall be amended as follows: 1.1 Section 4.11(2) of the Combination Agreement shall be amended and restated to read in its entirety as follows: 4.11 Stock Options (2) On the Effective Date, subject to obtaining any shareholder approval required by applicable Laws for the Kinross Share Issuance described in paragraph (b) of that definition, (i) Kinross shall be deemed to assume, and shall thereafter comply with the terms of, the stock option plans of Echo Bay, and (ii) Kinross shall cause Amalco to comply with the terms of the stock option plan of TVX. As soon as practicable after the Combination, Kinross shall deliver to the holders of stock options issued by TVX or Echo Bay, as applicable, appropriate notices setting forth such holders' rights pursuant to the respective stock option plans, and the agreements evidencing the grants of such stock options shall continue in effect on the same terms and conditions (subject to the adjustments required by this Section after giving effect to the Combination). Kinross shall recognize service with TVX or Echo Bay, as the case may be, or their respective Subsidiaries for all purposes of the stock options and stock option plans assumed in accordance with this Section. 1.2 New Section 4.11(5) shall be added to the Combination Agreement to read as follows: (5) After the Effective Date, on demand by Amalco, Kinross shall deliver a sufficient number of Kinross Shares to Amalco for delivery upon exercise of stock options issued by TVX and assumed by Amalco in accordance with this Section. 1.3 All terms and conditions of the Combination Agreement, as amended as set forth herein, shall remain in full force and effect. 1.4 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart. 2 IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized respective officers as of the date first written above. KINROSS GOLD CORPORATION Per: "John Ivany" TVX GOLD INC. Per: "T. Sean Harvey" ECHO BAY MINES LTD. Per: "Robert L. Leclerc" 3 AMENDING AGREEMENT TO COMBINATION AGREEMENT KINROSS GOLD CORPORATION AND TVX GOLD INC. AND ECHO BAY MINES LTD.

----- NOVEMBER 19, 2002 ----- 1 AMENDING AGREEMENT This AMENDING AGREEMENT (this "AGREEMENT") is made and entered into as of November 19, 2002, among KINROSS GOLD CORPORATION ("KINROSS"), a corporation governed by the Business Corporations Act (Ontario), TVX GOLD INC. ("TVX"), a corporation governed by the Canada Business Corporations Act, and ECHO BAY MINES LTD. ("ECHO BAY"), a corporation governed by the Canada Business Corporations Act. RECITALS A. Kinross, TVX and Echo Bay have entered into a Combination Agreement dated as of June 10, 2002, which was amended by an amending agreement dated as of July 12, 2002 (as so amended, the "Combination Agreement"). Capitalized terms used herein, if not otherwise defined, shall have the meanings given to them in the Combination Agreement. B. Each of TVX and Echo Bay has executed a Consent, dated of even date herewith, in relation to the proposed repurchase by Omolon Gold Mining Company, a subsidiary of Kinross, of its outstanding shares (the "Consent"). C. Section 8.2 of the Combination Agreement provides that the Combination Agreement shall terminate at 11:59 on November 30, 2002 if the Effective Date has not then occurred unless the Parties have, prior thereto, agreed in writing to extend the Initial Termination Date. D. The Parties have determined that they will not be in a position to satisfy the conditions required to be satisfied in order for the Effective Date to occur on or before November 30, 2002. E. The Parties therefore have agreed to extend the Initial Termination Date and the Final Termination Date as set forth herein. NOW THEREFORE, in consideration of the covenants, promises and representations set forth herein and in the Combination Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree that the Combination Agreement shall be amended as follows: 1.1 DEFINITION OF INITIAL TERMINATION DATE The definition of "Initial Termination Date" in section 1.1 of the Combination Agreement shall be deleted and replaced with the following definition: "INITIAL TERMINATION DATE" means January 31, 2003 1.2 DEFINITION OF FINAL TERMINATION DATE The definition of "Final Termination Date" in section 1.1 of the Combination Agreement shall be deleted and replaced with the following definition: "FINAL TERMINATION DATE" means February 28, 2003. 1.3 TERMS OF THE COMBINATION AGREEMENT All terms and conditions of the Combination Agreement, as amended as set forth herein, and the provisions of the Consent, shall remain in full force and effect. 1.4 EXECUTION IN COUNTERPARTS This Agreement may be executed in two or more identical counterparts, each of which is and is hereby conclusively deemed to be an original and the counterparts collectively are to be conclusively deemed to be one and the same instrument. 2 IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly

authorized respective officers as of the date first written above. KINROSS GOLD CORPORATION Per: "John Ivany" TVX GOLD INC. Per: "T. Sean Harvey" ECHO BAY MINES LTD Per: "Robert L. Leclerc" 3 EXHIBIT B Court File No: 02-CL-4776 ONTARIO SUPERIOR COURT OF JUSTICE -- COMMERCIAL LIST THE HONOURABLE ) FRIDAY, THE 20TH DAY ) OF DECEMBER, 2002 MR. JUSTICE GROUND ) IN THE MATTER OF SECTION 192 OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985, CHAP. C-44, AS AMENDED AND IN THE MATTER OF AN APPLICATION BY 4082389 CANADA INC. RELATING TO A PROPOSED ARRANGEMENT INVOLVING 4082389 CANADA INC., TVX GOLD INC. AND ECHO BAY MINES LTD. AMENDED INTERIM ORDER THIS MOTION, made by the Applicant 4082389 Canada Inc. ("Kinross Subco" or the "Applicant") for an interim order for advice and directions of the Court in connection with an application (the "Application") to approve a proposed arrangement (the "Arrangement") under section 192 of the Canada Business Corporations Act, R.S.C. 1985, c. C-44, as amended (the "CBCA"), involving Kinross Subco, TVX Gold Inc. ("TVX") and Echo Bay Mines Ltd. ("Echo Bay"), was heard November 27, 2002 and this day at 393 University Avenue, Toronto, Ontario. ON READING the Notice of Application issued November 26, 2002; the Notice of Motion; the affidavit of John W. Ivany sworn on November 26, 2002 (the "Kinross Affidavit") and the exhibits attached thereto, which include as Exhibit "A" a true copy of the form of management information circular supplement (the "Joint Supplement"); the Supplementary Affidavit of John W. Ivany sworn on December 19, 2002 and the exhibits attached thereto; the affidavit of R. Gregory Laing sworn on November 26, 2002 (the "TVX Affidavit") and the exhibits attached thereto; and the affidavit of Robert L. Leclerc sworn on November 25, 2002 (the "Echo Bay Affidavit") and the exhibits attached thereto; and on hearing the submissions of counsel for the Applicant, for TVX and for Echo Bay; AND UPON BEING ADVISED that the Director appointed under section 260 of the CBCA (the "Director") has been given notice of this motion as required by subsection 192(5) of the CBCA and has advised that the Director does not intend to appear in person or by counsel or make any submissions: IT HEREBY IS ORDERED AND DIRECTED THAT: TVX SPECIAL MEETING 1. TVX shall call, hold and conduct a special meeting (the "TVX Special Meeting") of the holders (the "TVX Shareholders") of common shares in the capital of TVX ("TVX Common Shares") to be held in the City of Toronto in the Province of Ontario at 9:30 a.m. (Eastern time) on January 31, 2003, or such later date as the board of directors of TVX shall determine, for the purpose of (i) considering and, if deemed advisable, approving with or without variation, a special resolution substantially in the form of the TVX Special Resolution (the "TVX Special Resolution") set forth in the TVX Notice of Special Meeting and Management Information Circular attached as Exhibit "A" to the TVX Affidavit (the "TVX Circular") approving the participation of TVX in the Arrangement involving, inter alia, the amalgamation of TVX and Kinross Subco, on the terms and conditions set forth in the Plan of Arrangement annexed as Exhibit "C" to the Joint Supplement (the "Plan of Arrangement"); and (ii) transacting such other business as may properly be brought before the TVX Special Meeting. 1 2. TVX, if it deems advisable, is specifically authorized to adjourn or postpone the TVX Special Meeting on one or more occasions, without the necessity of further order of the Court or first convening the TVX Special Meeting or first obtaining any vote of TVX Shareholders respecting the adjournment or postponement. NOTICES 3. TVX shall mail the TVX Circular (in substantially the form set forth as Exhibit "A" to the TVX Affidavit with such amendments as are not inconsistent with the provisions of this Order), the Joint Supplement (in substantially the form set forth as Exhibit "A" to the Kinross Affidavit with such amendments as are not inconsistent with the provisions of this Order), and the appropriate form of proxy (the "TVX Proxy") (the TVX Circular, Joint Supplement and TVX Proxy being collectively referred to as the "TVX Meeting Materials"), the Notice of Application and any other documents or communication determined by TVX to be necessary or appropriate which are not inconsistent with the provisions of this Order, to the TVX Shareholders as shown on the register of shareholders at the close of business on the record date established by TVX for such purpose (the "TVX Record Date"), to the holders of warrants to purchase TVX Common Shares ("TVX Warrants") as shown on the books and records of TVX at the close of business on the TVX Record Date, to the TVX directors, to the auditors of TVX, and to the Director, by one of the following methods not less than twenty-one (21) days before the date of the TVX Special Meeting, excluding the date of delivery and the date of the TVX Special Meeting: (i) in the case of registered holders of TVX Common Shares, by ordinary prepaid mail, courier or delivery in person to each such holder at his, her or its address as shown on the books or records of TVX or its registrar and transfer agent; (ii) in the case of non-registered holders of TVX Common Shares, by providing an adequate number of copies of the TVX Meeting Materials to intermediaries and registered nominees to facilitate the distribution of these materials to beneficial holders of TVX Common Shares; (iii) in the case of holders

of TVX Warrants, by ordinary prepaid mail, by courier or delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of TVX; (iv) in the case of the directors of TVX, by courier or delivery in person, addressed to the individual directors; (v) in the case of the auditors of TVX, by courier or delivery in person, addressed to the firm of auditors; and (vi) in the case of the Director, by courier or facsimile or delivery in person; and such mailing, transmission, delivery or distribution, as applicable, shall constitute good and sufficient service of notice of the Application, the TVX Special Meeting and the hearing in respect of the Application upon such persons, and no other form of service need be made or other material served. 4. The TVX Meeting Materials shall be deemed, for the purposes of this Interim Order and the Application, to have been received: (i) in the case of distribution by ordinary prepaid mail, three (3) business days after delivery thereof to the post office; (ii) in the case of distribution by courier, one (1) business day after receipt by the courier; (iii) in the case of distribution by delivery in person, on receipt thereof by the intended addressee; and (iv) in the case of distribution by facsimile transmission, upon the transmission thereof. 5. The accidental omission or delay in giving notice of the TVX Special Meeting or the non-receipt by any person of such notice shall not invalidate any resolution passed or proceedings taken at the TVX Special Meeting. 6. TVX is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine. 2 CONDUCT OF TVX SPECIAL MEETING 7. The TVX Special Meeting shall be called, held and conducted in accordance with the Articles and By-laws of TVX and the CBCA, subject to the provisions of this Order and to such modifications as may be adopted at the TVX Special Meeting. 8. A quorum at the TVX Special Meeting shall be the holders of not less than 33 1/3% in aggregate of the TVX Common Shares entitled to vote on the TVX Special Resolution, present in person or by proxy at the TVX Special Meeting. 9. The majority required to pass the TVX Special Resolution at the TVX Special Meeting shall be not less than 66 2/3% of the votes cast by the TVX Shareholders who voted, in person or by proxy, in respect of the TVX Special Resolution. 10. The only persons entitled to vote at the TVX Special Meeting, either in person or by proxy, shall be the TVX Shareholders as at the close of business on the TVX Record Date. 11. The only persons entitled to attend and speak at the TVX Special Meeting shall be the TVX Shareholders or their respective proxies, TVX's directors and officers, TVX's auditors, advisors and counsel, the Director, and such other persons with the permission of the Chairperson of the TVX Special Meeting. 12. TVX is authorized to make such amendments, revisions or supplements to the Plan of Arrangement as it may determine, subject to the terms of the Combination Agreement annexed as Exhibit "A" to the Joint Supplement (as amended from time to time, the "Combination Agreement") without any additional notice to the TVX securityholders, and the Plan of Arrangement as so amended, revised or supplemented shall be the Plan of Arrangement that is the subject of the TVX Special Resolution, provided that any amendment, revision or supplement to the Plan of Arrangement subsequent to the TVX Special Meeting shall only be made in accordance with the TVX Special Resolution. TVX DISSENT RIGHTS 13. A registered TVX Shareholder shall be entitled to dissent from the TVX Special Resolution in accordance with the provisions of section 190 of the CBCA, as modified by this Order and the Plan of Arrangement, and to seek the fair value of the TVX Common Shares in respect of which the TVX Shareholder dissents, such value being determined as set out in the CBCA, provided that such TVX Shareholder gives written objection to the TVX Special Resolution to TVX on or before 5:00 p.m. (Eastern time) on the business day preceding the TVX Special Meeting, at Suite 1200, 220 Bay Street, Toronto, Ontario, Canada, M5J 2W4 or to the Chairman of the TVX Special Meeting before the commencement of the TVX Special Meeting (or any adjournment or postponement thereof), and otherwise strictly complies with the requirements of section 190 of the CBCA, as modified by this Order and the Plan of Arrangement. 14. A dissenting TVX Shareholder is entitled to appear at the hearing of the Application for approval of the Arrangement provided that such dissenting shareholder has filed and served a notice of intention to appear in accordance with paragraph 32 of this Order. 15. Notice shall be sufficiently given to the TVX Shareholders of their right to dissent with respect to the TVX Special Resolution and to receive, subject to the provisions of this Order, the fair value of their TVX Common Shares by including information with respect to such right of dissent in the Joint Supplement to be sent to the TVX Shareholders in accordance with paragraph 3 of this Order. ECHO BAY SPECIAL MEETING 16. Echo Bay shall call, hold and conduct a special meeting (the "Echo Bay Special Meeting") of the holders (the "Echo Bay Shareholders") of common shares in the capital of Echo Bay ("Echo Bay Common Shares") to be held in the City of Toronto in the Province of Ontario at 9:30 a.m. (Eastern time) on January 31, 2003, or such later date as the board of directors of Echo Bay shall determine, for the purpose of (i) considering and, if deemed advisable,

approving with or without variation, a special resolution substantially in the form of the Echo Bay Special Resolution (the "Echo Bay Special Resolution") set forth in the Echo Bay Notice of Special Meeting and Management Information Circular (the "Echo Bay Circular") attached as Exhibit "A" to the Echo Bay Affidavit, approving the 3 participation of Echo Bay in the Arrangement involving, inter alia, the exchange of Echo Bay Common Shares for common shares of Kinross Gold Corporation ("Kinross") on the terms and conditions set forth in the Plan of Arrangement; and (ii) transacting such other business as may properly be brought before the Echo Bay Special Meeting. 17. Echo Bay, if it deems advisable, is specifically authorized to adjourn or postpone the Echo Bay Special Meeting on one or more occasions, without the necessity of further order of the Court or first convening the Echo Bay Special Meeting or first obtaining any vote of Echo Bay Shareholders respecting the adjournment or postponement. NOTICES 18. Echo Bay shall mail the Echo Bay Circular (in substantially the form set forth as Exhibit "A" to the Echo Bay Affidavit with such amendments as are not inconsistent with the provisions of this Order), the Joint Supplement (in substantially the form set forth as Exhibit "A" to the Kinross Affidavit with such amendments as are not inconsistent with the provisions of this Order), and the appropriate form of proxy (the "Echo Bay Proxy") (the Echo Bay Circular, Joint Supplement and Echo Bay Proxy being collectively referred to as the "Echo Bay Meeting Materials"), the Notice of Application and any other documents or communication determined by Echo Bay to be necessary or appropriate which are not inconsistent with the provisions of this Order, to the Echo Bay Shareholders as shown on the register of shareholders at the close of business on the record date established by Echo Bay for such purpose (the "Echo Bay Record Date"), to the holders of options granted to purchase Echo Bay Common Shares ("Echo Bay Options") as shown on the books and records of Echo Bay at the close of business on the Echo Bay Record Date, to the holders of warrants to purchase Echo Bay Common Shares ("Echo Bay Warrants") as shown on the books and records of Echo Bay at the close of business on the Echo Bay Record Date, to the Echo Bay directors, to the auditors of Echo Bay, and to the Director, by one of the following methods not less than twenty-one (21) days before the date of the Echo Bay Special Meeting, excluding date of delivery and the date of the Echo Bay Special Meeting: (i) in the case of registered holders of Echo Bay Common Shares, by ordinary prepaid mail, courier or delivery in person to each such holder at his, her or its address as shown on the books or records of Echo Bay or its registrar and transfer agent; (ii) in the case of non-registered holders of Echo Bay Common Shares, by providing an adequate number of copies of the Echo Bay Meeting Materials to intermediaries and registered nominees to facilitate the distribution of these materials to beneficial holders of Echo Bay Common Shares; (iii) in the case of holders of Echo Bay Options and holders of Echo Bay Warrants, by ordinary prepaid mail, by courier or delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of Echo Bay; (iv) in the case of the directors of Echo Bay, by courier or delivery in person, addressed to the individual directors; (v) in the case of the auditors of Echo Bay, by courier or delivery in person, addressed to the firm of auditors; and (vi) in the case of the Director, by courier or facsimile or delivery in person; and such mailing, transmission, delivery or distribution, as applicable, shall constitute good and sufficient service of notice of the Application, the Echo Bay Special Meeting and the hearing in respect of the Application upon such persons, and no other form of service need be made or other material served. 19. The Echo Bay Meeting Materials shall be deemed, for the purposes of this Interim Order and the Application, to have been received: (i) in the case of distribution by ordinary prepaid mail, three (3) business days after delivery thereof to the post office; (ii) in the case of distribution by courier, one (1) business day after receipt by the courier; (iii) in the case of distribution by delivery in person, on receipt thereof by the intended addressee; and (iv) in the case of distribution by facsimile transmission, upon the transmission thereof. 4 20. The accidental omission or delay in giving notice of the Echo Bay Special Meeting or the non-receipt by any person of such notice shall not invalidate any resolution passed or proceedings taken at the Echo Bay Special Meeting. 21. Echo Bay is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine. CONDUCT OF ECHO BAY SPECIAL MEETING 22. The Echo Bay Special Meeting shall be called, held and conducted in accordance with the Articles and By-laws of Echo Bay and the CBCA, subject to the provisions of this Order and to such modifications as may be adopted at the Echo Bay Special Meeting. 23. A quorum at the Echo Bay Special Meeting shall be the holders of a majority of the shares entitled to vote on the Echo Bay Special Resolution, present in person or by proxy at the Echo Bay Special Meeting. 24. The majority required to pass the Echo Bay Special Resolution at the Echo Bay Special Meeting shall be not less than 66 2/3% of the votes cast by the Echo Bay Shareholders who voted, in person or by proxy, in respect of the Echo Bay



Special Resolution. 25. The only persons entitled to vote at the Echo Bay Special Meeting, either in person or by proxy, shall be the Echo Bay Shareholders as at the close of business on the Echo Bay Record Date. 26. The only persons entitled to attend and speak at the Echo Bay Special Meeting shall be the Echo Bay Shareholders or their respective proxies, Echo Bay's directors and officers, Echo Bay's auditors, advisors and counsel, the Director, and such other persons with the permission of the Chairperson of the Echo Bay Special Meeting. 27. Echo Bay is authorized to make such amendments, revisions or supplements to the Plan of Arrangement as it may determine, subject to the terms of the Combination Agreement without any additional notice to the Echo Bay securityholders, and the Plan of Arrangement as so amended, revised or supplemented shall be the Plan of Arrangement that is the subject of the Echo Bay Special Resolution, provided that any amendment, revision or supplement to the Plan of Arrangement subsequent to the Echo Bay Special Meeting shall only be made in accordance with the Echo Bay Special Resolution.

ECHO BAY DISSENT RIGHTS 28. A registered Echo Bay Shareholder shall be entitled to dissent from the Echo Bay Special Resolution in accordance with the provisions of section 190 of the CBCA, as modified by this Order and the Plan of Arrangement, and to seek the fair value of the Echo Bay Common Shares in respect of which the Echo Bay Shareholder dissents, such value being determined as set out in the CBCA, provided that such Echo Bay Shareholder gives written objection to the Echo Bay Special Resolution to Echo Bay on or before 5:00 p.m. (Eastern time) on the business day preceding the Echo Bay Special Meeting, at Suite 1210, 101180 -- 101 Street, Edmonton, Alberta, Canada, T5J 3S4 or to the Chairman of the Echo Bay Special Meeting before the commencement of the Echo Bay Special Meeting (or any adjournment or postponement thereof), and otherwise strictly complies with the requirements of section 190 of the CBCA, as modified by this Order and the Plan of Arrangement. 29. A dissenting Echo Bay Shareholder is entitled to appear at the hearing of the Application for approval of the Arrangement provided that such dissenting shareholder has filed and served a notice of intention to appear in accordance with paragraph 32 of this Order. 30. Notice shall be sufficiently given to the Echo Bay Shareholders of their right to dissent with respect to the Echo Bay Special Resolution and to receive, subject to the provisions of this Order, the fair value of their Echo Bay Common Shares by including information with respect to such right of dissent in the Joint Supplement to be sent to the Echo Bay Shareholders in accordance with paragraph 18 of this Order.

APPLICATION BY KINROSS SUBCO FOR FINAL ORDER 31. Upon the holding of the TVX Special Meeting and the Echo Bay Special Meeting in the manner set forth in this Order and the approval of the TVX Special Resolution and the Echo Bay Special Resolution in the manner set forth 5 in this Order, upon the approval by Kinross, in its capacity as sole shareholder of Kinross Subco, of a special resolution approving the Arrangement, and upon all other conditions precedent being satisfied or waived, Kinross Subco may apply to this Honourable Court for approval of the Arrangement, which application shall be heard on the 31th day of January, 2003 at 2:00 p.m. (Eastern time), or so soon thereafter as counsel may be heard. The mailing, transmission, delivery or distribution of the Notice of Application herein, in accordance with paragraphs 3 and 18 of this Order, shall constitute good and sufficient service of such Notice of Application pursuant to this Order and no other form of service need be made and no other material need be served on such persons in respect of these proceedings unless a Notice of Appearance is served, in accordance with paragraph 32 below, not later than two days before the hearing of this Application. 32. Persons desiring to appear at the hearing of the Application are required to file with the Court and serve on Kinross Subco, TVX and Echo Bay on or before January 24, 2003, a Notice of Appearance, including their address for service in Toronto, Ontario (or alternatively a telecopier number for service by facsimile), together with any evidence or material which is to be presented to the Court. Service on Kinross Subco is to be effected by delivery to the solicitors for Kinross Subco at: Blake, Cassels & Graydon LLP Suite 2800, Box 25 Commerce Court West 199 Bay Street Toronto, ON M5L 1A9 Attention: Jeffrey W. Galway Tel: (416) 863-3859 Fax: (416) 863-2653 Service on TVX is to be effected by delivery to the solicitors for TVX at: Fasken Martineau DuMoulin LLP 42nd Floor Toronto-Dominion Tower Toronto Dominion Centre Toronto, ON M5K 1N6 Attention: Peter L. Roy Tel: (416) 865-4428 Fax: (416) 364-7813 Service on Echo Bay is to be effected by delivery to the solicitors for Echo Bay at: Fraser Milner Casgrain LLP 1 First Canadian Place 100 King Street W. Toronto, ON M5X 1B2 Attention: Brian R. Leonard Tel: (416) 361-2314 Fax: (416) 863-4592 33. In the event that the Application herein is adjourned, then, subject to further order of this Court, only those persons having previously served a notice of intention to appear in accordance with paragraph 32 hereof shall have to be given notice of the adjournment date. 34. In addition to service of this Order in accordance with paragraphs 3 and 18 above, service of this Order shall be made upon all such persons who appeared in this Application either by counsel or in person and upon the Director.

VARIATION OF ORDER 35. Kinross Subco may at any time seek leave to vary this Order upon such terms and the

giving of such notice to TVX, Echo Bay and such others as this Court may direct. 6 DIRECTION REGARDING RETURN OF APPLICATION 36. The Applicant hereby is granted leave to amend its Notice of Application, issued November 26, 2002, and staff of the Commercial List Office are directed to schedule the return of the Application herein to begin at 2:00 p.m. on Friday, January 31, 2003. "L. Soriano" ----- Local Registrar 7 EXHIBIT B-1 Court File No: 02-CL-4776 ONTARIO SUPERIOR COURT OF JUSTICE -- COMMERCIAL LIST IN THE MATTER OF SECTION 192 OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985, CHAP. C-44, AS AMENDED AND IN THE MATTER OF AN APPLICATION BY 4082389 CANADA INC. RELATING TO A PROPOSED ARRANGEMENT INVOLVING 4082389 CANADA INC., TVX GOLD INC. AND ECHO BAY MINES LTD. AMENDED NOTICE OF APPLICATION TO THE RESPONDENTS: A PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page. THIS APPLICATION will come on for a hearing on Friday, January 31, 2003 at 2:00 p.m., before a judge presiding over the Commercial List at 393 University Avenue, 8th Floor, Toronto, Ontario. IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the Applicant's lawyer, or where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing. IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least 2 days before the hearing. IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE. DATE: November 26, 2002 Issued by: "Joseph Doria" ----- (Registry Officer) Address of local office: 393 University Avenue, 10th Floor Toronto, ON M5G 1E6 TO: Fraser Milner Casgrain LLP 1 First Canadian Place 100 King Street W. P.O. Box 100 Toronto, ON M5X 1B2 Attn. Brian R. Leonard Tel. (416) 361-2314 Fax (416) 863-4592 Solicitors for Echo Bay Mines Ltd. AND TO: All holders of common shares of Echo Bay Mines Ltd. AND TO: All holders of options to purchase common shares of Echo Bay Mines Ltd. AND TO: All holders of warrants to purchase common shares of Echo Bay Mines Ltd. AND TO: Fasken Martineau DuMoulin LLP 42nd Floor Toronto-Dominion Tower Toronto-Dominion Centre Toronto, ON M5K 1N6 Attn. Peter L. Roy Tel. (416) 865-4428 Fax (416) 364-7813 Solicitors for TVX Gold Inc. AND TO: All holders of common shares of TVX Gold Inc. AND TO: All holders of warrants to purchase common shares of TVX Gold Inc. AND TO: The Director appointed pursuant to Section 260 of the Canada Business Corporations Act Corporations Directorate Industry Canada 9th Floor, Jean Edmonds Tower South 365 Laurier Avenue West Ottawa, ON K1A 0C8 Attention: Director, Compliance Branch 2 APPLICATION 1. The Applicant 4082389 Canada Inc. ("Kinross Subco") makes application for: (a) An interim order (the "Interim Order") for the advice and direction of this Honourable Court pursuant to subsection 192(4) of the Canada Business Corporations Act, R.S.C. 1985, Chap. C-44, as amended (the "CBCA") with respect to the Arrangement (as defined below) and this Application; (b) An order (the "Final Order") pursuant to section 192 of the CBCA, approving a Plan of Arrangement (the "Arrangement") proposed by the Applicant substantially in the form described in the management information circular supplement (the "Joint Supplement"), which is to accompany the notices of special meeting and management information circulars of each of Echo Bay Mines Ltd. (the "Echo Bay Circular") and TVX Gold Inc. (the "TVX Circular"). The current draft of the Joint Supplement is attached as Exhibit "A" to the Affidavit of John W. Ivany, the current draft of the Echo Bay Circular is attached as Exhibit "A" to the Affidavit of Robert L. Leclerc, and the current draft of the TVX Circular is attached as Exhibit "A" to the Affidavit of R. Gregory Laing, each of which is to be filed in support of this Application; and (c) Such further and other relief as this Honourable Court may deem just. 2. The grounds for the Application are: (a) All statutory requirements under the CBCA either have been fulfilled or will be fulfilled by the date of the return of this Application; (b) All directions set out in the Interim Order have been followed and the shareholder approvals required pursuant to the Interim Order shall have been obtained prior to the date of return of this Application; (c) The Arrangement is fair and reasonable and it is appropriate for this Honourable Court to approve the Arrangement; (d) Section 192 of the CBCA; (e) Rules 14.05(2),

17.02, 37 and 38 of the Rules of Civil Procedure; and (f) Such further and other grounds as counsel may advise and this Honourable Court may permit. 3. The following documentary evidence will be used at the hearing of the Application for the Final Order: (a) Such Interim Order as may be granted by this Honourable Court; (b) The Affidavit of John W. Ivany, sworn November 26, 2002, and the exhibits thereto; (c) The Affidavit of Robert L. Leclerc, sworn November 25, 2002, and the exhibits thereto; (d) The Affidavit of R. Gregory Laing, sworn November 26, 2002, and the exhibits thereto; (e) The Supplementary Affidavit of John W. Ivany, sworn December 19, 2002, and the exhibits thereto; (f) Such further affidavits of deponents on behalf of the Applicant, reporting as to the compliance with any Interim Order of this Honourable Court and as to the result of any meetings ordered by any Interim Order of this Honourable Court; and (g) Such further and other material as counsel may advise and this Honourable Court may permit. 4. The Notice of Application will be sent to all registered holders of (i) common shares, (ii) options to purchase common shares, and (iii) warrants to purchase common shares of Echo Bay Mines Ltd. ("Echo Bay"), at the address of each holder as shown on the books and records of Echo Bay at the close of business on the record date established by Echo Bay for such purpose, and to all registered holders of common shares and warrants to purchase common shares of TVX Gold Inc. ("TVX"), at the address of each holder as shown on the books and records of TVX at the close of business on the record date established by TVX for such purpose, or in either case as this Honourable Court may direct in the Interim Order, pursuant to Rules 17.02(n) and 17.02(o) of the Rules of Civil Procedure, in the case of those holders whose addresses, as they appear on the books and records of Echo Bay or TVX, are outside Ontario, and to the Director under the CBCA. DATE: November 26, 2002 BLAKE, CASSELS & GRAYDON LLP Barristers and Solicitors Box 25, Commerce Court West Toronto, Ontario M5L 1A9 JEFFREY W. GALWAY (LSUC#: 28423P) Tel: (416) 863-3859 ROBERT H. BRENT (LSUC#: 41633S) Tel: (416) 863-2585 Fax: (416) 863-2653 Solicitors for the Applicant 4082389 Canada Inc. and for Kinross Gold Corporation 2 EXHIBIT C PLAN OF ARRANGEMENT IN THE MATTER OF THE ARRANGEMENT among 4082389 Canada Inc., TVX Gold Inc. and Echo Bay Mines Ltd. pursuant to section 192 of the Canada Business Corporations Act. ARTICLE 1 INTERPRETATION 1.1 DEFINITIONS In this Plan of Arrangement, unless the context otherwise requires: "AMALCO" means the corporation resulting from the amalgamation of Kinross Subco and TVX as a part of the Arrangement; "AMALCO COMMON SHARES" means the common shares in the capital of Amalco; "ARRANGEMENT" means the arrangement involving Kinross Subco, TVX and Echo Bay under the provisions of the CBCA on the terms and conditions set forth in this Plan of Arrangement resulting, inter alia, in the issuance of Kinross Shares to the holders of record immediately prior to the Effective Date of the TVX Common Shares and of the Echo Bay Common Shares; "ARTICLES OF ARRANGEMENT" means the articles of arrangement concerning the Arrangement of Kinross Subco, TVX and Echo Bay required under the CBCA to be filed with the Director after the Final Order is made; "BUSINESS DAY" means any day, other than Saturday, Sunday and a statutory or civic holiday in the place where the action is to be taken; "CBCA" means the Canada Business Corporations Act, R.S.C. 1985, c. C-44, as amended, and the regulations thereunder; "CERTIFICATE OF ARRANGEMENT" means the certificate of arrangement giving effect to the Arrangement, endorsed by the Director, issued pursuant to subsection 192(7) of the CBCA; "COMBINATION" means the Purchase and the Arrangement; "COMBINATION AGREEMENT" means the agreement made as of the 10th day of June, 2002 among Kinross, TVX and Echo Bay, as amended as of July 12, 2002, for the purpose of entering into the Combination, as the same may be amended, supplemented or restated from time to time; "COURT" means the Superior Court of Ontario; "DEPOSITARY" means Computershare Trust Company of Canada; "DIRECTOR" means the Director appointed pursuant to Section 260 of the CBCA; "DISSENT RIGHTS" means the rights of dissent that may be exercised by registered holders of TVX Common Shares or Echo Bay Common Shares as set out in Section 4.1 hereof; "DISSENTING SHAREHOLDER" means a registered holder of TVX Common Shares or Echo Bay Common Shares who exercises the Dissent Right; "ECHO BAY" means Echo Bay Mines Ltd., a corporation governed by the CBCA; "ECHO BAY COMMON SHARES" means the common shares in the capital of Echo Bay outstanding immediately prior to the Effective Date; "ECHO BAY STOCK OPTIONS" means all options to purchase Echo Bay Common Shares issued prior to the Effective Date and in full force and effect on the Effective Date pursuant to the Echo Bay stock option, as that plan may be amended, if necessary, prior to the Effective Date; 1 "ECHO BAY WARRANTS" means the warrants to purchase Echo Bay Common Shares issued pursuant to the Warrant Indenture; "EFFECTIVE DATE" means the date shown on the Certificate of Arrangement; "EFFECTIVE TIME" means [5:00 p.m]. Eastern Time on the Effective Date; "FINAL ORDER" means the order of the Court approving the Arrangement, as such order may be amended at

any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed; "GOVERNMENTAL ENTITY" means (a) any multinational, federal, provincial, state, regional, municipal, local or other governmental or public department, central bank, court, tribunal, arbitral body, commission, stock exchange, self-regulated securities market, board, bureau or agency, whether domestic or foreign, (b) any subdivision, agent, commission, board or authority of any of the foregoing or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; "INTERIM ORDER" means the interim order of the Court containing declarations and directions with respect to the Arrangement; "KINROSS" means Kinross Gold Corporation, a corporation governed by the Business Corporations Act (Ontario); "KINROSS COMMON SHARES" means the common shares in the capital of Kinross prior to the Kinross Share Consolidation; "KINROSS MEETING" means the special meeting of holders of the Kinross Common Shares called for the purpose of considering and, if thought fit, approving the Kinross Share Consolidation, approving the Kinross Share Issuance, approving the termination of Kinross' shareholder rights plan and electing four additional directors of Kinross; "KINROSS SHARE CONSOLIDATION" means the consolidation of the Kinross Common Shares on a one-for-three basis; "KINROSS SHARE ISSUANCE" means the issue of Kinross Shares pursuant to (a) the Arrangement, (b) the exercise after the Effective Date of any Stock Options and (c) the exercise after the Effective Date of any Warrants which have not been exercised prior to the Effective Date; "KINROSS SHARES" means the common shares in the capital of Kinross immediately after the filing of Articles of Amendment, if any, approved at the Kinross Meeting giving effect to the Kinross Share Consolidation or, in the absence of such filing, means the Kinross Common Shares; "KINROSS SUBCO" means 4082389 Canada Inc., a corporation incorporated under the CBCA; "LAWS" means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgements or other requirements of any Governmental Entity; "MEETINGS" means (i) the Kinross Meeting; (ii) the special meeting of the holders of TVX Common Shares called for the purpose of considering and, if thought fit, approving the Arrangement; and (iii) the special meeting of the holders of Echo Bay Common Shares called for the purpose of considering and, if thought fit, approving the Arrangement; "PARTIES" means Kinross, TVX and Echo Bay; "PERSON" includes an individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative or government, including any Governmental Entity; "PLAN OF ARRANGEMENT" means this Plan of Arrangement involving Kinross Subco, TVX and Echo Bay, as such plan may be amended, modified or supplemented from time to time in accordance with the provisions hereof or any order of the Court; 2 "PURCHASE" means the purchase by TVX of the interest owned indirectly by Newmont Mining Corporation in the business venture formed by TVX with certain subsidiaries of Newmont Mining Corporation to explore, develop and operate gold properties in North America and South America; "STOCK OPTIONS" means the Echo Bay Stock Options and the TVX Stock Options; "TVX" means TVX Gold Inc., a corporation governed by the CBCA; "TVX COMMON SHARES" means the common shares in the capital of TVX outstanding immediately prior to the Effective Date; "TVX STOCK OPTIONS" means all options to purchase TVX Common Shares issued prior to the Effective Date and in full force and effect on the Effective Date pursuant to the TVX stock option plan as that plan may be amended, if necessary, prior to the Effective Date; "TVX WARRANT" means the warrant certificate evidencing the right to purchase 8,000 TVX Common Shares dated August 13, 1999; "WARRANTS" means the Echo Bay Warrants and the TVX Warrant; and "WARRANT INDENTURE" means the Warrant Indenture dated May 9, 2002 between Echo Bay and Computershare Trust Company of Canada providing for the issue of 39,100,000 Echo Bay share purchase warrants.

1.2 INTERPRETATION NOT AFFECTED BY HEADINGS The division of this Plan of Arrangement into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement.

1.3 ARTICLE REFERENCES Unless the contrary intention appears, references in this Plan of Arrangement to an Article, Section, subsection or paragraph by number or letter or both refer to the Article, Section, subsection or paragraph, respectively, bearing that designation in this Plan of Arrangement.

1.4 NUMBER AND GENDER In this Plan of Arrangement, unless the contrary intention appears, words importing the singular number only shall include the plural and vice-versa, and words importing the use of any gender shall include all genders.

1.5 DATE FOR ANY ACTION If the date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.6 GOVERNING LAW This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.7 PAYMENTS Any payments to be made hereunder, including payments or exchanges of shares and in respect of fractional securities shall be made without interest and less any tax required by applicable Laws to be deducted and withheld.

3 ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN OF ARRANGEMENT

2.1 THE COMBINATION AGREEMENT The Arrangement is made pursuant to and subject to the provisions of the Combination Agreement.

2.2 THE EFFECTIVE TIME This Plan of Arrangement will, upon filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, become effective in the sequence set out in Section 3.2 (except as otherwise provided therein) and will be binding from and after the Effective Time.

2.3 CONDITIONS PRECEDENT The implementation of this Plan of Arrangement is expressly subject to the fulfilment or waiver, by the Party or Parties thereto entitled, of the conditions precedent set out in the Combination Agreement.

ARTICLE 3 THE ARRANGEMENT

3.1 EFFECTIVENESS Subject to the terms of the Combination Agreement, the Arrangement will become effective in the sequence set out in Section 3.2 (except as otherwise provided therein) and will be binding from and after the Effective Time on Kinross Subco, TVX and Echo Bay and all registered and beneficial holders of TVX Common Shares, Echo Bay Common Shares, Stock Options and Warrants.

3.2 THE ARRANGEMENT On the Effective Date and commencing at the Effective Time, immediately following completion of the Purchase, the following shall occur or be deemed to have occurred in the following order without further act or formality: (a) Kinross Subco shall amalgamate with TVX to form Amalco; (b) as a result of the amalgamation, holders of TVX Common Shares (other than Kinross) will receive for each TVX Common Share held: (i) 2.1667 Kinross Shares, if the Kinross Share Consolidation has been completed prior to the Effective Time; or (ii) 6.5 Kinross Common Shares, if the Kinross Share Consolidation has not been completed prior to the Effective Time; (c) as a result of the amalgamation, Kinross, as the sole shareholder of Kinross Subco, will receive one Amalco Common Share in exchange for each common share of Kinross Subco held by Kinross and will receive one Amalco Common Share for all TVX Common Shares, if any, held or acquired by Kinross pursuant to the exercise of dissent rights; (d) all right, title and interest of the registered and beneficial holders of the Echo Bay Common Shares, in Echo Bay Common Shares (other than Kinross), free and clear of any encumbrances, shall be directly transferred and assigned to Kinross, in consideration for Kinross Shares, on the basis of 0.1733 Kinross Share for each Echo Bay Common Share (or 0.52 Kinross Common Shares, if the Kinross Share Consolidation has not been completed prior to the Effective Date), with the result that Kinross will be the registered and beneficial owner of all Echo Bay Common Shares; (e) in accordance with the terms of the TVX Options, each holder of a TVX Option shall be entitled to receive upon the subsequent exercise of such holder's TVX Option, in accordance with its terms, and shall accept in lieu of the number of TVX Common Shares to which such holder was theretofore entitled upon such exercise but for the same aggregate consideration payable therefor, the aggregate number of Kinross Shares 4 that such holder would have been entitled to receive as a result of the transactions contemplated by this Plan of Arrangement, if, on the Effective Date such holder had been the registered holder of the number of TVX Common Shares to which such holder was theretofore entitled upon such exercise. Kinross shall issue from time to time Kinross Shares on exercise of TVX Options in consideration for payment by Amalco to Kinross of the fair market value of such Kinross Shares; (f) in accordance with the terms of the Echo Bay Options, each holder of an Echo Bay Option shall be entitled to receive upon the subsequent exercise of such holder's Echo Bay Option, in accordance with its terms, and shall accept in lieu of the number of Echo Bay Common Shares to which such holder was theretofore entitled upon such exercise but for the same aggregate consideration payable therefor, the aggregate number of Kinross Shares that such holder would have been entitled to receive as a result of the transactions contemplated by this Plan of Arrangement, if, on the Effective Date, such holder had been the registered holder of the number of Echo Bay Common Shares to which such holder was theretofore entitled upon such exercise. Kinross shall issue from time to time Kinross Shares on exercise of Echo Bay Options, in consideration for payment by Echo Bay to Kinross of the fair market value of such Kinross Shares; (g) in accordance with the terms of the TVX Warrant, the holder of the TVX Warrant shall be entitled to receive upon subsequent exercise of the TVX Warrant in accordance with its terms, and shall accept in lieu of the number of TVX Common Shares to which such holder was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, the aggregate number of Kinross Shares that such holder would have been entitled to receive as a result of the transactions contemplated by this Plan of Arrangement, if, on the Effective Date, such holder had been the registered holder of the number of TVX Common Shares to which such holder was theretofore entitled upon such exercise. Kinross shall issue Kinross Shares on exercise of the TVX Warrant; and (h) in accordance with the terms of the Warrant Indenture, each holder of an Echo Bay Warrant shall be entitled to receive upon the subsequent exercise

of such holder's Echo Bay Warrant, in accordance with its terms, and shall accept in lieu of the number of Echo Bay Common Shares to which such holder was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, the aggregate number of Kinross Shares that such holder would have been entitled to receive as a result of the transactions contemplated by this Plan of Arrangement, if, on the Effective Date, such holder had been the registered holder of the number of Echo Bay Common Shares to which such holder was theretofore entitled upon such exercise. Kinross shall issue from time to time Kinross Shares on exercise of Echo Bay Warrants.

**ARTICLE FOUR RIGHTS OF DISSENT 4.1 DISSENT RIGHTS** Registered holders of TVX Common Shares and registered holders of Echo Bay Common Shares may exercise rights of dissent in connection with the Plan of Arrangement (the "Dissent Right") in the manner set forth in section 190 of the CBCA (as modified by the Interim Order, the Final Order and this Section 4.1) as if that section (as so modified) was applicable to such registered holders. Dissenting Shareholders who: (a) are ultimately not entitled to be paid fair value, for any reason, for their TVX Common Shares shall have participated and shall be deemed to have participated in the Plan of Arrangement on the same basis as any non-Dissenting Shareholder as at and from the Effective Time and shall receive Kinross Shares on the basis set forth in Article 3; or (b) are ultimately not entitled to be paid fair value, for any reason, for their Echo Bay Common Shares shall have participated and shall be deemed to have participated in the Plan of Arrangement on the same basis as any non-Dissenting Shareholder as at and from the Effective Time and shall receive Kinross Shares on the basis set forth in Article 3.

**5 SECTION 4.2 DISSENTING SHAREHOLDERS** In no circumstances shall Kinross, TVX, Echo Bay, the transfer agent of any of those companies or any other Person be required to recognize a Dissenting Shareholder as a holder of TVX Common Shares or Echo Bay Common Shares and the names of each Dissenting Shareholder shall be deleted from the register of holders of TVX Common Shares or Echo Bay Common Shares, as the case may be, as at the Effective Time.

**ARTICLE FIVE CERTIFICATES; FRACTIONAL SHARES SECTION 5.1 TVX COMMON SHARE CERTIFICATES** From and after the Effective Time, certificates formerly representing TVX Common Shares shall represent and be deemed to represent only the right to receive Kinross Shares in accordance with this Plan of Arrangement, subject to compliance with the provisions of Section 5.2 hereof.

**SECTION 5.2 EXCHANGE OF TVX COMMON SHARE CERTIFICATES** A holder of TVX Common Shares at the Effective Time shall be entitled to receive the certificates representing Kinross Shares to which such holder is entitled pursuant to the provisions hereof as soon as practical after the Effective Date upon delivery to Kinross or the Depositary of a duly completed letter of transmittal and the certificates formerly representing TVX Common Shares. As soon as possible after the Effective Date a letter of transmittal will be furnished to each registered holder of TVX Common Shares. The Depositary shall register and make available or send certificates representing Kinross Shares as directed in each properly completed letter of transmittal. Notwithstanding any of the other provisions hereof, any certificate which immediately prior to the Effective Time represented outstanding TVX Common Shares that were exchanged for Kinross Shares in connection with the amalgamation of Kinross Subco and TVX shall cease to represent a claim or interest of any kind or nature against TVX and, if it has not been surrendered with all other instruments required by this Section 5.2 on or prior to the sixth anniversary of the Effective Date, shall cease to represent a claim or interest of any kind or nature against Kinross. In such circumstances, the Person ultimately entitled to any certificate hereunder shall be deemed to have surrendered such entitlement to Kinross together with all entitlement to dividends, distributions and cash for fractional interest therein held for such former holder of TVX Common Shares for no consideration.

**SECTION 5.3 ECHO BAY SHARE CERTIFICATES** From and after the Effective Time, certificates formerly representing Echo Bay Common Shares shall represent and be deemed to represent only the right to receive Kinross Shares in accordance with this Plan of Arrangement, subject to compliance with the provisions of Section 5.4 hereof.

**SECTION 5.4 EXCHANGE OF ECHO BAY SHARE CERTIFICATES** A holder of Echo Bay Common Shares at the Effective Time shall be entitled to receive the certificates representing Kinross Shares to which such holder is entitled pursuant to the provisions hereof as soon as practical after the Effective Date upon delivery to Kinross or the Depositary of a duly completed letter of transmittal and the certificates formerly representing Echo Bay Common Shares. As soon as possible after the Effective Date a letter of transmittal will be furnished to each registered holder of Echo Bay Common Shares. The Depositary shall register and make available or send certificates representing Kinross Shares as directed in each properly completed letter of transmittal. Notwithstanding any of the other provisions hereof, any certificate which immediately prior to the Effective Time represented outstanding Echo Bay Common Shares that were exchanged for Kinross Shares in connection with this Plan of Arrangement shall cease to represent a claim or interest of any kind or nature against Echo Bay and, if it has

not been surrendered with all other instruments required by this Section 5.4 on or prior to the sixth anniversary of the Effective Date, shall cease to represent a claim or interest of any kind or nature against Kinross. In such circumstances, the Person ultimately entitled to any certificate hereunder shall be deemed to have surrendered such entitlement to Kinross together with all entitlement to dividends, distributions and cash for fractional interest thereon held for such former holder of Echo Bay Common Shares for no consideration.

**6 SECTION 5.5 FRACTIONAL SHARES** No fractional Kinross Shares will be issued in connection with the foregoing and any holder of TVX Common Shares, Echo Bay Common Shares or Stock Options otherwise entitled to receive a fraction of a Kinross Share shall instead receive an amount in cash determined on the basis that each Kinross Share has a value equal to the volume-weighted average price of the Kinross Shares on the Toronto Stock Exchange on the first five trading days on which such shares trade on such exchange immediately following the Effective Date.

**ARTICLE SIX GENERAL**

**SECTION 6.1 EFFECTIVENESS** No portion of this Plan of Arrangement shall take effect with respect to any Person until the Effective Time.

**SECTION 6.2 PARAMOUNTCY** From and after the Effective Time (i) this Plan of Arrangement shall take precedence and priority over any and all TVX Common Shares, Echo Bay Common Shares, Stock Options and Warrants issued prior to the Effective Time; (ii) the rights and obligations of the registered holders of TVX Common Shares, Echo Bay Common Shares, Stock Options, Warrants, any trustee or transfer agent therefore, Kinross Subco, TVX and Echo Bay shall be solely as provided for in this Plan of Arrangement and (iii) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any TVX Common Shares, Echo Bay Common Shares, Stock Options or Warrants shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

**SECTION 6.3 AMENDMENT** (1) The Parties reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time provided that any such amendment, modification or supplement must be contained in a written document which is (i) agreed to by the Parties pursuant to the Combination Agreement, (ii) filed with the Court and, if made following the Meetings (or any of them) approved by the Court and (iii) if so required, communicated to shareholders in the manner required by the Court. (2) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Parties at any time prior to or at the Meetings, with or without any prior notice or communication, and if so proposed and accepted by the persons voting at the Meetings (other than as may be required under the Interim Order) shall become part of this Plan of Arrangement for all purposes. (3) Any amendment, modification or supplement to this Plan of Arrangement which is approved by the Court following the Meetings shall be effective only if it is agreed to by the Parties pursuant to the Combination Agreement. (4) Any amendment, modification or supplement to this Plan of Arrangement may be made unilaterally by the Parties after the Effective Date without the approval of the shareholders of each such Party, provided that (i) it is agreed to by the Parties pursuant to the Combination Agreement and (ii) it concerns a matter which, in the reasonable opinion of the Parties, is of an administrative or ministerial nature required to better give effect to the implementation of this Plan of Arrangement and is not materially adverse to the financial or economic interests of any of the shareholders of such Party.

**SECTION 6.4 TERMINATION** At any time up until the time the Final Order is made, the Parties may mutually determine not to proceed with this Plan of Arrangement, or to terminate this Plan of Arrangement, notwithstanding any prior approvals given at any of the Meetings. In addition to the foregoing, this Plan of Arrangement shall automatically and without notice, terminate immediately and be of no further force or effect, upon the termination of the Combination Agreement in accordance with its terms.

**7 SECTION 6.5 FURTHER ASSURANCES** Notwithstanding that the transaction and events set out in this Plan of Arrangement shall occur and be deemed to have occurred in the order set out herein, without any additional act or formality, each of the Persons affected hereby shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by the Parties in order to implement this Plan of Arrangement.

**SECTION 6.6 NOTICES** Any notice, consent, waiver, direction or other communication required or permitted to be given under this Plan of Arrangement shall be in writing and shall refer to this Plan of Arrangement and may be made or given by the Person making or giving it or by any agent of such Person authorized for that purpose by personal delivery, by prepaid mail or by telecopier addressed to the respective Parties as follows: (a) if to Kinross Subco: Kinross Gold Corporation 52nd Floor Scotia Plaza 40 King Street West Toronto, Ontario M5H 3Y2 Attention: John W. Ivany Executive Vice-President Fax: (416) 363-6622 (b) if to TVX: TVX Gold Inc. Suite 1200 220 Bay Street Toronto, Ontario M5J 2W4 Attention: T. Sean Harvey President and Chief Executive Officer Fax: (416) 366-0832 (c) if to Echo Bay: Echo Bay Mines Ltd. Manulife Place Suite 1210 10180 101 Street

Edmonton, Alberta T5J 3S4 Attention: Robert Leclerc Chairman and Chief Executive Officer Fax: (780) 424-4684 (d) if to a shareholder of Kinross, TVX or Echo Bay to the last known address for such shareholder as shown on the books maintained by the transfer agent of each Party. Any such notice, consent, waiver, direction or other communication shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if prior to 4:00 p.m. at the place of receipt on a Business Day, or if not, on the next Business Day) and if sent by facsimile transmission be deemed to have been given and received at the time of receipt unless actually received on a day other than a Business Day or 8 after 4:00 p.m. at the place of receipt on a Business Day in which case it shall be deemed to have been given and received on the next Business Day. Any such address for service or facsimile number may be changed by notice given as aforesaid. 9 EXHIBIT D SECTION 190 OF THE CANADA BUSINESS CORPORATIONS ACT 190. (1) RIGHT TO DISSENT -- Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class; (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on; (c) amalgamate otherwise than under section 184; (d) be continued under section 188; (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or (f) carry out a going-private transaction or a squeeze-out transaction. (2) FURTHER RIGHT -- A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section. (2.1) IF ONE CLASS OF SHARES -- The right to dissent described in subsection (2) applies even if there is only one class of shares. (3) PAYMENT FOR SHARES -- In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made. (4) NO PARTIAL DISSENT -- A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of dissenting shareholder. (5) OBJECTION -- A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent. (6) NOTICE OF RESOLUTION -- The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection. (7) DEMAND FOR PAYMENT -- A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing (a) the shareholder's name and address; (b) the number and class of shares in respect of which the shareholder dissents; and (c) a demand for payment of the fair value of such shares. (8) SHARE CERTIFICATE -- A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent. (9) FORFEITURE -- A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section. 1 (10) ENDORSING CERTIFICATE -- A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder. (11) SUSPENSION OF RIGHTS -- On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12), (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9), in which case the shareholder's rights are reinstated as of the date the notice was sent. (12) OFFER TO PAY -- A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day



the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares. (13) SAME TERMS -- Every offer made under subsection (12) for shares of the same class or series shall be on the same terms. (14) PAYMENT -- Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made. (15) CORPORATION MAY APPLY TO COURT -- Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder. (16) SHAREHOLDER APPLICATION TO COURT -- If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow. (17) VENUE -- An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province. (18) NO SECURITY FOR COSTS -- A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16). (19) PARTIES -- On an application to a court under subsection (15) or (16), (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel. (20) POWERS OF COURT -- On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders. 2 (21) APPRAISERS -- A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders. (22) FINAL ORDER -- The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of his shares as fixed by the court. (23) INTEREST -- A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment. (24) NOTICE THAT SUBSECTION (26) APPLIES -- If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares. (25) EFFECT WHERE SUBSECTION (26) APPLIES -- If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders. (26) LIMITATION -- A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities. 3 ECHO BAY MINES LTD. SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON THE 31ST DAY OF JANUARY, 2003 The undersigned shareholder of ECHO BAY MINES LTD. appoints ROBERT LEIGH LECLERC, or failing him LOIS-ANN L. BRODRICK or instead of them or either of them \_\_\_\_\_ as proxy of the undersigned with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned in respect of all matters, including amendments thereto, that may come before the special meeting of shareholders to be held on the 31st day of January, 2003 and at an adjournment of the special meeting, with the same power the undersigned would have if the undersigned were present at the special meeting, or an adjournment of the special meeting, and without limiting the generality of the foregoing, the proxy is directed to vote or refrain from voting as specified below: to vote FOR [ ] or AGAINST [ ] or WITHHOLD vote [ ] on a special resolution approving the plan of arrangement whereby Echo Bay Mines Ltd., Kinross Gold Corporation and TVX Gold Inc. will combine their respective businesses, as particularly described in the accompanying Management Information Circular and Management Information Circular Supplement. DATED \_\_\_\_\_

----- Signature of Shareholder (1) If a shareholder specifies a choice with respect to the matter, the shares represented by the proxy will be voted for or against or withheld from voting in respect of the matter on any ballot that may be called for. (2) If this proxy is not dated in the provided space, it is deemed to bear the date on which it is mailed by the person making the solicitation. INSTRUCTIONS If you are unable to attend the special meeting of shareholders in person, please fill in and sign this form of proxy and return it in this resealable self addressed envelope. 1. THIS PROXY IS SOLICITED BY THE MANAGEMENT OF THE ECHO BAY MINES LTD. 2. If a shareholder wishes to be represented at the special meeting by proxy, the proxy must be dated and executed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. 3. UNLESS OTHERWISE INDICATED, THIS PROXY WILL BE VOTED FOR THE SPECIAL RESOLUTION APPROVING THE PLAN OF ARRANGEMENT WHEREBY ECHO BAY MINES LTD., KINROSS GOLD CORPORATION AND TVX GOLD INC. WILL COMBINE THEIR RESPECTIVE BUSINESSES. This form of proxy confers discretionary authority with respect to any amendments to matters identified in the Notice of Special Meeting or other matters that may properly come before the special meeting. 4. A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OTHER THAN THE PERSONS DESIGNATED IN THIS FORM OF PROXY TO ATTEND AND ACT ON BEHALF OF THE SHAREHOLDER AT THE SPECIAL MEETING. THE PERSON NEED NOT BE A SHAREHOLDER. This right may be exercised either by inserting in the space provided the name of the person or by completing another proper form of proxy.