

COEUR D ALENE MINES CORP

Form S-4

August 24, 2004

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As filed with the Securities and Exchange Commission on August 23, 2004

Registration No. 333-

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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**Form S-4**

**REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

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**Coeur d Alene Mines Corporation**

*(Exact name of registrant as specified in its charter)*

**Idaho**

*(State or other jurisdiction of  
incorporation or organization)*

**82-0109423**

*(I.R.S. Employer  
Identification No.)*

**400 Coeur d Alene Mines Building  
505 Front Avenue  
Coeur d Alene, Idaho 83814  
(208) 667-3511**

*(Address, including zip code and telephone number,  
including area code, of registrant's principal executive offices)*

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**Dennis E. Wheeler  
Chairman of the Board and Chief Executive Officer  
400 Coeur d Alene Mines Building  
505 Front Avenue  
Coeur d Alene, Idaho 83814  
(208) 667-3511**

*(Name, address, including zip code, and telephone number,  
including area code, of agent for service)*

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**Coeur d Alene Mines Holdings Company**

*(Exact name of registrant as specified in its charter)*

**Idaho**

*(State or other jurisdiction of  
incorporation or organization)*

**81-0652176**

*(I.R.S. Employer  
Identification No.)*

**400 Coeur d Alene Mines Building  
505 Front Avenue  
Coeur d Alene, Idaho 83814  
(208) 667-3511**

*(Address, including zip code and telephone number,  
including area code, of registrant's principal executive offices)*

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**Dennis E. Wheeler**  
**Chairman of the Board and Chief Executive Officer**  
**400 Coeur d Alene Mines Building**  
**505 Front Avenue**  
**Coeur d Alene, Idaho 83814**  
**(208) 667-3511**

*(Name, address, including zip code, and telephone number,  
including area code, of agent for service)*

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this registration statement becomes effective and upon consummation of the transactions described herein

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If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If any of the securities on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

*Continued on next page*

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<b>Title of Each Class of Securities to be Registered(1)</b>	<b>Amount to be Registered(2)</b>	<b>Proposed Maximum Offering Price Per Unit</b>	<b>Proposed Maximum Aggregate Offering Price(3)</b>	<b>Amount of Registration Fee</b>
Coeur d Alene Mines Holdings Company Common Stock, par value \$1.00 per share, (together with the associated rights to purchase stock pursuant to the Rights Agreement between the Registrant and ChaseMellon Shareholder Services, L.L.C.)	245,713,066	N/A	\$828,053,032	\$104,915

- (1) This Registration Statement relates to securities of Coeur d Alene Mines Holding Company ( New Coeur ) to be issued (a) in exchange for all of the issued and outstanding shares of common stock of Coeur d Alene Mines Corporation, an Idaho corporation ( Coeur ), pursuant to the holding company reorganization transaction described herein, (b) upon conversion of convertible notes of Coeur and (c) upon exercise of options to acquire Coeur common stock.
- (2) This amount is based upon the number of shares of common stock of New Coeur issuable in connection with the holding company reorganization transaction, based on the number of shares of Coeur common stock outstanding, the number of shares of Coeur common stock issuable upon conversion of convertible notes of Coeur and the number of shares of Coeur common stock issuable upon exercise of options to acquire Coeur common stock, in each case outstanding as of July 31, 2004.
- (3) Covers all of the securities set forth in footnote 1. Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(f)(1) and Rule 457(c) under the Securities Act of 1933, as amended, based on the average of the high and low prices for Coeur s common shares as reported by the New York Stock Exchange on August 17, 2004.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a) may determine.**

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

PRELIMINARY COPY

**COEUR D ALENE MINES CORPORATION**

**400 Coeur d Alene Mines Building  
Post Office Box I  
505 Front Avenue  
Coeur d Alene, Idaho 83814**

[ ], 2004

Dear Coeur Shareholder,

You are cordially invited to attend a special meeting of shareholders of Coeur d Alene Mines Corporation, to be held at The Coeur d Alene Resort and Conference Center, Second Street and Front Avenue, Coeur d Alene, Idaho at [ ] a.m., local time, on September [ ], 2004.

At the special meeting, Coeur shareholders will be asked to vote on:

Proposal 1 a reorganization transaction to create a holding company structure for Coeur in connection with the proposed acquisition of Wheaton River Minerals Ltd., as described in fuller detail in the attached proxy statement/prospectus;

Proposal 2 the issuance of shares of stock of a new Coeur holding company formed in connection with Coeur s proposed acquisition of Wheaton River Minerals Ltd.;

Proposal 3 authorization to adjourn or postpone the special meeting to solicit additional votes to approve Proposals 1 and 2; and

such other matters as may be properly brought before the special meeting.

Proposals 1 and 2 are being brought before the shareholders in connection with Coeur s proposed acquisition of Wheaton River Minerals Ltd. Therefore, the effectiveness of Proposals 1 and 2 is conditioned upon the approval of both proposals. Coeur shareholders can cast separate votes on each proposal, but unless the Coeur shareholders approve both proposals, neither will take effect.

**The acquisition of Wheaton River Minerals Ltd. will be undertaken pursuant to an offer to purchase all outstanding Wheaton common shares, which is described in fuller detail in the attached proxy statement/prospectus. The attached proxy statement/prospectus contains important information concerning the proposed acquisition. Even if Proposals 1 and 2 are approved, the reorganization will not be effected unless Coeur completes the offer to purchase.**

Coeur s Board of Directors has unanimously approved the Coeur holding company reorganization and the issuance of shares of Coeur holding company common stock in connection with the proposed acquisition of Wheaton River Minerals described in the attached proxy statement/prospectus. **Accordingly, the Board of Directors unanimously recommends that Coeur shareholders vote FOR Proposals 1, 2 and 3.**

The Board of Directors hopes that you will attend the special meeting. However, whether or not you plan to attend the meeting, please sign, date and return the accompanying proxy card in the enclosed postage paid pre-addressed envelope as soon as possible. Your vote is important, regardless of the number of shares you own, so please return your proxy card TODAY.

Sincerely,

DENNIS E. WHEELER

*Chairman of the Board and Chief Executive Officer*

The proxy statement/prospectus and accompanying proxy card are dated [                      ], 2004, and are first being mailed or given to Coeur shareholders on or about [                      ], 2004.

**The transactions described in the attached proxy statement/prospectus have not been approved or disapproved by the Securities and Exchange Commission or any other securities commission or authority, nor has any such commission or authority passed upon the fairness or merits of this transaction or upon the accuracy or adequacy of the information contained in the attached proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

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**COEUR D ALENE MINES CORPORATION**

**400 Coeur d Alene Mines Building  
Post Office Box I  
505 Front Avenue  
Coeur d Alene, Idaho 83814**

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**NOTICE OF SPECIAL MEETING AND PROXY STATEMENT/PROSPECTUS**

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Notice is hereby given of the special meeting of shareholders of Coeur d Alene Mines Corporation, an Idaho corporation, to be held at The Coeur d Alene Resort and Conference Center, Second Street and Front Avenue, Coeur d Alene, Idaho at [ ] a.m., local time, on September [ ], 2004.

At the special meeting, Coeur shareholders will be asked to vote on:

a reorganization transaction to create a Coeur holding company structure in connection with the proposed acquisition of Wheaton River Minerals Ltd., as described in fuller detail in the attached proxy statement/prospectus;

the issuance of shares of stock of the Coeur holding company formed in connection with Coeur's proposed acquisition of Wheaton River Minerals Ltd.;

a proposal authorizing the adjournment or postponement of the special meeting to solicit additional votes to approve Proposals 1 and 2; and

such other matters as may be properly brought before the special meeting.

Coeur's Board of Directors has fixed the close of business on August 2, 2004, as the record date for determining the Coeur shareholders entitled to notice of, and to vote at, the special meeting or any adjournments or postponements thereof.

Coeur's Board of Directors has unanimously approved the holding company reorganization and the issuance of shares of Coeur holding company common stock in connection with the proposed acquisition of Wheaton River Minerals, described in the attached proxy statement/prospectus. **Accordingly, the Board of Directors unanimously recommends that you vote FOR Proposals 1, 2 and 3.**

Your vote is very important. Even if you plan to attend the special meeting in person, please complete, sign and return the accompanying proxy card in the enclosed postage prepaid envelope TODAY to ensure your votes are counted at the special meeting.

By Order of the Board of Directors,

DENNIS E. WHEELER

*Chairman of the Board and Chief Executive Officer*

Coeur d Alene, Idaho  
[ ], 2004

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**IMPORTANT NOTES**

In deciding how to vote on the proposals described in this proxy statement/ prospectus, Coeur shareholders should rely only on the information contained in or incorporated by reference into this proxy statement/ prospectus. Coeur has not authorized any person to provide Coeur shareholders with any information that is different from such information. The information contained in or incorporated by reference into this proxy statement/ prospectus speaks only as of the date of this proxy statement/ prospectus, unless otherwise specified.

As of the date of this offer document, Wheaton has refused to meet with Coeur to discuss a combination of Wheaton and Coeur. Coeur and its affiliates have not had access to the non-public books and records of Wheaton, and, although they have no reason to doubt the accuracy or completeness of Wheaton's public filings, Coeur and its affiliates are not in a position to independently assess or verify the information in Wheaton's publicly filed documents, including its financial statements. Wheaton's auditors have consented to the inclusion herein of their audit report on Wheaton's financial statements included herein. Coeur and Wheaton's auditors undertook the procedures necessary to include such consent. However, such procedures do not enable Coeur or its affiliates to independently assess or verify the information in Wheaton's publicly filed documents, including its financial statements.

As a result, all historical information regarding Wheaton contained herein, including all Wheaton financial information and all pro forma financial information reflecting the pro forma effects of a combination of Wheaton and Coeur derived in part from Wheaton's financial information, has been derived by necessity from Wheaton's public reports and securities filings. In addition, all reconciliations of Wheaton's financial information, which Wheaton records in accordance with Canadian GAAP, to US GAAP is based exclusively upon Wheaton's own Canadian GAAP to US GAAP reconciliations contained in Wheaton's public reports and securities filings unless otherwise indicated. See *Risk Factors* *The Offerors have been unable to independently verify the reliability of the Wheaton information in the offer to purchase* on page 20.

**FORWARD-LOOKING INFORMATION**

Some of the information included in this proxy statement/ prospectus and certain other documents filed or to be filed with the Securities and Exchange Commission (referred to as the SEC) by Coeur or Coeur d Alene Mines Holding Company (referred to as New Coeur), as the successor registrant to Coeur following the Coeur holding company reorganization described below (as well as information included in other statements made by Coeur, New Coeur or their respective representatives, and information about Wheaton or its business, which has been derived solely from Wheaton's public reports and filings), may contain forward-looking statements. Forward-looking statements do not relate strictly to historical or current facts, often will be phrased in the future-tense, and may include the words *may*, *could*, *should*, *would*, *believe*, *expect*, *anticipate*, *estimate*, *intend*, *plan* or other words or expressions of similar meaning. Forward-looking statements that relate to Coeur's business are based on Coeur's beliefs and expectations about future events, and include statements that reflect management's beliefs, plans, objectives, goals, expectations, anticipations and intentions with respect to Coeur's financial condition, results of operations, future performance and business, including statements relating to the Coeur holding company reorganization, Coeur's or New Coeur's business strategy and Coeur's and its successor's current and future development plans.

Forward-looking statements are included in this proxy statement/ prospectus (as well as information included in other statements made by Coeur, New Coeur or their respective representatives, and information about Wheaton or its business, which has been derived solely from Wheaton's public reports and filings). Although Coeur believes that the expectations reflected in its forward-looking statements are reasonable, any or all of the forward-looking statements in this proxy statement/ prospectus or in Coeur's or New Coeur's public reports and securities filings may prove to be incorrect. This may occur as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties. Many factors discussed in the offer to purchase to Wheaton shareholders, described in this proxy statement/prospectus, some of which are beyond Coeur's control, will be important in determining Coeur's or the combined companies' future

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performance. Consequently, actual results may differ materially from those predicted in or that might be anticipated from forward-looking statements. Therefore, shareholders should not regard such forward-looking statements as a representation that the predictions or expectations reflected in the forward-looking statements will be achieved, and should not place undue reliance on such forward-looking statements.

Coeur undertakes no obligation to publicly update or revise any information in this proxy statement/ prospectus, whether as a result of new information, future events or otherwise, other than to reflect a material change in the information previously disclosed, as required by applicable law. However, stockholders should review Coeur's and its successor's subsequent reports filed from time to time with the SEC on Forms 10-K, 10-Q and 8-K, and any amendments thereto.

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**SUMMARY**

*The following is a brief summary of the material facts regarding the proposals being voted on at the special meeting, the Coeur holding company reorganization, and the proposed Wheaton acquisition. These and other related matters are discussed in greater detail elsewhere in this proxy statement/prospectus.*

**The Special Meeting**

Purpose of the Special Meeting	To present proposals for the approval of Coeur shareholders regarding matters necessary to complete the proposed Wheaton acquisition.
Proposal 1	To approve the Coeur holding company reorganization. The reorganization will allow Wheaton shareholders to exchange their Wheaton common shares for shares of the combined companies without the incurrence of U.S. federal income tax.
Proposal 2	To authorize the issuance of stock of the new holding company in connection with the proposed Wheaton acquisition.
Proposal 3	To authorize the adjournment or postponement of the special meeting to solicit additional votes to approve Proposals 1 and 2.
Conditions	The effectiveness of Proposals 1 and 2 is conditioned on the approval of both proposals by the Coeur shareholders. Also, the effectiveness of the Coeur reorganization is conditioned on the completion of Coeur's offer to purchase all outstanding Wheaton common shares.
Additional Information	Additional information regarding Proposals 1 and 2 is set forth in Proposal 1 Agreement and Plan of Merger and Coeur Holding Company Reorganization and Proposal 2 Issuance of New Coeur Stock.

**The Coeur Holding Company Reorganization**

Timing of the Reorganization	If Proposals 1 and 2 are both approved, and Coeur completes the offer to purchase the Wheaton common shares, Coeur will effect the Coeur holding company reorganization immediately prior to purchasing Wheaton common shares pursuant to the offer to purchase.
Structure of the Reorganization	The reorganization will be effected pursuant to an Agreement and Plan of Merger which is attached as Annex A to this proxy statement/prospectus. In the reorganization, a wholly-owned subsidiary of Coeur d'Alene Mines Holdings Company, referred to as New Coeur in this proxy statement/prospectus, will merge with and into Coeur, with Coeur as the corporation surviving the merger. As a result, Coeur will become a wholly-owned operating subsidiary of New Coeur, the new holding company.
Effect of the Reorganization	In the reorganization, all of Coeur's common stock will be converted into shares of New Coeur common stock, such that each Coeur shareholder will receive the same number of shares of New Coeur common stock as they held in Coeur. The New Coeur common stock will have the same rights, preferences, and privileges as the existing Coeur common stock. New Coeur will have the same board of directors as Coeur and New Coeur's certificate

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of incorporation and bylaws will be the same in all material respects as those of Coeur prior to the reorganization, except as described in Proposal 1 Agreement and Plan of Merger and Coeur Holding Company Reorganization.

**Additional Information**

Additional information regarding the Coeur holding company reorganization is set forth in the section entitled Proposal 1 Agreement and Plan of Merger and Coeur Holding Company Reorganization.

**The Wheaton Acquisition**

**Reasons for the Wheaton Acquisition**

Coeur's Board of Directors believes that the combination of Wheaton and Coeur will be advantageous to Coeur shareholders for a number of reasons including the following. The combined company will be:

North America's fourth largest precious metal company with proven operating expertise;

A leading gold producer and the world's leading primary silver producer with over 22 million ounces of annual production;

Among the world's most liquid publicly-traded precious metals mining companies with expected listings on both the NYSE and the Toronto Stock Exchange;

One of the fastest growing precious metal companies with four attractive development projects;

Highly leveraged to commodity prices with completely unhedged production; and

financially powerful with strong free cash flow generation, balance sheet strength, and enhanced access to capital markets.

**Effecting the Wheaton Acquisition**

Coeur proposes to acquire Wheaton through an offer to purchase all outstanding Wheaton common shares for a choice of cash or stock. Coeur and certain of its subsidiaries, referred to collectively as the Offerors in this proxy statement/prospectus, plan to acquire any Wheaton common shares not purchased pursuant to the offer to purchase through a merger, amalgamation, or other subsequent acquisition transaction in which Wheaton shareholders would receive consideration with a value equivalent to the consideration paid to Wheaton shareholders pursuant to the offer to purchase.

**The Offer to Purchase**

The Offerors are offering to purchase all outstanding Wheaton common shares for a choice per share of:

Cdn\$5.47 in cash (equivalent to \$4.22 based on the August 19, 2004 Canadian Dollar spot rate at close provided by Bloomberg);

0.796 shares of New Coeur common stock; or

0.796 exchangeable shares of a wholly owned subsidiary of Coeur. These exchangeable shares are exchangeable for shares

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of New Coeur common stock on a one-for-one basis under certain circumstances.

There is a maximum of Cdn\$570 million in cash (equivalent to approximately \$439 million based on the August 19, 2004 Canadian Dollar spot rate at close provided by Bloomberg) available to be paid to Wheaton shareholders pursuant to the offer to purchase and any subsequent acquisition transaction. If Wheaton shareholders elect to receive more than this aggregate amount, they will receive stock for the portion of the consideration that cannot be paid in cash.

Risks Relating to the Wheaton Acquisition

There are certain risks associated with the proposed Wheaton acquisition and related matters, as described in Risk Factors. Coeur Shareholders should consider these risks in determining how to vote on the proposals to be brought before the special meeting.

Additional Information

Additional information regarding the Wheaton acquisition is set forth in The Wheaton Acquisition.

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**PURPOSE OF THE MEETING**

This proxy statement/ prospectus is furnished in connection with the solicitation of proxies of Coeur shareholders by Coeur's Board of Directors for use at the special meeting of Coeur shareholders to be held at The Coeur d'Alene Resort and Conference Center, Second Street and Front Avenue, Coeur d'Alene, Idaho at [ ] a.m. local time on September [ ], 2004, and at any adjournments or postponements thereof.

The special meeting is being called to consider matters necessary to complete Coeur's acquisition of Wheaton River Minerals Ltd. (referred to as Wheaton ). In connection with the proposed Wheaton acquisition:

Coeur has commenced an offer to purchase all outstanding Wheaton common shares in exchange for a choice of common stock of Coeur d'Alene Mines Holdings Company (referred to as New Coeur ), exchangeable shares of a Canadian subsidiary of Coeur (referred to as Canadian Exchange Co. ) or cash. The offer to purchase is conditioned upon approval by Coeur stockholders of Proposals 1 and 2 described herein. Descriptions of the proposed Wheaton acquisition and the terms of Coeur's offer to purchase all outstanding Wheaton common shares are set forth in this proxy statement/ prospectus.

Coeur intends to effect a holding company reorganization transaction (referred to as the Coeur holding company reorganization ) immediately prior to completing the offer to purchase, as a result of which all current Coeur stockholders will become stockholders of New Coeur, a new holding company with shares listed on the New York Stock Exchange (referred to as the NYSE ) and which will be the successor registrant to Coeur for SEC reporting purposes, all as described in greater detail in Proposal 1 Agreement and Plan of Merger and Coeur Holding Company Reorganization , below. The Coeur holding company reorganization will not be effected unless both Proposals 1 and 2 are approved and Coeur completes the offer to purchase the Wheaton common shares.

Promptly following the completion of the offer to purchase, New Coeur will seek to acquire all Wheaton common shares not purchased pursuant to the offer to purchase, through a merger, amalgamation, plan of arrangement or other subsequent acquisition transaction (referred to as a subsequent acquisition transaction ) in which it is expected that all remaining Wheaton shareholders will receive consideration which is at least equal in value as the consideration paid to Wheaton shareholders pursuant to the offer to purchase. Completion of the Coeur holding company reorganization and approval of the other proposals described in this proxy statement/ prospectus are conditions to the offer to purchase. See The Wheaton Acquisition starting on page 22 for further information about the offer to purchase. **Therefore the acquisition of Wheaton cannot be completed as currently planned unless the Coeur shareholders approve Proposals 1 and 2.**

However, even if Proposals 1 and 2 are approved, the Coeur holding company reorganization will not be effected unless Coeur completes the offer to purchase.

This proxy statement/ prospectus and the accompanying proxy card are first being mailed or given to Coeur shareholders on or about [ ], 2004.

**REASONS FOR THE WHEATON ACQUISITION AND PROPOSED REORGANIZATION**

The Board of Directors of Coeur has unanimously approved the Wheaton acquisition and believes that it is in the best interests of Coeur and its stockholders. The Coeur holding company reorganization is a necessary step in order that Wheaton shareholders may receive common stock of the combined companies in exchange for Wheaton common stock, without the incurrence of federal income taxes under U.S. tax laws.

The Board of Directors is asking Coeur's shareholders to approve Proposals 1, 2 and 3 at the special meeting to accomplish some of the necessary steps to completing the acquisition. Coeur's Board of Directors

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believes that this transaction offers significant benefits for both Coeur shareholders and former Wheaton shareholders. Among the advantages of the proposed acquisition, the combined company will be:

North America's fourth largest precious metals company with proven operating expertise;

A leading gold producer and the world's leading primary silver producer with over 22 million ounces of annual production;

Among the world's most liquid publicly-traded precious metals mining companies with expected listings on both the NYSE and the Toronto Stock Exchange;

One of the fastest growing precious metals companies with four attractive development projects including Amapari (Brazil), Kensington (Alaska), Los Filos (Mexico) and San Bartolome (Bolivia);

Highly leveraged to commodity prices with completely unhedged production; and

Financially powerful with strong free cash flow generation, balance sheet strength, and enhanced access to capital markets.

**Accordingly, the Board of Directors urges all Coeur shareholders to vote FOR Proposals 1, 2 and 3.**

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**PROPOSAL 1 AGREEMENT AND PLAN OF MERGER AND  
COEUR HOLDING COMPANY REORGANIZATION**

**Description of the Reorganization**

Immediately prior to, and in connection with, the purchase of Wheaton common shares pursuant to the offer to purchase, Coeur will be reorganized to create a holding company structure pursuant to an Agreement and Plan of Merger in the form attached as Annex A. Prior to this reorganization, Coeur will have several wholly-owned subsidiaries, New Coeur, a subsidiary of Coeur referred to as Merger Sub, and Coeur d Alene Acquisition ULC, a Nova Scotia unlimited liability and wholly owned subsidiary of Coeur referred to as Nova Scotia ULC. Nova Scotia ULC in turn will have one subsidiary, Canadian Exchange Co.

New Coeur, Merger Sub, Nova Scotia ULC and Canadian Exchange Co. are newly-formed entities organized specifically for the purpose of the offer to purchase and the related Coeur holding company reorganization. These entities hold only nominal assets, have no material liabilities and have not conducted any business prior to the date of this proxy statement/ prospectus.

In the Coeur holding company reorganization, immediately prior to the purchase of Wheaton common shares pursuant to the offer to purchase, Merger Sub will merge with and into Coeur, with Coeur as the corporation surviving the merger. As a result, Coeur will become a wholly-owned operating subsidiary of New Coeur and all of Coeur's common stock will be converted into shares of New Coeur common stock, such that each former Coeur shareholder will receive the same number of shares of New Coeur common stock as they held in Coeur. As set forth in fuller detail below under The Wheaton Acquisition Effect on Shareholdings following the purchase of Wheaton common shares pursuant to the offer to purchase, it is expected that the former Wheaton shareholders will own a majority of the voting power of New Coeur.

Following the reorganization, each stock certificate formerly representing shares of Coeur common stock will represent an equivalent number of shares of New Coeur common stock (and the associated Series B Preferred Stock purchase rights), and the New Coeur common stock will have substantially the same rights, preferences and privileges as the existing Coeur common stock. See Description and Comparison of Common Stock below. New Coeur will have the same board of directors as Coeur and its certificate of incorporation and bylaws will be identical in all substantive respects to those of Coeur prior to the reorganization, except that:

the number of authorized shares of New Coeur common stock and preferred stock will be greater than the number of authorized shares of Coeur common stock and preferred stock, as described below; and

there will be one share of New Coeur Special Voting Stock (a type of New Coeur preferred stock) held by the Voting and Exchange Trustee for the benefit of the holders of exchangeable shares of Canadian Exchange Co., which will permit the Voting and Exchange Trustee to cast up to that number of votes as equals the number of exchangeable shares then outstanding on all matters on which the holders of New Coeur common stock are entitled to vote, as described in About Canadian Exchange Co. Voting and Exchange Trust Agreement .

Upon completion of the Coeur holding company reorganization, New Coeur will be renamed Coeur d Alene Mines Corporation and will become the successor registrant for U.S. securities law purposes to the current Coeur. Prior to the start of the trading day following the completion of the reorganization, Coeur common stock will cease to trade on the NYSE, and on that trading day, New Coeur common stock will commence trading on the NYSE under the symbol CDE.

**The Coeur holding company reorganization is conditioned on Coeur completing the offer to purchase, and will not be effected unless Coeur completes the offer to purchase.**

**Authorized Capital Stock of New Coeur**

As mentioned above, the only substantive differences between the articles of incorporation of New Coeur after the Coeur holding company reorganization and the current Restated and Amended Articles of



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Incorporation of Coeur is the number of authorized shares of common stock and preferred stock and the authorization of the single share of New Coeur Special Voting Stock described above, to allow holders of exchangeable shares of Canadian Exchange Co. to exercise voting rights equivalent to the voting rights of holders of New Coeur common stock. In addition, New Coeur must be authorized to issue enough shares of common stock:

to acquire all Wheaton shares tendered for New Coeur common stock pursuant to the offer to purchase;

to permit the exchange of all exchangeable shares of Canadian Exchange Co. issued pursuant to the offer to purchase for an equivalent number of shares of New Coeur common stock, in accordance with the terms of the exchangeable shares;

to complete a subsequent acquisition transaction to acquire any Wheaton common shares not acquired through the offer to purchase; and

to issue any shares of New Coeur common stock issuable upon exercise of assumed warrants and options to acquire Wheaton common shares and upon conversion of convertible notes issued by New Coeur to fund a portion of the cash consideration to be paid in the Wheaton acquisition.

### **Purpose of Authorized Shares**

In addition to the shares necessary to accomplish the Wheaton acquisition, Coeur's Board of Directors believes New Coeur should have sufficient authorized shares of common stock and preferred stock to accomplish certain potential actions and transactions after the reorganization, as described below. Other than in connection with the Wheaton acquisition, Coeur currently has no agreements, arrangements or understandings to issue additional shares of common stock over and above the number of the presently authorized shares of Coeur common stock or the proposed number of authorized shares of New Coeur common stock. However, the Board of Directors believes that sufficient authorized shares should be available in the future to permit New Coeur to pursue the various potential transactions described below and to provide for the combined company's future growth and financial stability. Therefore, the total number of authorized shares of New Coeur common stock will be 1.5 billion shares, which is more than the minimum number of shares of New Coeur common stock necessary to complete the Wheaton acquisition. In addition, the number of authorized shares of New Coeur preferred stock will be 17,000,001 (including the single share of New Coeur Special Voting Stock), as opposed to the 10,000,000 currently authorized shares of Coeur preferred stock. The greater number of authorized shares of New Coeur preferred stock is primarily attributed to the need to provide for adequate authorized shares of Series B Preferred Stock to permit the exercise of rights under New Coeur's rights plan if it is triggered, but there will also be approximately 2,000,000 shares of New Coeur preferred stock authorized and available for future issuance.

New Coeur's authorized capital stock will reflect the higher number of shares of New Coeur common stock and preferred stock immediately prior to the reorganization, and Coeur shareholders are not being asked to approve any increase in the authorized capital stock of Coeur or New Coeur. However, this information is being provided to explain the capital structure of New Coeur following the holding company reorganization.

The number of authorized shares of Coeur common stock prior to the reorganization, 500,000,000, is approximately 103% greater than the number of shares of Coeur common stock outstanding as of July 31, 2004, on a fully diluted basis. The number of authorized shares of New Coeur common stock after the reorganization and the Wheaton acquisition, 1.5 billion, is expected to be approximately 86% greater than the number of shares of New Coeur common stock outstanding, on a fully diluted basis after the Wheaton acquisition. This calculation (i) assumes that all of the cash offered by Coeur will be used in the offer to purchase and the subsequent acquisition transaction, (ii) assumes that New Coeur issues \$225.0 million of 2% convertible notes (giving no effect to the over-allotment option of an additional \$50 million) with a conversion price assumed to be \$3.73, the closing price of Coeur's common stock on August 19, 2004 (the actual conversion price will not be set until after the close of the offer to purchase), and (iii) is based on the number of Wheaton common shares, warrants and options outstanding as reported by Wheaton as of August 6, 2004.

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Based on these assumptions, approximately 8% of New Coeur's authorized shares will be reserved for issuance upon exercise of Wheaton warrants expected to remain outstanding following the acquisition.

Potential uses for these New Coeur shares include:

issuances of common stock in connection with the growth and expansion of New Coeur's or the combined company's business, including acquisition of mining properties or other companies engaged in the mining business;

issuances of common stock or securities convertible into common stock in connection with financing and recapitalization transactions;

the future authorization of additional shares of common stock for issuance under Coeur's executive compensation program and Non-Employee Directors' Stock Option Plan; and

the issuance of common stock in connection with other corporate transactions determined by the Board of Directors to be in the best interests of Coeur and its shareholders.

Any of the above transactions could arise under circumstances requiring prompt action without the necessary time to seek shareholder approval to authorize additional shares. The Board of Directors believes that it is very important to have the flexibility to be able to act promptly in the best interests of the combined company and its shareholders when circumstances such as those described above arise.

In addition to the Wheaton acquisition, Coeur (and New Coeur, after the reorganization) plans to pursue the acquisition from time to time of other mining companies, mining properties or interests in mining properties. Although Coeur currently is considering several properties located in Peru, Mexico and Canada, no agreements, understandings or definitive plans (other than the offer to purchase or as otherwise described herein) have been entered into or are being pursued that call for the issuance of additional shares of common stock. If New Coeur determines to issue shares of common stock in connection with future acquisitions, New Coeur will not seek shareholder approval of such issuance unless required by applicable law or stock exchange rules. The issuance of any such shares of common stock (including in connection with the Wheaton acquisition) will have no effect on the rights of existing shareholders, although such issuances would dilute the relative percentage equity interests of existing shareholders.

Although the Board of Directors' purpose in determining the number of authorized shares of New Coeur stock is not intended for anti-takeover purposes, authorized but unissued shares of stock, if issued, could be used by incumbent management to make more difficult and thereby discourage an attempt to acquire control New Coeur even though shareholders might deem such an acquisition desirable. For example, the shares could be privately placed with purchasers who might support the Board of Directors in opposing a hostile take-over bid. The issuance of the new shares could also be used to dilute the stock ownership and voting power of a third party seeking to remove directors, replace incumbent directors, accomplish certain business transactions or alter or amend provisions of our organizational or governing documents. To the extent that it would impede any such attempts, the issuance of additional shares of stock following the Coeur holding company reorganization could potentially serve to perpetuate the existing management.

## **Description and Comparison of Stock**

### ***Coeur Common Stock***

The holders of Coeur common stock are entitled to one vote for each share held of record on each matter submitted to a vote of shareholders. Shareholders may not accumulate their votes in elections of directors. Subject to preferences that may be applicable to any shares of preferred stock outstanding at the time, holders of common stock are entitled to receive ratably such dividends as may be declared by the Board of Directors out of funds legally available therefore, and, in the event of our liquidation, dissolution or winding up, are entitled to share ratably in all assets remaining after the payment of liabilities. Holders of common stock have no preemptive rights and have no rights to convert their common stock into any other security. The outstanding shares of Coeur common stock are fully-paid and non-assessable and have no arrears in dividends.

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***New Coeur Common Stock***

The rights and privileges of the holders of New Coeur common stock are equivalent to those of the current Coeur common stock, and the New Coeur common stock will be listed upon consummation of the Coeur holding company reorganization, just as the Coeur common stock currently is. In addition, New Coeur is an Idaho corporation and its articles of incorporation and bylaws after giving effect to the Coeur holding company reorganization will be substantially identical to those of Coeur prior to the reorganization. Therefore, the rights of New Coeur shareholders under state law and the organization and governing documents of New Coeur, and the access of holders of such securities to the public markets, will be equivalent to those of the current Coeur shareholders.

***Coeur Series B Preferred Stock***

The holders of Coeur common stock have the right, exercisable upon the occurrence of certain events, to acquire 1/100 of a share of Series B Preferred Stock. On May 11, 1999, the Board of Directors declared a dividend distribution of one such right for each outstanding share of Coeur's common stock. Each right, when exercisable, may be exercised at a price of \$100, subject to adjustment. The description and terms of the rights are set forth in the Rights Agreement, dated as of May 11, 1999, between Coeur and ChaseMellon Shareholder Services, L.L.C., as rights agent, which is incorporated by reference herein. The rights are not exercisable or detachable from the Coeur common stock until ten business days after any person or group acquires 20% or more (or commences a tender or exchange offer for 20% or more) of the outstanding Coeur common stock. If any person or group acquires 20% or more of Coeur common stock or acquires Coeur in a merger or other business combination, each right (other than those held by the acquiring person or group) will entitle the holder to purchase preferred or common stock of Coeur or common stock of the surviving company having a market value of approximately two times the \$100 exercise price. The rights will expire on May 24, 2009, unless earlier redeemed or exchanged by Coeur.

***New Coeur Series B Preferred Stock***

In connection with the Coeur holding company reorganization, New Coeur intends to assume the Rights Agreement pursuant to which the rights currently associated with the Coeur common stock were issued. In connection therewith, New Coeur will have authorized at the time of the reorganization shares of Series B Preferred Stock with rights, preferences and privileges equivalent to those of the current Coeur Series B Preferred Stock.

As a result of the Coeur holding company reorganization, shareholders of Coeur will become shareholders of New Coeur. The rights of shareholders of New Coeur are governed by the applicable laws of the State of Idaho, including the Idaho Business Corporation Act, and by New Coeur's articles of incorporation and bylaws, which are identical in all material respects to those of Coeur, except as follows: (a) the number of authorized shares of New Coeur common stock will be 1.5 billion, versus the 500 million authorized shares of Coeur; (b) the number of authorized shares of New Coeur preferred stock will be 17,000,001, versus the 10,000,000 authorized shares of Coeur preferred stock; and (c) there will be one share of New Coeur Special Voting Stock (a type of New Coeur preferred stock) held by the voting trustee for the benefit of the holders of exchangeable shares of Canadian Exchange Co., to allow holders to exercise voting rights equivalent to the voting rights of New Coeur common stock, as described under [About Canadian Exchange Co.](#) [Description of Exchangeable Shares.](#)

**The Agreement and Plan of Merger**

The Coeur holding company reorganization will take place pursuant to an Agreement and Plan of Merger by and among Coeur, New Coeur and Merger Sub, a copy of which is attached as Annex A to this proxy statement/prospectus. The Agreement and Plan of Merger is the legal document governing the merger of Merger Sub into Coeur by which the reorganization will be accomplished. Coeur shareholders may refer to that document for the actual terms, conditions and consequences of the merger effecting the Coeur holding company reorganization.

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**Coeur s Board of Directors unanimously recommends that Coeur shareholders vote FOR Proposal 1, approving the Agreement and Plan of Merger and the Coeur holding company reorganization.**

As described above, it is a condition to the effectiveness of Proposal 1 that the Coeur shareholders also approve Proposal 2, and it is a condition to the Coeur holding company reorganization that Coeur complete the offer to purchase.

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**PROPOSAL 2 ISSUANCE OF NEW COEUR STOCK**

Coeur common stock is listed on the NYSE, and the shares of New Coeur common stock will be listed on the NYSE after the Coeur holding company reorganization contemplated by Proposal 1 above. The rules of the NYSE require shareholder approval prior to the issuance of common stock (or securities convertible into or exercisable for common stock) in excess of 20% of the number of shares of common stock outstanding prior to the issuance of the additional shares of common stock or securities convertible into or exercisable or exchangeable for common stock. Although the shares ultimately issued pursuant to the offer to purchase and any subsequent acquisition transaction will be shares of New Coeur stock, Coeur is seeking the approval of such issuance from the current Coeur shareholders because the Coeur shareholders will become New Coeur shareholders upon completion of the Coeur holding company reorganization.

It currently is estimated that an aggregate of up to 560,104,648 shares of New Coeur common stock will be issued, or reserved for issuance, in connection with the Wheaton acquisition. This estimated aggregate number of shares includes:

Up to approximately 369,902,945 shares of common stock of New Coeur and/or exchangeable shares of Canadian Exchange Co, to be issued either as payment for common shares of Wheaton tendered in the offer to purchase or pursuant to a subsequent acquisition transaction. The exchangeable shares of Canadian Exchange Co are convertible, upon the terms and conditions described herein, into shares of New Coeur common stock on a one-for-one basis.

Up to approximately 129,879,987 shares of common stock of New Coeur and/or exchangeable shares of Canadian Exchange Co. issuable upon exercise of warrants and options to purchase Wheaton common shares outstanding which are assumed or otherwise become exercisable for exchangeable shares of Canadian Exchange Co or shares of New Coeur common stock in connection with or following the completion of the offer to purchase and a subsequent acquisition transaction.

An estimated aggregate of 60,321,716 shares of New Coeur common stock into which \$225.0 million principal amount of convertible notes to be issued in connection with raising a portion of the cash consideration payable pursuant to the offer to purchase and any subsequent acquisition transaction will be convertible by their terms.

This calculation (i) assumes that all of the cash offered by Coeur will be used in the offer to purchase and the subsequent acquisition transaction, (ii) assumes that New Coeur issues \$225.0 million of 2% convertible notes (giving no effect to the over-allotment option of an additional \$50 million) with a conversion price assumed to be \$3.73, the closing price of Coeur's common stock on August 19, 2004 (the actual conversion price will not be set until after the close of the offer to purchase), and (iii) is based on the number of Wheaton common shares, warrants and options outstanding as reported by Wheaton as of August 6, 2004.

In addition, in connection with the completion of the offer to purchase Wheaton common shares, one share of New Coeur Special Voting Stock will be issued to the Voting and Exchange Trustee under the Voting and Exchange Trust Agreement, as described in About Canadian Exchange Co Voting and Exchange Trust Agreement. Approval of the issuance of New Coeur common stock pursuant to Proposal 2 also will be deemed approval of the issuance of the preferred share purchase rights associated with the New Coeur common stock and the issuance of the New Coeur Special Voting Stock to the Voting and Exchange Trustee.

Coeur's current Board of Directors (which will be the Board of Directors of New Coeur after the Coeur holding company reorganization) has approved, on behalf of Coeur as the sole shareholder of New Coeur, the acquisition of all of the outstanding Wheaton common shares pursuant to the offer to purchase and any Subsequent Acquisition Transaction. Coeur's Board of Directors is soliciting the approval of the current Coeur shareholders for the issuance of the New Coeur shares because these securities will be issued concurrently with the Coeur holding company reorganization, at which time the current shareholders of Coeur will be

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shareholders of New Coeur. Additional information regarding the offer to purchase and related matters is included in this proxy statement/prospectus under "The Wheaton Acquisition".

**Coeur's Board of Directors unanimously recommends that Coeur shareholders vote FOR Proposal 2, approving the issuance of New Coeur stock in connection with the offer to purchase and the Wheaton acquisition.**

As described above, it is a condition to the effectiveness of Proposal 2 that the Coeur shareholders also approve Proposal 1, and it is a condition to the Coeur holding company reorganization that Coeur complete the offer to purchase.

## **VOTING MATTERS**

### ***Record Date and Outstanding Shares***

All shareholders of record as of the close of business on August 2, 2004, the record date for the special meeting, are entitled to notice of and to vote at the special meeting or any adjournment or postponement thereof on the proposals described in this proxy statement/prospectus. Each Coeur shareholder is entitled to one vote for each share of common stock held of record on the record date. As of the record date, a total of 214,319,770 shares of Coeur common stock were outstanding.

### ***Revocation of Proxies***

Coeur shareholders may revoke a proxy for the special meeting at any time prior to its exercise by giving written notice of revocation to Coeur's Secretary at Coeur's principal executive offices at 400 Coeur d'Alene Mines Building, 505 Front Avenue, Post Office Box I, Coeur d'Alene Idaho 83814, or by delivering a written revocation to the Secretary at the special meeting prior to the time the proxies are exercised. Proxies also may be revoked by signing and delivering a proxy with a date later than the date of the proxy being revoked.

### ***Voting of Proxies***

Shares represented by a proxy will be voted according to the instructions given in the proxy. In the absence of such instructions, the persons named as proxies in the proxy card will vote:

FOR Proposal 1 approval of the agreement and plan of merger and the Coeur holding company reorganization described in fuller detail in Proposal 1 Agreement and Plan of Merger and Coeur Holding Company Reorganization, below;

FOR Proposal 2 approval of the issuance of shares of New Coeur stock in connection with Coeur's proposed acquisition of Wheaton described in fuller detail in Proposal 2 Issuance of New Coeur Stock, below;

FOR Proposal 3 authorization to adjourn or postpone the special meeting to solicit additional votes to approve Proposals 1 and 2; and in accordance with the recommendation of the Board of Directors on any other matters that properly may be brought before the special meeting or any adjournment or postponement thereof or, in the absence of a Board recommendation, in the proxy holder's discretion.

### ***Cross Conditioning of Proposals***

Proposals 1 and 2 are being brought before Coeur's shareholders specifically in connection with Coeur's proposed acquisition of Wheaton. Therefore, the effectiveness of each of Proposals 1 and 2 is conditioned upon the approval of both proposals. Coeur shareholders can cast separate votes on each proposal, but unless the Coeur shareholders approve both proposals, neither will take effect. Further, as described immediately below, effectiveness of the Coeur holding company reorganization is also conditioned on the completion of the offer to purchase Wheaton common shares. Please note also that Proposal 3, if approved, will authorize Coeur to adjourn or postpone the special meeting to solicit additional votes to approve Proposals 1 or 2, even if there



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would not be enough votes to approve those proposals if the special meeting were held at the regularly scheduled time.

### ***Effectiveness of Reorganization***

The Coeur holding company reorganization is a necessary step to allow Wheaton shareholders to receive New Coeur common stock in exchange for Wheaton common shares without incurring federal income tax under U.S. tax law. However, the reorganization is conditioned upon the completion of the offer to purchase Wheaton common shares, and the reorganization will not be effected if Coeur does not complete the offer to purchase.

### ***Votes Required***

The votes required to approve Proposals 1 through 3 are as follows:

Proposal 1 the approval of the agreement and plan of merger and the Coeur holding company reorganization require the approval of the Coeur shareholders at a meeting at which a quorum is present;

Proposal 2 the issuance of New Coeur stock in connection with the proposed acquisition of Wheaton requires the affirmative vote of a majority of the votes cast on the proposal, provided that the total votes cast represent over 50% in interest of all securities entitled to vote on the proposal;

Proposal 3 the authorization of the adjournment or postponement of the special meeting to solicit additional votes in favor of Proposals 1 and 2 requires the approval of the Coeur shareholders at a meeting at which a quorum is present.

### ***Board of Directors Recommendation***

The Board of Directors of Coeur has unanimously determined that the Wheaton acquisition and the matters related to that acquisition included in Proposals 1, 2 and 3 are in the best interests of Coeur and its shareholders. **Accordingly, the Board of Directors unanimously recommends that Coeur shareholders vote FOR Proposals 1, 2 and 3.**

### ***Voting in Person***

Coeur shareholders also may vote in person at the special meeting even if they already have signed, dated and returned a proxy card. Such shareholders may deliver a notice of revocation to an inspector of elections at the special meeting revoking the earlier proxy, may deliver a later dated proxy at the meeting, or may simply vote in person on the written ballots that will be available at the special meeting. Please note that Coeur shares may only be voted by the record owner of the shares, so Coeur shareholders whose shares are held in the name of a bank, broker or other so-called "nominee holder" and who wish to vote those shares in person at the meeting must obtain a valid proxy from the nominee holder in order to vote the shares in person at the special meeting.

### ***Vote Tabulation***

Votes cast in person or by proxy at the special meeting will be tabulated by the inspectors of election appointed by the Board of Directors of Coeur for the special meeting.

### ***Quorum and Broker Non-Votes***

The presence in person or by proxy of Coeur shareholders entitled to cast at least a majority of the votes at the special meeting will constitute a quorum. Both abstentions and so-called "broker non-votes" will be counted for purposes of determining the presence of a quorum. Abstentions will be treated as votes cast, but broker non-votes will not be counted as votes actually cast, notwithstanding that they are included in determining the presence of a quorum.



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Banks, brokers and other nominee holders who hold shares for the accounts of their clients may vote such shares either as directed by their clients or in their own discretion if permitted by the stock exchange or other organization of which they are members. Members of the NYSE are permitted to vote their clients' shares in their own discretion as to certain routine matters if the clients have not furnished voting instructions within ten days of the meeting. Other non-routine matters are considered non-discretionary and nominee holders who have received no instructions from their clients do not have discretion to vote on those items. When a broker votes a client's shares on some but not all of the proposals at a meeting, the missing votes are referred to as broker non-votes. Coeur believes that Proposals 1, 2 and 3 are all non-routine, non-discretionary matters, and therefore expects that nominee holders will not seek to exercise discretionary voting power on any of the proposals.

Because approval of Proposals 1 and 3 requires the approval of the shareholders at a meeting at which a quorum is present, both abstentions and broker non-votes will have the effect of a vote against the proposal. Abstentions will have the effect of a vote against Proposal 2, which requires the approval of the majority of votes cast at the meeting on the proposal, but broker non-votes will have no effect on Proposal 2 since they are not considered to be votes actually cast.

***Costs of Solicitation***

Coeur will bear the cost of soliciting proxies on behalf of the Board of Directors for the special meeting. Proxies may be solicited by directors, officers or regular employees in person, by telephone or via the internet. None of Coeur's directors, officers or employees will receive any additional compensation for soliciting proxies on behalf of the Board of Directors. Coeur has retained MacKenzie Partners, Inc. to assist in soliciting proxies for the special meeting and to serve as Coeur's information agent for the special meeting. Coeur and MacKenzie Partners, Inc. have entered into an agreement in customary form for such services, which provides for fees not to exceed \$50,000 plus reimbursement of out-of-pocket expenses incurred in providing the services.

**Table of Contents****SUMMARY SELECTED HISTORICAL FINANCIAL DATA OF COEUR**

The following are summary selected consolidated financial data for Coeur for each of the years in the five-year period ended December 31, 2003 and for the six months ended June 30, 2003 and 2004. The information with respect to the five years ended December 31, 2003 has been derived from the audited consolidated financial statements of Coeur and the data with respect to the six months ended June 30, 2003 and 2004 are derived from the unaudited consolidated financial statements of Coeur. All historical financial information presented with respect to Coeur is in accordance with US GAAP. Historical results are not indicative of the results to be expected in the future and results of interim periods are not necessarily indicative of results for the entire year.

This summary information is derived from and should be read in conjunction with the financial statements and related notes included in Coeur's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2003, filed with the SEC August 19, 2004 and Coeur's Quarterly Report on Form 10-Q/A for the quarterly period ended June 30, 2004, filed with the SEC August 19, 2004, each of which is incorporated by reference into this proxy statement/prospectus. Shareholders also should read this summary data with the unaudited pro forma condensed combined financial information beginning on page C-1.

**Coeur Historical Financial Data**

	Six Months Ended June 30,		Year Ended December 31				
	2004	2003	2003	2002	2001	2000	1999
(\$ in thousands except per share data)							
<b>Operating data</b>							
Revenues	\$ 56,117	\$ 55,354	\$ 110,541	\$ 94,877	\$ 71,912	\$ 101,206	\$ 108,946
Net loss from continuing operations	\$ (7,067)	\$ (33,459)	\$ (63,933)	\$ (80,819)	\$ (3,073)	\$ (47,465)	\$ (27,991)
Net loss	\$ (7,067)	\$ (35,758)	\$ (66,232)	\$ (80,819)	\$ (3,067)	\$ (47,813)	\$ (28,323)
Basic and diluted loss per share	\$ (0.03)	\$ (0.26)	\$ (0.39)	\$ (1.03)	\$ (0.07)	\$ (1.41)	\$ (1.61)
Weighted average shares	213,195	138,724	168,186	78,193	41,946	35,439	24,185
<b>Balance sheet data</b>							
Cash, cash equivalents and short term investments	\$ 226,859	\$ 19,828	\$ 81,682	\$ 9,611	\$ 18,151	\$ 43,142	\$ 109,913
Inventories	55,196	46,639	44,628	41,402	49,011	54,979	53,769
Property, plant and equipment	97,838	96,656	103,697	93,933	118,217	130,724	137,132
Other assets	39,215	33,175	29,460	28,545	25,001	42,532	53,233
Total assets	\$ 419,108	\$ 196,298	\$ 259,467	\$ 173,491	\$ 210,380	\$ 271,377	\$ 354,047
Current liabilities	\$ 20,773	\$ 37,955	\$ 22,460	\$ 36,093	\$ 41,715	\$ 25,278	\$ 21,173
Long-term debt	180,000	44,009	9,563	66,797	122,319	204,569	236,231
Other long-term liabilities	28,617	29,006	29,966	22,914	19,558	24,090	28,478
Shareholders' equity	189,718	85,328	197,478	47,687	26,788	17,440	68,165
Total liabilities and shareholders' equity	\$ 419,108	\$ 196,298	\$ 259,467	\$ 173,491	\$ 210,380	\$ 271,377	\$ 354,047

**Table of Contents****SUMMARY SELECTED HISTORICAL FINANCIAL DATA OF WHEATON**

The following summary selected historical financial data of Wheaton is derived from Wheaton's publicly filed audited consolidated financial statements for each of the years in the five-year period ended December 31, 2003 and the unaudited interim financial statements for the six months ended June 30, 2003 and 2004. This summary data should be read together with Wheaton's financial statements and the accompanying notes, included in APPENDIX A CERTAIN FINANCIAL STATEMENTS OF WHEATON RIVER MINERALS LTD. Wheaton's publicly filed financial statements (which are excerpted below) are, according to Wheaton, prepared in accordance with Canadian GAAP, which differs from US GAAP in certain respects. Historical results are not indicative of the results to be expected in the future and results of interim periods are not necessarily indicative of results for the entire year.

Shareholders also should read this summary data with the unaudited pro forma condensed combined financial information beginning on page C-1.

<b>Wheaton Historical Financial Data</b>							
<b>CANADIAN GAAP</b>	<b>Six Months Ended June 30,</b>		<b>Year Ended December 31</b>				
	<b>2004</b>	<b>2003</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000<sup>(1)(2)</sup></b>	<b>1999<sup>(1)(2)</sup></b>
(\$ in thousands except per share data)							
<b>Operating data</b>							
Sales	\$ 202,472	\$ 46,071	\$ 212,633	\$ 34,693	\$ 9,010	\$ 28,608	\$ 22,414
Earnings (loss) before income taxes	\$ 83,051	\$ 18,507	\$ 82,703	\$ 8,055	\$(10,579)	\$ 7,409	\$ 5,242
Net earnings (loss)	\$ 54,791	\$ 15,152	\$ 57,659	\$ 5,602	\$(10,733)	\$ 7,211	\$ 5,126
Basic earnings per share	\$ 0.10	\$ 0.05	\$ 0.14	\$ 0.04	\$ (0.18)	\$ 0.14	\$ 0.13
Diluted earnings per share	\$ 0.08	\$ 0.04	\$ 0.13	\$ 0.04	\$ (0.18)	\$ 0.14	\$ 0.13
Weighted average shares - basic	566,687	336,150	412,035	137,327	60,075	50,363	40,464
Weighted average shares - diluted	652,149	343,372	439,214	143,227	61,186		
<b>Balance sheet data</b>							
Cash and cash equivalents	\$ 103,482	\$ 55,140	\$ 151,878	\$ 22,936	\$ 1,735	\$ 11,720	\$ 8,508
Inventories	85,197	81,699	87,545	3,456	124	1,396	1,304
Property, plant and equipment	719,546	401,666	583,911	110,896	758	17,527	11,740
Other assets	92,936	79,914	67,671	14,810	18,590	2,241	2,246
Total assets	\$ 1,001,161	\$ 618,419	\$ 891,005	\$ 152,098	\$ 21,207	\$ 32,884	\$ 23,798
Current liabilities	\$ 37,484	\$ 69,541	\$ 77,296	\$ 9,912	\$ 1,060	\$ 759	\$ 423
Long-term debt	61,155	140,942	81,423				
Other long-term liabilities	200,701	76,898	176,168	34,132	3,831	3,176	6,594
Shareholders' equity	701,821	331,038	556,118	108,054	16,316	28,949	16,798
Total liabilities and shareholders' equity	\$ 1,001,161	\$ 618,419	\$ 891,005	\$ 152,098	\$ 21,207	\$ 32,884	\$ 23,798

(1) Wheaton's publicly filed balance sheet as at December 31, 2000 and its publicly filed annual financial statements for the year ended December 31, 1999 have been filed in Canadian dollars only. The information presented here is derived from the financial statements publicly filed by Wheaton and is translated into United States dollars using the Canadian dollar exchange rate at December 31, 2000 in

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respect of the balance sheet as at December 31, 2000 and the exchange rate at December 31, 1999 in respect of the balance sheet as at December 31, 1999, being \$1 dollar to Cdn\$1.50 and Cdn\$1.45 respectively. The operating data for the year ended December 31, 1999 is translated into United States dollars using the Canadian dollar average exchange rate for the year ended December 31, 1999, being \$1 dollar to Cdn\$1.49.

- (2) Wheaton has not publicly disclosed information for weighted average shares diluted for 2000 and 1999, and therefore the Offerors are unable to present this information.

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**SUMMARY SELECTED HISTORICAL FINANCIAL DATA OF WHEATON**  
**AND**  
**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA OF COEUR**

The historical data of Wheaton presented below, has been derived by Coeur from Wheaton's publicly filed audited financial statements, in which Wheaton states that such financial data is prepared in accordance with Canadian GAAP with a note attached thereto that summarizes the material differences between Canadian and US GAAP.

The unaudited pro forma condensed combined financial statements for the year ended December 31, 2003 have been prepared by Coeur and are derived in part from the publicly filed historical financial statements of Wheaton as of and for the year ended December 31, 2003. Wheaton is not required to make publicly available a reconciliation from Canadian GAAP to US GAAP of interim financial information. As a result, it is not possible to prepare financial information comparative to Coeur for purposes of pro forma presentation for any period subsequent to December 31, 2003.

The unaudited pro forma condensed combined balance sheet gives effect to the combination of Coeur and Wheaton as described under the section entitled "The Wheaton Acquisition Accounting Treatment" and the unaudited pro forma condensed combined financial statements, and the notes thereto, included herein, and, among other things, the issuance of \$225.0 million of 2% convertible debt securities due 2024 in connection with the offer to purchase, as if such transactions occurred on December 31, 2003. The unaudited pro forma condensed combined income statement gives effect to such transactions as if they occurred on January 1, 2003. This summary data should be read in conjunction with the information set forth in APPENDIX C UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS OF COEUR D ALENE MINES CORPORATION.

To date, the Offerors have not had access to the non-public books and records of Wheaton and, although they have no reason to doubt the accuracy or completeness of Wheaton's public filings, the Offerors are not in a position to independently assess or verify the information in Wheaton's publicly filed documents, including its financial statements.

UNITED STATES GAAP	Unaudited Pro Forma Combined Year Ended December 31, 2003	Wheaton Historical Financial Data				
		Year Ended December 31,				
		2003	2002	2001	2000 <sup>(1)(2)</sup>	1999 <sup>(1)(2)</sup>
(\$ in thousands except per share data)						
<b>Operating data</b>						
Sales	\$ 211,248	\$ 102,726	\$ 34,693	\$ 9,010	\$ 28,608	\$ 22,352
Earnings (loss) before income taxes	\$ (8,370)	\$ 60,063	\$ 6,889	\$ (11,025)	\$ 7,314	\$ 5,307
Net earnings (loss)	\$ (18,679)	\$ 52,053	\$ 4,809	\$ (11,183)	\$ 7,102	\$ 5,191
Basic earnings per share	\$ (0.03)	\$ 0.13	\$ 0.04	\$ (0.19)	0.14	0.13
Diluted earnings per share	\$ (0.03)	\$ 0.12	\$ 0.03	\$ (0.19)	0.14	0.13
Weighted average shares basic	580,221	412,035	137,327	60,075	50,363	40,464
Weighted average shares diluted	580,221	439,214	143,227	61,186		
<b>Balance sheet data</b>						
Cash and cash equivalents	\$ 91,059	\$ 95,824	\$ 22,936	\$ 1,735	\$ 11,721	\$ 8,508
Property, plant and equipment	1,490,279	328,140	109,730	758	12,971	7,879
Other assets	423,042	314,979	19,874	19,098	3,637	3,550
Total assets	\$ 2,004,380	\$ 738,943	\$ 152,540	\$ 21,571	\$ 28,329	\$ 19,937
Current liabilities	\$ 64,214	\$ 32,551	\$ 9,912	\$ 1,063	\$ 759	\$ 423
Long-term debt	454,843	49,843				
Other long-term liabilities	475,872	106,270	33,759	3,831	3,323	6,321

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Shareholders' equity	1,009,451	550,279	108,869	16,677	24,246	13,192
Total liabilities and shareholders' equity	\$2,004,380	\$738,943	\$152,540	\$21,571	\$28,329	\$19,937

- (1) Wheaton's publicly filed balance sheet as at December 31, 2000 and its publicly filed annual financial statements for the year ended December 31, 1999 have been filed in Canadian dollars only. The information presented here is derived from the financial statements publicly filed by Wheaton and is translated into United States dollars using the Canadian dollar exchange rate at December 31, 2000 in respect of the balance sheet as at December 31, 2000 and the exchange rate at December 31, 1999 in respect of the balance sheet as at December 31, 1999, being \$1 dollar to Cdn\$1.50 and Cdn\$1.45 respectively. The operating data for the year ended December 31, 1999 is translated into United States dollars using the Canadian dollar average exchange rate for the year ended December 31, 1999, being \$1 dollar to Cdn\$1.49.
- (2) Wheaton has not publicly disclosed information for weighted average shares diluted for 2000 and 1999, and therefore the Offerors are unable to present this information.

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**RISK FACTORS**

The information set forth below sets forth risks and uncertainties relating to the Wheaton acquisition that could materially adversely affect Coeur's and/or its successor's business, financial condition or operating results. This information should be read in conjunction with Coeur's Annual Report on Form 10-K /A and Coeur's Quarterly Report on Form 10-Q /A for the quarterly period ended June 30, 2004, which is incorporated by reference herein and which sets forth additional important risks and uncertainties that could materially adversely affect Coeur's business, financial condition or operating results. Additional risks and uncertainties that Coeur does not presently know or that Coeur currently deems immaterial may also impair Coeur's or its successor's business operations.

***New Coeur may be unable to complete the Wheaton acquisition, which could lead to adverse consequences.***

If less than all shares of Wheaton common stock are purchased pursuant to the offer to purchase, New Coeur will need to undertake a subsequent acquisition transaction to acquire any shares of Wheaton common stock remaining outstanding. Failure to accomplish such a subsequent acquisition transaction in a timely manner, or at all, could have adverse consequences on the business, operations and financial condition of New Coeur, including:

New Coeur, as the majority shareholder, may owe fiduciary duties to the minority shareholders of Wheaton, whose interests may diverge from the interests of New Coeur; and

New Coeur may not have access to cash flow generated by Wheaton, except to the extent it is distributed to all Wheaton shareholders proportionately in the form of dividends.

Further, depending on the amount of cash Wheaton shareholders elect to receive pursuant to the offer to purchase, New Coeur may substantially deplete its available cash. The amount of cash New Coeur is required to pay will not be known until after completion of the offer to purchase. If New Coeur is unable to access Wheaton's cash flow and has substantially depleted its available cash in connection with the offer to purchase, New Coeur may be required to find alternative sources of financing for the ongoing development of its mining properties and other cash needs for current and future projects.

In addition, while it is a condition to the offer to purchase that at least 66 2/3% of the Wheaton common shares are validly tendered, New Coeur could waive that condition. New Coeur has not yet determined whether it would waive this condition if less than 66 2/3% of the Wheaton common shares are tendered. If the condition is waived, New Coeur may have more difficulty completing the Wheaton acquisition through a subsequent acquisition transaction.

***The Offerors have been unable to independently verify the reliability of the Wheaton information in the offer to purchase.***

Despite requests from Coeur to commence discussions regarding a combination of Wheaton and Coeur, Wheaton has refused to commence discussions or to give Coeur access to its detailed accounting records or other non-public information. Wheaton's auditors have consented to the inclusion herein of their audit report on Wheaton's financial statements included herein. Coeur and Wheaton's auditors undertook the procedures necessary to include such consent. However, such procedures do not enable the Offerors to independently assess or verify the information in Wheaton's publicly filed documents, including its financial statements. As a result, all historical information concerning Wheaton contained herein, including all Wheaton financial information and all pro forma financial information reflecting the pro forma effects of a combination of Wheaton and Coeur derived in part from Wheaton's financial information, has been derived by necessity from Wheaton's public reports and securities filings. Although Coeur has no reason to doubt the accuracy or completeness of Wheaton's publicly disclosed information, any inaccuracy or material omission in Wheaton's publicly available information, including the information about or relating to Wheaton contained in this offer to purchase, could result in unanticipated liabilities or expenses, increase the cost of integrating the two companies, or adversely affect the operational plans of the combined company and its results of operations and financial condition.

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***Change of control provisions in Wheaton's agreements triggered upon the acquisition of Wheaton may lead to adverse consequences.***

Wheaton may be a party to agreements that contain change of control provisions that may be triggered following the completion of the offer, as a result of New Coeur owning Wheaton common shares representing a majority of the voting rights of Wheaton. The operation of these change of control provisions, if triggered, could result in unanticipated expenses following the consummation of the offer or adversely affect Wheaton's results of operations and financial condition. Unless these change of control provisions are waived by the other party, the operation of any of these provisions could adversely affect Wheaton's operations and the financial condition of the combined company. As mentioned above, Wheaton has to date refused Coeur's requests for negotiations, and there can be no assurance as to the existence or absence of such agreements or provisions, or the magnitude of payments or expenses or other adverse consequences, if any, which could result.

***If New Coeur acquires Wheaton, Coeur may be required to pay a substantial fee.***

Under the terms of a previously terminated arrangement agreement providing for the merger of Wheaton and IAMGold, one or both parties may be required to pay termination fees to the other, depending on the circumstances of the termination. Based on such terms, Coeur does not believe any termination fee became payable by Wheaton to IAMGold, because the IAMGold shareholders voted not to approve the arrangement agreement, and it was terminated before any vote of the Wheaton shareholders. Coeur has no knowledge whether Wheaton and IAMGold made any subsequent agreement with respect to the termination fee at the time they terminated their arrangement agreement, and Coeur's belief regarding the potential payment of termination fees is based upon the publicly-disclosed circumstances under which the companies' arrangement agreement was terminated. However, based on statements made by Wheaton in its public filings, Wheaton believes if Wheaton is acquired by New Coeur as proposed, Wheaton may have to pay a termination fee estimated by Wheaton to be approximately \$49 million. In addition, based on statements made by Wheaton in its public filings, Wheaton also would be required to pay advisory fees of \$5 million to Endeavor and GMP Securities Ltd. if Wheaton is acquired.

In view of the potential that each of Wheaton and IAMGold might be obligated to pay termination fees to the other if both were acquired, Coeur and Golden Star entered into an agreement intended to provide for payment of the net amount of the two termination fees in lieu of the amounts payable under the terminated Wheaton/ IAMGold agreement if IAMGold were acquired by Golden Star and Wheaton were acquired by Coeur. The amount of the net payment was set at \$26 million, payable to Golden Star or IAMGold, based on the trading prices of Wheaton and IAMGold at that time. Based on Golden Star's August 13, 2004 announcement that it would allow its tender offer for IAMGold shares to expire on August 16, 2004 without extension, Coeur currently believes there will not be any net payment payable to Golden Star pursuant to this agreement and, accordingly, if Wheaton is ultimately determined to owe a termination fee to IAMGold, Coeur does not expect to be able to net any such payment with Golden Star.

***There may be difficulties in integrating the Coeur and Wheaton businesses.***

The offer to purchase is being made with the expectation that its successful completion and a subsequent combination with Wheaton will result in increased earnings and cost savings for the combined company. This expectation is based on presumed synergies from consolidation and enhanced growth opportunities of the combined company. These anticipated benefits will depend in part on whether Coeur's and Wheaton's operations can be integrated in an efficient and effective manner, and whether the expected bases or sources of synergies in fact do produce the benefits anticipated. Most operational and strategic decisions, and certain staffing decisions, with respect to the combined company have not yet been made and may not have been fully identified. These decisions and the integration of the two companies will present significant challenges to management, including the integration of systems and personnel of the two companies, and special risks, including possible unanticipated liabilities, significant one-time write-offs or restructuring charges, unanticipated costs, and the loss of key employees. There can be no assurance that there will be operational or other synergies realized by the combined company, or that the integration of the two companies' operations, management and cultures will be timely or effectively accomplished, or ultimately will be successful in increasing earnings and reducing costs.



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**THE WHEATON ACQUISITION**

*Coeur is proposing to acquire Wheaton pursuant to an offer to purchase all outstanding Wheaton common shares in exchange for a choice of New Coeur common stock, exchangeable shares of Canadian Exchange Co., or cash, as described below. Coeur will seek to complete the Wheaton acquisition by acquiring any Wheaton common shares not purchased pursuant to the offer to purchase through a subsequent acquisition transaction following completion of the offer to purchase. Coeur has filed a registration statement on Form S-4 in connection with the offer to purchase all outstanding Wheaton common shares, which can be accessed without charge (as well as any amendments or supplements to the registration statement) at the SEC's website at [www.sec.gov](http://www.sec.gov). References to Coeur mean Coeur d'Alene Mines Corporation, its predecessors and consolidated subsidiaries, or any one or more of them, as the context requires and references to the Offerors mean any or all of Coeur, New Coeur, Canadian Exchange Co. and Nova Scotia ULC, as the context requires.*

**This information is being provided to Coeur shareholders because, although Coeur shareholders will not directly participate in the offer to purchase, the approval of the proposals being voted on at the special meeting will facilitate, and are a condition to, the completion of the Wheaton acquisition.**

**The Offer to Purchase**

Pursuant to the offer to purchase, the Offerors are offering to purchase from the Wheaton shareholders all the issued and outstanding Wheaton common shares, including any Wheaton common shares that may be issued after the date of the offer to purchase but before the completion of the offer to purchase, at a price for each Wheaton common share of:

Cdn\$5.47 in cash (equivalent to \$4.22 based on the August 19, 2004 Canadian Dollar spot rate at close provided by Bloomberg), subject to the Tender Cash Maximum discussed below; or

0.796 shares of New Coeur common stock; or

0.796 exchangeable shares of Canadian Exchange Co. (referred to as Exchangeable Shares).

Wheaton shareholders are free to choose among the three types of consideration, although the election must be made as to all shares deposited under the offer to purchase.

The offer to purchase is made only for Wheaton common shares and is not made for any warrants, options or other securities that may entitle the holder to acquire Wheaton common shares. If the Offerors implement a subsequent acquisition transaction after completion of the offer to purchase, the Offerors intend to structure such transaction so that Wheaton options and warrants would be exercisable for Exchangeable Shares after the Wheaton acquisition.

***Cash Option***

The maximum aggregate amount of cash that will be paid to Wheaton shareholders under the offer to purchase (referred to as the Tender Cash Maximum) is the product of (i) Cdn\$570 million (equivalent to approximately \$439 million based on the August 19, 2004 Canadian Dollar spot rate at close provided by Bloomberg) and (ii) a fraction, the numerator of which is the number of Wheaton common shares properly deposited under the offer to purchase and not withdrawn, and the denominator of which is the number of Wheaton common shares outstanding at the time Wheaton common shares are taken up and paid for under the offer to purchase.

Elections to receive cash will be subject to proration if Wheaton shareholders request in the aggregate to receive more than the Tender Cash Maximum. Based on the number of issued and outstanding Wheaton common shares on May 27, 2004, if all Wheaton shareholders elected to receive cash for their Wheaton common shares, Wheaton shareholders would receive Cdn\$1.00 (equivalent to \$0.77 based on the August 19, 2004 Canadian Dollar spot rate at close as provided by Bloomberg) per Wheaton common share in cash and 0.650 shares of New Coeur common stock or 0.650 Exchangeable Shares (for shareholders who affirmatively elect to receive Exchangeable Shares if there is proration of cash elections). If less than all Wheaton

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shareholders elect the cash option, Wheaton shareholders will receive up to Cdn\$5.47 (equivalent to \$4.22 based on the August 19, 2004 Canadian Dollar spot rate at close provided by Bloomberg) per Wheaton common share in cash (subject to proration based on the Tender Cash Maximum) plus, if proration occurs, a number of shares of New Coeur common stock or Exchangeable Shares.

### ***All Share Option***

Wheaton shareholders who do not elect to receive cash consideration will receive either shares of New Coeur common stock or Exchangeable Shares for their Wheaton common shares. The Exchangeable Shares are securities issued by Canadian Exchange Co., a subsidiary of Coeur that has not carried on any business activities to date and, prior to making the offer to purchase, had no material business, operations, assets or liabilities. In connection with the offer to purchase, among other things, Canadian Exchange Co. will acquire the benefit of a support agreement with New Coeur and will acquire Wheaton common shares and incur liabilities in connection with the offer to purchase. Canadian Exchange Co. was formed solely for the purpose of making the offer to purchase and taking up Wheaton common shares and issuing as consideration therefor Exchangeable Shares that may permit Wheaton shareholders to take advantage of a full or partial tax deferral available under the *Income Tax Act* (Canada). Each Exchangeable Share will be exchangeable at the option of the holder thereof into one share of New Coeur common stock, as described below under the section entitled *About Canadian Exchange Co Description of Exchangeable Shares*.

### **Subsequent Acquisition Transaction**

The Offerors are making the offer to purchase in order for New Coeur to acquire all outstanding Wheaton common shares. If Wheaton common shares validly deposited under the offer to purchase are taken up and paid for, the Offerors currently intend to acquire, directly or indirectly, all outstanding Wheaton common shares in accordance with applicable law by way of a subsequent acquisition transaction such as an amalgamation, statutory arrangement, capital reorganization, consolidation or other transaction as a result of which the Offerors would, directly or indirectly, acquire all of the remaining voting securities of Wheaton. If the subsequent acquisition transaction is deemed to be a business combination or going private transaction, New Coeur intends to fully comply with all applicable rules governing such transactions.

If within 120 days after the date of the offer to purchase, it is accepted by holders of not less than 90% of Wheaton common shares, then the Offerors will have the right, pursuant to relevant Ontario law, to acquire Wheaton common shares held by each shareholder who did not accept the offer to purchase and any person who subsequently acquires any Wheaton common shares from such a holder on the same terms and at the same price for which Wheaton common shares were acquired under the offer to purchase. In addition, if 90% or more of the outstanding Wheaton common shares are taken up under the offer to purchase, any non-transferring offeree will be entitled, in accordance with relevant Ontario law, to require Wheaton to acquire that non-transferring offeree's shares.

If the offer to purchase is not accepted by holders of 90% or more of Wheaton common shares within 120 days after the date of the offer to purchase, the Offerors will be able to effect a subsequent acquisition transaction only if the subsequent acquisition transaction is approved at a shareholders' meeting by (i) two-thirds of all votes cast at such meeting and (ii) a majority of the votes cast with respect to Wheaton shares held by shareholders other than the Offerors or their affiliates.

New Coeur currently anticipates that the terms of any subsequent acquisition transaction would provide that each outstanding Wheaton common share could be exchanged (at the holder's option) for cash, shares of New Coeur common stock or Exchangeable Shares in the same proportions issued pursuant to the offer to purchase. New Coeur also may consider an arrangement pursuant to which Wheaton common shares not so exchanged for cash or stock will be converted into Exchangeable Shares pursuant to an amalgamation of Wheaton with a subsidiary of New Coeur.

Following a subsequent acquisition transaction, it is New Coeur's current intention that Wheaton would continue its current operations, as a wholly-owned subsidiary of Canadian Exchange Co.

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### **Effect on Shareholdings**

Following the Wheaton acquisition, it is expected that the former Wheaton shareholders will control a majority of the voting power of New Coeur. Based on the number of issued and outstanding Wheaton common shares as reported by Wheaton as of August 6, 2004:

if all holders of Wheaton common shares tender their shares pursuant to the offer to purchase and elect to receive New Coeur common stock or Exchangeable Shares in exchange for their shares of Wheaton common stock, former Wheaton shareholders will hold 68.0% of the voting power of New Coeur; and

if all of the Cdn\$570 million offered by Coeur is paid (pursuant to the offer to purchase, a subsequent acquisition transaction, or both) former Wheaton shareholders will hold 63.4% of the voting power of New Coeur.

Neither of the calculations above take into account warrants or options to acquire Wheaton or Coeur common stock.

### **Conditions of the Offer**

Subject to certain restrictions, the Offerors will have the right to withdraw the offer to purchase, and will not be required to take up or pay for any Wheaton common shares deposited under the offer to purchase, if certain conditions have not been satisfied or waived at or prior to the expiration time. The obligation to take up and pay for deposited Wheaton common shares is conditional upon:

there shall have been properly deposited under the offer to purchase and not withdrawn at the expiration time that number of Wheaton common shares that constitutes at least 66 2/3% of the Wheaton common shares outstanding at the time Wheaton common shares are taken up under the offer to purchase;

Wheaton shall not have entered into or effectuated any other agreement or transaction with any person or entity on or after July 13, 2004 having the effect of impairing the Offerors' ability to acquire Wheaton or otherwise diminishing the expected economic value to the Offerors of the acquisition of Wheaton including, but not limited to, any material issuance of new securities of Wheaton, the declaration of any extraordinary dividend, the adoption of a shareholder rights plan or any other transaction not in the ordinary course of Wheaton's business;

the shares of New Coeur's common stock and the Exchangeable Shares shall have been approved for listing on the NYSE and the TSX, respectively, subject to official notice of issuance;

the registration statement for the shares of New Coeur common stock and the Exchangeable Shares to be issued pursuant to the offer to purchase and the shares of New Coeur common stock that may be issued upon the exchange of any such Exchangeable Shares shall have become effective under the Securities Act of 1933, as amended, and no stop order suspending the effectiveness of the registration statement or a proceeding seeking a stop order shall have been issued nor shall there have been proceedings for that purpose initiated or threatened by the SEC and New Coeur shall have received all necessary state securities law or blue sky authorizations;

all necessary orders shall have been obtained from relevant Canadian securities regulatory authorities in respect of the Exchangeable Shares to be issued pursuant to the offer to purchase, the shares of New Coeur common stock that may be issued upon the exchange of any such Exchangeable Shares and the resale of any such Exchangeable Shares or shares of New Coeur common stock;

the Offerors shall have received waivers relating to any change of control provisions in any note, bond, mortgage, indenture, license, lease, contract, agreement or other instrument or obligation to which Wheaton or any of its subsidiaries is a party or by which any of them or any of their properties or assets may be bound, except such waivers the absence of which would not in the aggregate materially adversely affect Wheaton and its subsidiaries;

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the holders of Coeur common stock shall have approved the proposals described herein under Proposal 1 - Agreement and Plan of Merger and Coeur Holding Company Reorganization and Proposal 2 - Issuance of New Coeur Stock ;

there shall not be in effect or threatened as of the expiration time, as it may be extended, any temporary restraining order, preliminary or permanent injunction or other order or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition challenging the offer to purchase or preventing the completion of the offer to purchase or any of the other transactions described in this offer to purchase, and there shall be no statute, rule, regulation, order, injunction or decree enacted, entered, promulgated or enforced by any court, administrative agency or commission or other governmental authority or instrumentality which requires consent or approval or challenges, prohibits, restricts or makes illegal the completion of the offer to purchase or the subsequent acquisition transaction;

there shall not be pending or threatened any suit, action or proceeding by any governmental entity (a) challenging the offer to purchase, seeking to restrain or prohibit the completion of the offer to purchase or seeking to obtain from New Coeur or Wheaton or their respective subsidiaries any damages that are material in relation to Wheaton and its subsidiaries, on a consolidated basis, or New Coeur and its subsidiaries, on a consolidated basis, (b) seeking to prohibit or limit the ownership or operation by New Coeur or Wheaton or any of New Coeur's subsidiaries of any material portion of the business or assets of Wheaton or New Coeur or any of New Coeur's subsidiaries or to compel Wheaton or New Coeur or any of New Coeur's subsidiaries to dispose of or hold separate any material portion of the business or assets of New Coeur or Wheaton or any of New Coeur's subsidiaries as a result of the offer to purchase, (c) seeking to prohibit New Coeur from effectively controlling in any material respect the business or operations of Wheaton, or (d) which otherwise is reasonably likely to have a material adverse effect on New Coeur and its subsidiaries, on a consolidated basis, or Wheaton and its subsidiaries, on a consolidated basis;

there shall be no change or threatened change on or after July 13, 2004 in the business, properties, assets, liabilities, capitalization, shareholders' equity, condition (financial or otherwise), operations, licenses or franchises, results of operations or prospects of Wheaton or any of its subsidiaries, on a consolidated basis, that, in the reasonable judgment of New Coeur, on behalf of the Offerors, has or may have a materially adverse effect on Wheaton and its subsidiaries, on a consolidated basis, and the Offerors shall not have become aware of any fact that, in the reasonable judgment of New Coeur, on behalf of the Offerors, has or may have a material adverse effect on Wheaton and its subsidiaries or their business or prospects or the value to New Coeur of the common shares of Wheaton; and

the Offerors shall have obtained or received all approvals, consents, clearances or waivers required to be obtained or received from any governmental regulatory agency, authority or commission in connection with the offer to purchase and the subsequent acquisition transaction, including without limitation (A) the expiration of any waiting period required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (B) the issuance by the Commissioner of Competition of an advance ruling certificate pursuant to Section 102 of the *Competition Act* (Canada) or, alternatively, the expiration or waiver of any waiting period related to merger pre-notification under Part IX of the *Competition Act* (Canada), if applicable, together with the receipt of advice from the Commissioner (which advice will not have been rescinded or amended), to the satisfaction of the Offerors, in their reasonable judgment, that she does not intend to oppose the acquisition contemplated by the offer to purchase if such advice is considered by the Offerors, in their reasonable judgment, to be desirable, and (C) if the acquisition to purchase requires review under the *Investment Canada Act*, the completion of such review and the receipt of confirmation from the Minister responsible for Industry Canada that he or she is satisfied that the acquisition is likely to be of net benefit to Canada, which confirmation shall be on terms satisfactory to the Offerors, in their reasonable judgment; and

there shall not have occurred or been threatened on or after July 13, 2004 (i) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-

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counter market in the United States or Canada, (ii) any extraordinary or material adverse change in the financial markets or major stock exchange indices in the United States or Canada or in the market price of the Wheaton common shares, (iii) any change in the general political, market, economic or financial conditions in the U.S. or Canada that could, in the reasonable judgment of New Coeur, have a material adverse effect upon the business, properties, assets, liabilities, capitalization, shareholders equity, condition (financial or otherwise), operations, licenses or franchises, results of operations or prospects of Wheaton or any of its subsidiaries, (iv) any material change in U.S. or Canadian currency exchange rates or a suspension of, or limitation on, the markets therefor, (v) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or Canada, (vi) any limitation (whether or not mandatory) by any government, domestic, foreign or supranational, or governmental entity on, or other event that, in the reasonable judgment of New Coeur, might affect the extension of credit by banks or other lending institutions, (vii) a commencement of war or armed hostilities or other national or international calamity involving the U.S. or Canada, or (viii) in the case of any of the foregoing existing at the time of the commencement of the offer to purchase, a material acceleration or worsening thereof.

The Offerors further reserve the right to terminate the offer to purchase on or prior to the expiration time if any condition to the offer to purchase remains unsatisfied or has not been waived or to comply with any applicable law.

On July 14, 2004, Wheaton announced that it had entered into an agreement with Chap Mercantile Inc., pursuant to which, among other things, Chap Mercantile agreed to buy 100% of the silver produced by Wheaton's Luismin mining operations in Mexico for a payment of Cdn\$262 million payable in cash and Chap common shares plus a per ounce payment of \$3.90 per ounce, subject to adjustment. Based on public information, Coeur believes that the Silver Wheaton transaction is not one Coeur would approve. Coeur has not yet been able to determine whether the Silver Wheaton transaction would require a waiver of the condition in the second bullet point in the conditions described above, or if it would waive that condition. Coeur has communicated to Wheaton its desire that Wheaton not proceed with any such transaction until after the expiration date of the offer to purchase.

## **Sources of Funds**

The Offerors intend to pay the cash consideration in the offer to purchase and any subsequent acquisition transaction through a combination of available cash and the proceeds of a financing transaction with a major international investment bank. The financing transaction, which is conditioned on at least 66 2/3% of the outstanding Wheaton common shares being taken up under the offer to purchase, as well as other customary conditions, would entail the issuance of up to \$225.0 million of 2% convertible debt securities due 2024 with an option to purchase an additional \$50.0 million. The terms will be similar to those of Coeur's existing 1.25% senior convertible notes. The unaudited pro forma condensed combined financial statements regarding the proposed Wheaton acquisition included in this proxy statement/prospectus reflect the incurrence of \$225.0 million of such debt.

## **Accounting Treatment**

The acquisition of Wheaton by New Coeur would be accounted for under the purchase method of accounting under U.S. GAAP. Under US GAAP, one of the combining companies is deemed to be the acquiror for accounting purposes based upon a number of factors.

Because the Wheaton shareholders are expected to hold a majority of the outstanding common stock of the combined entity after the Wheaton acquisition, and the board of directors of the combined entity will be elected annually by the shareholders of the combined company, the transaction will be accounted for as a Reverse Acquisition. As a result, although Coeur is the legal acquiror, Wheaton will be deemed the accounting acquiror, which means that historical operations of the combined entity prior to the combination will be those of Wheaton. Coeur's results of operations will be included with Wheaton's consolidated results of operations from the date of closing, and Coeur's consolidated net assets will be recorded at fair value.

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**Dissenters' Rights**

No dissenters' rights are available in connection with the offer to purchase. However, if a subsequent acquisition transaction is completed, Wheaton shareholders will have certain rights under Sections 185, 188 and 189, as applicable, of the *Business Corporations Act* (Ontario) (referred to herein as the OBCA ) to dissent and demand dissenters' rights and to receive payment in cash of the fair value of their Wheaton common shares.

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**BACKGROUND TO THE OFFER TO PURCHASE**

In March, 2004 Wheaton and IAMGold, another Canadian gold mining company, announced they had entered into a plan of arrangement pursuant to which the two companies would be combined, subject to the approval of the respective companies' shareholders.

On May 6, 2004, Coeur's management met with its financial advisors to discuss the publicly announced plan of arrangement proposal between IAMGold and Wheaton. With the assistance of its financial and legal advisors, throughout May, Coeur management obtained and analyzed certain publicly available information regarding Wheaton and prepared financial valuation models of Wheaton and its assets. Management also worked with its financial and legal advisors to consider transaction structure. Management also periodically reviewed the status of the proposed IAMGold-Wheaton transaction.

On May 20, 2004, the Coeur Board met with management and Coeur's financial and legal advisors to review management's progress in analysis, valuations and proposed structuring and transaction alternatives. The Coeur Board authorized Coeur management to pursue a plan of arrangement transaction with Wheaton.

Also, on May 20, 2004, Coeur's financial advisors advised Coeur that it had, through its relationship with a third party, become aware that Golden Star Resources Ltd. was considering a proposal to IAMGold. Dennis Wheeler, Chairman of the Board and Chief Executive Officer of Coeur, and Peter J. Bradford, the President and Chief Executive Officer of Golden Star, discussed the matter on May 20, 2004. Between May 20, 2004 and May 26, 2004, Coeur continued its evaluation of Wheaton and further considered transaction structures. Coeur and Golden Star discussed issues related to the termination fee clause in the arrangement agreement between IAMGold and Wheaton River.

On May 27, 2004, Coeur entered into an agreement with Golden Star regarding the payment of termination fees under the arrangement as previously described. For more information regarding this agreement, see the section entitled "Agreement with Golden Star."

*Coeur Proposal.* On May 27, 2004, Mr. Wheeler delivered a letter to Wheaton's chairman and CEO, Ian Telfer, in which Coeur offered to acquire all of Wheaton's outstanding common shares for total consideration, which included a combination of cash and Coeur common stock, of approximately \$1.8 billion (Cdn\$2.5 billion).

On May 31, 2004, Wheaton issued a press release in which it rejected the May 27 offer from Coeur. Later on May 31, 2004, Mr. Wheeler, on behalf of Coeur, issued a statement indicating Coeur's disappointment in Wheaton's rejection of its initial offer and reaffirming its belief that the Coeur offer was superior to Wheaton's offer from IAMGold.

On June 3, 2004, Coeur announced that it would increase its proposal to acquire Wheaton by approximately \$209 million (Cdn\$285 million) or \$0.37 (Cdn\$0.50) per share in subordinated notes or Coeur common stock. The revised proposal would allow Coeur to pay a minimum of Cdn\$0.50 in cash and Cdn\$0.50 in subordinated notes per share of Wheaton common stock, based on the number of issued and outstanding shares as of May 27, 2004, if all Wheaton shareholders exercised their election to receive cash and subordinated note consideration for their Wheaton common shares.

On June 4, 2004, Mr. Telfer requested that Coeur and its financial advisor telephonically participate in a meeting of the Wheaton Board. Coeur's financial advisors responded on June 5, 2004 by requesting that Mr. Wheeler be allowed to present the Coeur proposal in person, instead of telephonically, to the Wheaton Board. On Sunday evening, June 6, 2004, Mr. Wheeler and Coeur's financial advisors met with members of the Wheaton Board for approximately 30 minutes.

On June 7, 2004, Wheaton announced that its board of directors had met with Coeur and had rejected Coeur's revised offer and that the Wheaton Board planned to proceed with the shareholder vote on the IAMGold arrangement the next day. Following the Wheaton announcement, Coeur issued a statement in which it expressed its surprise and disappointment in the Wheaton board's rejection of the revised Coeur offer.

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On June 8, 2004, Wheaton announced that its shareholders had approved the proposed plan of arrangement with IAMGold. Later that day, Coeur issued a statement expressing its disappointment in the result of the shareholder vote. The Coeur statement noted that Coeur intended to pursue its merger proposal with Wheaton.

On June 11, 2004, Wheaton announced that it would hold a second shareholder vote, to take place on July 6, 2004, with regard to the IAMGold arrangement in order to allow its shareholders more time to consider the competing proposals.

On June 18, 2004, Mr. Wheeler sent a letter to the Wheaton special committee requesting a meeting to discuss the Coeur proposal.

On June 21, 2004, the Coeur Board of Directors met and approved the commitment letter regarding the convertible debt issuance and approved an increase in the cash component of its offer. Coeur later announced that it had increased the cash component of its offer to Wheaton by Cdn\$285 million (or \$1.00 per share if all Wheaton shareholders elect cash) and sent a letter to the Wheaton special committee describing the improved offer.

Also on June 21, 2004, Coeur filed with Canadian regulatory authorities and commenced mailing to Wheaton shareholders a dissident information circular recommending a vote against the proposed IAMGold transaction.

On June 23, 2004, Coeur announced that it planned to launch a tender offer for all of the outstanding Wheaton common shares.

Also, on June 23, 2004, Wheaton announced that it had rejected Coeur's improved offer and that the Wheaton Board continued to recommend the IAMGold arrangement.

On June 24, 2004, the Special Committee of the Wheaton Board sent a letter to Mr. Wheeler indicating that it did not consider further meetings with Coeur to be warranted at such time.

On June 28, 2004, the Coeur Executive Committee met and discussed the status of the proposed transaction with Coeur's financial and legal advisors. On June 29, 2004, Coeur announced it had increased its offer to Wheaton shareholders by increasing the cash payable per share from Cdn\$5.00 to Cdn\$5.47 and the exchange ratio from 0.731 to 0.796. Later that day, Wheaton announced that the Special Committee of Wheaton's Board was recommending against Coeur's amended offer.

On July 6, 2004, following the rejection of the proposed IAMGold-Wheaton plan of arrangement by the IAMGold shareholders, Wheaton cancelled its scheduled meeting of shareholders to vote on the proposed Wheaton-IAMGold plan of arrangement. Wheaton also announced that the arrangement agreement with IAMGold had been terminated.

Also on July 6, 2004, Coeur sent Wheaton's Board of Directors the following letter:

July 6, 2004

Board of Directors

Wheaton River Minerals Ltd.  
200 Burrard Street, Suite 1560  
Vancouver, BC  
V6C 3L6, Canada

Dear Directors:

I am writing to reiterate our willingness and desire to enter into meaningful discussions with you. I believe it is clear that Wheaton River's stockholders will strongly support the commencement of negotiations looking to the accomplishment of a mutually-agreed transaction at the earliest possible date.



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We continue to believe strongly that a combination of our two companies will serve well the interests of both companies' stockholders.

Very truly yours,

/s/ DENNIS E. WHEELER

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Dennis E. Wheeler  
Chairman and Chief Executive Officer  
Coeur d'Alene Mines Corporation

On July 9, 2004, Wheaton announced that it did not intend to enter into negotiations with Coeur at that time.

On July 13, 2004, Coeur announced that it had filed with the U.S. Securities and Exchange Commission a Registration Statement on Form S-4 and a Schedule TO in respect of the offer to purchase.

On July 14, 2004, the day following Coeur's announcement that it had filed tender offer documents with the SEC for the offer to purchase, Wheaton announced that Chap Mercantile Inc., a shell company, had agreed to purchase 100% of the silver produced by Wheaton's Luismin mining operations in Mexico for an up front payment of Cdn\$262 million payable in cash and Chap common shares plus a per ounce payment of US\$3.90 per ounce, subject to adjustment (such transaction referred to as the Silver Wheaton transaction).

On July 16, 2004, Coeur announced that in conjunction with its previously announced tender offer for Wheaton, Coeur was presenting its publicly disclosed reserve and resource data in the standard form used in Canada under Canadian National Instrument 43-101 (NI 43-101). NI 43-101 requires a manner of reserve and resource presentation for Canada that is different than the presentation of the same data under Securities and Exchange Commission requirements in the United States.

On July 19, 2004, Coeur announced that it had delivered a letter to the Board of Directors and the Special Committee of Wheaton expressing its concern in respect of the Silver Wheaton transaction. In its letter, Coeur expressed doubts as to whether the proposed transaction will have any significant positive impact on Wheaton's market valuation. Coeur requested Wheaton's prompt written confirmation that the Silver Wheaton transaction will not be completed, and Coeur's right to abandon the transaction without penalty will be preserved, until final termination of the offer to purchase and its acceptance or rejection by Wheaton shareholders.

On July 26, 2004, Wheaton announced that its Board of Directors concluded that they were unable to make a recommendation in respect of Coeur's tender offer and recommended that shareholders of Wheaton not tender their shares or take any other action in respect of Coeur's tender offer until shareholders have received a further recommendation from the Wheaton Board.

On July 30, 2004, Wheaton announced that Ian Telfer, the Chairman and Chief Executive Officer of Wheaton, had delivered to Dennis Wheeler, the Chairman and Chief Executive Officer of Coeur, a letter responding to Coeur's letter of July 19, 2004. Among other items, this letter notes that the Silver Wheaton transaction is expected to close on September 9, 2004. On the same date, Wheaton announced that the TSX had accepted notice of the Silver Wheaton transaction.

On August 5, 2004, Wheaton announced that Chap Mercantile had closed a Cdn\$70 million financing for the Silver Wheaton transaction.

On August 11, 2004, Mr. Telfer delivered to Mr. Wheeler a letter noting that the Canadian offer documents had not yet been mailed to Canadian Wheaton shareholders and that Wheaton would continue to operate its business in the best interest of all Wheaton shareholders.

On August 18, 2004, Coeur announced it had terminated its previous offer.

*Prior Contacts.* Coeur has from time to time during the past few years considered expanding its operations through acquisitions of other companies, including Wheaton. In January 2004, Mr. Wheeler and Mr. Telfer informally discussed a possible transaction.

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**ABOUT WHEATON**

As of the date of this offer document, Wheaton has refused to meet with Coeur to discuss a combination of Wheaton and Coeur. The Offerors have not had access to the non-public books and records of Wheaton, and, although they have no reason to doubt the accuracy or completeness of Wheaton's public filings, the Offerors are not in a position to independently assess or verify the information in Wheaton's publicly filed documents, including its financial statements. Wheaton's auditors have consented to the inclusion herein of their audit report on Wheaton's financial statements included herein. Coeur and Wheaton's auditors undertook the procedures necessary to include such consent. However, such procedures do not enable the Offerors to independently assess or verify the information in Wheaton's publicly filed documents, including its financial statements.

As a result, all historical information regarding Wheaton contained herein, including all Wheaton financial information and all pro forma financial information reflecting the pro forma effects of a combination of Wheaton and Coeur derived in part from Wheaton's financial information, has been derived by necessity from Wheaton's public reports and securities filings. In addition, all reconciliations of Wheaton's financial information, which Wheaton records in accordance with Canadian GAAP, to US GAAP is based exclusively upon Wheaton's own Canadian GAAP to US GAAP reconciliations contained in Wheaton's public reports and securities filings unless otherwise indicated. The information about Wheaton contained herein should be read in conjunction with the audited consolidated financial statements, and related notes thereto, of Wheaton included herein in Appendix A, including Wheaton's management's discussion and analysis of financial condition and results of operations. See also Risk Factors *The Offerors have been unable to independently verify the reliability of the Wheaton information in this offer to purchase*.

Wheaton is engaged in the acquisition, exploration and operation of precious metal properties. Wheaton's principal product is gold.

Wheaton's primary operating properties consist of an indirect 37.5% interest in the Alumbrera Mine, a gold-copper mine in Argentina, an indirect 100% interest in the San Dimas, San Martin and Nukay gold-silver mines in Mexico and an indirect 100% interest in the Peak Mine, a gold mine in Australia. Wheaton also has indirect 100% interests in the Los Filos Project in Mexico and the Amapari Project in Brazil, both of which are gold projects and in the advanced development stage properties.

Wheaton was incorporated in Ontario pursuant to the OBCA. Its registered and principal executive offices are located at Suite 1560, Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, V6C 3L6 Canada. Wheaton is a reporting issuer or the equivalent in all provinces and territories of Canada and files its continuous disclosure documents with the Canadian securities regulatory authorities and with the United States Securities and Exchange Commission. Such documents are available without charge at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov). For additional information about Wheaton, please see APPENDIX D INFORMATION CONCERNING WHEATON RIVER MINERALS LTD.

**Wheaton Authorized and Outstanding Share Capital**

As of August 6, 2004, based on information provided by Wheaton in their Second Quarter Report dated August 6, 2004, and in other documents publicly filed by Wheaton, there were (i) 569,081,454 Wheaton common shares outstanding (excluding 2,734,083 shares held in its treasury), (ii) approximately 23,234,495 shares issuable upon exercise of outstanding options to purchase Wheaton common shares and (iii) an aggregate of 176,580,869 shares issuable upon exercise of outstanding warrants to purchase Wheaton common shares. Wheaton's common shares are listed on the TSX under the symbol WRM and the AMEX under the symbol WHT.

Holder of Wheaton common shares are entitled to receive notice of any meetings of shareholders of Wheaton, to attend and to cast one vote per common share at all such meetings. Holders of Wheaton common shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the common shares entitled to vote in any election of directors may elect all directors standing

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for election. Holders of Wheaton common shares are entitled to receive on a pro-rata basis such dividends, if any, as and when declared by the Wheaton's board of directors at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of Wheaton are entitled to receive on a pro-rata basis the net assets of Wheaton after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro-rata basis with the holders of Wheaton common shares with respect to dividends or liquidation. The Wheaton common shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Coeur initially announced its proposed business combination with Wheaton after the close of trading on the TSX and AMEX on May 27, 2004. On May 27, 2004, the closing price of Wheaton common shares on the TSX and AMEX was Cdn\$3.96 and \$2.92, respectively. The volume weighted average closing price of the Wheaton common shares on the TSX and AMEX for the 60 trading days ending on May 27, 2004 was Cdn\$3.85 and \$2.86, respectively. On August 19, 2004, the closing price of the Wheaton common shares on the TSX and AMEX was Cdn\$3.63 and \$2.81, respectively.

Additional information regarding Wheaton is included in APPENDIX A CERTAIN FINANCIAL STATEMENTS OF WHEATON RIVER MINERALS LTD., and APPENDIX C UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS OF COEUR D ALENE MINES CORPORATION, which are incorporated into and form a part of this proxy statement/prospectus.

### **ABOUT COEUR**

Coeur, the world's largest primary silver producer and a growing gold producer, is engaged in the exploration, development and operation of silver and gold mining properties located in the United States, Chile, Argentina and Bolivia. Coeur currently expects to produce 14.4 million ounces of silver and 142,000 ounces of gold in 2004. In 2003, Coeur produced approximately 14.2 million ounces of silver and 119,518 ounces of gold. In 2002, Coeur produced approximately 14.8 million ounces of silver and 117,114 ounces of gold.

Coeur's mines are located in Southern Chile (the Cerro Bayo Mine), Argentina (the Martha Mine), Nevada (the Rochester Mine) and the Silver Valley region of northern Idaho (the Galena Mine). Coeur owns and operates 100% of these mines. In addition, Coeur owns or leases, either directly or through Coeur's subsidiaries, silver and gold development projects in Bolivia (the San Bartolomé silver project) and Alaska (the Kensington gold project). Coeur also controls strategic properties with significant exploration potential close to Coeur's existing mining operations. Coeur's customers are bullion trading banks that purchase silver and gold from Coeur and then sell these metals to end users for use in industry applications such as electronic circuitry, jewelry and silverware production and the manufacture and development of photographic film. In addition, Coeur sells high grade gold and silver concentrates to smelters in Japan and Canada.

Coeur was incorporated in Idaho in 1928. Coeur's principal executive offices are located at 400 Coeur d'Alene Mines Building, 505 Front Avenue, Coeur d'Alene, Idaho 83814 and Coeur's telephone number is (208) 667-3511.

Coeur common stock is listed on the NYSE under the symbol CDE.

Additional information regarding Coeur's business and operations is included in Coeur's public filings incorporated by reference herein and in APPENDIX C UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS OF COEUR D ALENE MINES CORPORATION, which is incorporated into and forms a part of this proxy statement/prospectus.

### **ABOUT NEW COEUR**

Coeur d'Alene Mines Holdings Company, or New Coeur, is a newly-formed, wholly-owned direct subsidiary of Coeur. New Coeur was formed in preparation for the proposed Coeur reorganization, described in greater detail below, and has not conducted any business activities to date. New Coeur's principal executive offices are located at 400 Coeur d'Alene Mines Building, 505 Front Avenue, Coeur d'Alene, Idaho 83814 and

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New Coeur's telephone number is (208) 667-3511. Additional information regarding New Coeur is included in APPENDIX B CERTAIN FINANCIAL STATEMENTS OF COEUR D ALENE MINES HOLDING COMPANY, which is incorporated into and forms a part of this proxy statement/prospectus.

### **ABOUT NOVA SCOTIA ULC**

Coeur d Alene Acquisition ULC, referred to herein as Nova Scotia ULC, is a newly-formed company under the laws of Nova Scotia and a wholly-owned subsidiary of Coeur. Nova Scotia ULC was formed solely for the purpose of making the offer to purchase and has not otherwise carried on any business activities to date. The registered office of Nova Scotia ULC is Suite 900, Purdy's Wharf Tower One, 1959 Upper Water Street, PO Box 997 Stn. Central, Halifax, NS B3J 2X2.

### **ABOUT CANADIAN EXCHANGE CO.**

Coeur d Alene Canadian Acquisition Corporation, referred to as Canadian Exchange Co., is a newly-formed, wholly-owned subsidiary of Coeur. Canadian Exchange Co. was incorporated solely for the purpose of the offer to purchase, has not carried on any business activities to date and, prior to making the offer to purchase, had no material business, operations, assets or liabilities. In connection with the offer to purchase, among other things, Canadian Exchange Co. will acquire the benefit of a support agreement with New Coeur and will acquire Wheaton common shares and incur liabilities in connection with the offer to purchase. Canadian Exchange Co.'s registered offices are located at 44 Chipman Hill, Suite 1000, P.O. Box 7289, Stn. A, Saint John, New Brunswick E2L 4S6.

### **Description of Exchangeable Shares**

The Exchangeable Shares are included in the offer to purchase to enable certain shareholders, by virtue of the redemption and exchange rights attaching to the Exchangeable Shares and the provisions of the Voting and Exchange Trust Agreement and the Support Agreement, to acquire a security of a Canadian issuer having economic rights that are, as nearly as practicable, equivalent to those of a share of New Coeur common stock. The Exchangeable Shares are exchangeable at any time at the option of the holder into one share of New Coeur common stock. Certain rights of holders of Exchangeable Shares are described more fully below in Voting and Exchange Trust Agreement. Covenants of New Coeur made for the benefit of holders of Exchangeable Shares are described in the section below entitled Support Agreement.

### **Voting and Exchange Trust Agreement**

The purpose of the Voting and Exchange Trust Agreement is to create a trust for the benefit of the registered holders from time to time of Exchangeable Shares, other than affiliates of New Coeur. The Voting and Exchange Trust Agreement is filed as an exhibit to this proxy statement/prospectus and is incorporated herein by reference. The Voting and Exchange Trust Agreement will hold the sole authorized share of New Coeur Special Voting Stock in order to enable the Voting and Exchange Trust Agreement to exercise the voting and other rights attached thereto, in each case as trustee for and on behalf of such registered holders. The following is a summary of the material provisions of the Voting and Exchange Trust Agreement, a copy of which is filed as an exhibit to this proxy statement/prospectus and is incorporated herein by reference.

#### ***Voting Rights***

Pursuant to the Voting and Exchange Trust Agreement, New Coeur will issue to the Voting and Exchange Trust Agreement one share of New Coeur Special Voting Stock to be held of record by the Voting and Exchange Trust Agreement as trustee for and on behalf of, and for the use and benefit of, the registered holders from time to time of Exchangeable Shares (other than affiliates of New Coeur) and in accordance with the provisions of the Voting and Exchange Trust Agreement. During the term of the Voting and Exchange Trust Agreement, New Coeur is not permitted to issue any additional shares of New Coeur Special Voting Stock without the consent of the holders of Exchangeable Shares.

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Under the Voting and Exchange Trust Agreement, the Voting and Exchange Trustee will be entitled to all of the voting rights, including the right to vote in person or by proxy, attaching to the one share of New Coeur Special Voting Stock on all matters that may properly come before the shareholders of New Coeur at a meeting of shareholders. The share of New Coeur Special Voting Stock has that number of votes, which may be cast by the Voting and Exchange Trustee at any meeting at which New Coeur shareholders are entitled to vote, equal to the number of outstanding Exchangeable Shares (other than shares held by New Coeur or its affiliates).

Each holder of an Exchangeable Share on the record date for any meeting at which New Coeur shareholders (other than New Coeur or its affiliates) are entitled to vote will be entitled to instruct the Voting and Exchange Trustee to exercise one of the votes attached to the share of New Coeur Special Voting Stock for such Exchangeable Share. The Voting and Exchange Trustee will exercise each vote only as directed by the relevant holder and, in the absence of voting instructions from the holder, the Voting and Exchange Trustee will not have voting rights with respect to such Exchangeable Share. A holder may obtain a proxy from the Voting and Exchange Trustee entitling the holder to vote the votes attached to the share of New Coeur Special Voting Stock to which the holder is entitled directly at the relevant meeting.

The Voting and Exchange Trustee will send to the holders of the Exchangeable Shares the notice of each meeting at which New Coeur shareholders are entitled to vote, together with the related meeting materials and a statement as to how the holder may instruct the Voting and Exchange Trustee to exercise the votes attaching to the share of New Coeur Special Voting Stock, at the same time as New Coeur sends such notice and materials to the New Coeur shareholders. The Voting and Exchange Trustee will also send copies of all information statements, interim and annual financial statements, reports and other materials sent by New Coeur to the New Coeur shareholders at the same time as such materials are sent to the New Coeur shareholders. New Coeur will endeavour to obtain copies of materials sent by third parties to New Coeur shareholders generally, including dissident proxy circulars and tender and exchange offer circulars, as soon as possible after such materials are first sent to New Coeur shareholders and to deliver such materials to the Voting and Exchange Trustee, which will send such materials to holders of Exchangeable Shares.

All rights of a holder of Exchangeable Shares to exercise votes attached to the share of New Coeur Special Voting Stock will cease upon the exchange of such holder's Exchangeable Shares for shares of New Coeur common stock.

***Optional Exchange Upon Canadian Exchange Co. Insolvency Event***

New Coeur agrees in the Voting and Exchange Trust Agreement that, upon the occurrence of the insolvency of Canadian Exchange Co., a holder of Exchangeable Shares will be entitled to instruct the Voting and Exchange Trustee to exercise an exchange right with respect to any or all of the Exchangeable Shares held by such holder, thereby requiring New Coeur or Nova Scotia ULC to purchase such Exchangeable Shares from the holder. The purchase price payable for each Exchangeable Share purchased pursuant to such event of insolvency of Canadian Exchange Co. will be satisfied by the issuance of one share of New Coeur common stock plus an additional amount equivalent to the full amount of all declared and unpaid dividends, if any, on the Exchangeable Share.

As soon as practicable following an event of insolvency of Canadian Exchange Co. or any event that may, with the passage of time or the giving of notice or both, become an event of insolvency of Canadian Exchange Co., Canadian Exchange Co. and New Coeur will give written notice thereof to the Voting and Exchange Trustee. As soon as practicable after receiving such notice, or upon the Trustee becoming aware of the insolvency of Canadian Exchange Co., the Voting and Exchange Trustee will give notice to each holder of Exchangeable Shares of such event or potential event and will advise the holder of its rights with respect to the exchange right.

If, as a result of solvency provisions of applicable law, Canadian Exchange Co. is unable to redeem all of a holder's Exchangeable Shares which such holder is entitled to have redeemed in accordance with the Exchangeable Share provisions, the holder will be deemed to have exercised the optional exchange right with

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respect to the unredeemed Exchangeable Shares and New Coeur or Nova Scotia ULC will be required to purchase such shares from the holder in the manner set forth above.

### **Support Agreement**

The following is a summary of the material provisions of the Support Agreement a copy of which is filed as an exhibit to this proxy statement/ prospectus and is incorporated herein by reference.

Pursuant to the Support Agreement, New Coeur has covenanted that, so long as Exchangeable Shares not owned by New Coeur or its affiliates are outstanding, New Coeur will, among other things: (a) not declare or pay any dividend on the shares of New Coeur common stock unless (i) on the same day Canadian Exchange Co. declares or pays, as the case may be, an equivalent dividend on the Exchangeable Shares and (ii) Canadian Exchange Co. has sufficient money or other assets or authorized but unissued securities available to enable the due declaration and the due and punctual payment, in accordance with applicable law, of an equivalent dividend on the Exchangeable Shares; (b) advise Canadian Exchange Co. in advance of the declaration of any dividend on the shares of New Coeur common stock and take other actions reasonably necessary to ensure that the declaration date, record date and payment date for dividends on the Exchangeable Shares are the same as those for any corresponding dividends on the shares of New Coeur common stock; (c) ensure that the record date for any dividend declared on the shares of New Coeur common stock is not less than seven days after the declaration date of such dividend; and (d) take all actions and do all things reasonably necessary or desirable to enable and permit Canadian Exchange Co., in accordance with applicable law, to pay the liquidation amount, the retraction price or the redemption price to the holders of the Exchangeable Shares in the event of a liquidation, dissolution or winding-up of Canadian Exchange Co., a retraction request by a holder of Exchangeable Shares or a redemption of Exchangeable Shares by Canadian Exchange Co., as the case may be.

The Support Agreement provides that, without the prior approval of Canadian Exchange Co. and the holders of Exchangeable Shares, New Coeur will not distribute additional shares of New Coeur common stock or rights to subscribe therefor or other property or assets to all or substantially all holders of shares of New Coeur common stock, nor change any of the rights, privileges or other terms of the New Coeur common stock, unless the same or an equivalent distribution on, or change to, the Exchangeable Shares (or in the rights of the holders thereof) is made simultaneously. In the event of any proposed tender offer, share exchange offer, issuer bid, take-over bid or similar transaction affecting the New Coeur common stock, New Coeur will use reasonable efforts to take all actions necessary or desirable to enable holders of Exchangeable Shares to participate in such transaction to the same extent and on an economically equivalent basis as the holders of New Coeur common stock.

The Support Agreement also provides that, as long as any outstanding Exchangeable Shares are owned by any person or entity other than New Coeur or any of its affiliates, New Coeur will remain the direct or indirect beneficial owner of all issued and outstanding voting shares of Canadian Exchange Co. and Nova Scotia ULC, unless approval to do otherwise is obtained from the holders of the Exchangeable Shares.

The Support Agreement may not be amended without the approval of the holders of the Exchangeable Shares, except to (i) add to the covenants of any or all of the parties, (ii) make certain necessary amendments or (iii) cure ambiguities or clerical errors (provided, in each case, that the board of directors of each of New Coeur, Canadian Exchange Co. and Nova Scotia ULC are of the opinion that such amendments are not prejudicial to the interests of the holders of the Exchangeable Shares).

Under the Support Agreement, each of New Coeur and Nova Scotia ULC will not exercise, and will prevent their affiliates from exercising, any voting rights attached to the Exchangeable Shares owned by New Coeur or Nova Scotia ULC or their affiliates on any matter considered at meetings of holders of Exchangeable Shares (including any approval sought from such holders in respect of matters arising under the Support Agreement).

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**RELATIONSHIPS BETWEEN THE OFFERORS AND WHEATON**

**Beneficial Ownership of and Trading in Securities of Wheaton**

Coeur owns 1,000 common shares of Wheaton, purchased on June 18, 2004 for a purchase price of Cdn\$3.91 per share. Other than such shares, no securities of Wheaton, are owned beneficially, directly or indirectly, nor is control or direction exercised over any securities of Wheaton, by the Offerors or the Offerors' directors or executive officers or, to the knowledge of such directors and executive officers after reasonable inquiry, by any of the Offerors' associates or affiliates, by any associate of the offerors' directors or executive officers or by any person or company owning, directly or indirectly, more than 10% of any class of securities of the Offerors. No person is acting jointly or in concert with the Offerors with respect to the offer to purchase.

Except as set forth in the preceding paragraph, no securities of Wheaton have been traded during the 12-month period preceding the date of the offer by the Offerors or the Offerors' directors or executive officers or, to the knowledge of such directors and executive officers after reasonable inquiry, by associates or affiliates, by associates of the Offerors' directors and executive officers or by any person or company owning, directly or indirectly, more than 10% of any class of securities of the Offerors.

**Commitments to Acquire Securities of Wheaton**

Except pursuant to the offer to purchase, neither the Offerors nor any of the Offerors' directors or executive officers, nor to the knowledge of the Offerors' directors and executive officers after reasonable inquiry, any of the Offerors' associates or affiliates, any associate of any of the Offerors' directors or executive officers or any person or company owning, directly or indirectly, more than 10% of any class of securities of the Offerors has entered into any commitments to acquire any equity securities of Wheaton.

**Arrangements, Agreements or Understandings**

Except as described herein or in the appendices or documents attached hereto or incorporated by reference herein, neither the Offerors nor, to the best of the Offerors' knowledge, any of the Offerors' directors, executive officers or other affiliates has any contract, arrangement, understanding or relationship with any other person with respect to any securities of Wheaton, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies. Except as described in this proxy statement/prospectus, there have been no contacts, negotiations or transactions between the Offerors or, to the best of the Offerors' knowledge, any of the Offerors' directors, executive officers or other affiliates on the one hand, and Wheaton or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, a tender offer to purchase or other acquisition of securities, an election of directors, or a sale or other transfer of a material amount of assets. Neither the Offerors, nor, to the best of the Offerors' knowledge, any of the Offerors' directors, executive officers or other affiliates has had any transaction with Wheaton or any of its executive officers, directors or affiliates that would require disclosure under the rules and regulations of the SEC applicable to the offer to purchase.

There are no arrangements or agreements made or proposed to be made between the Offerors and any of the directors or executive officers of Wheaton and no payments or other benefits are proposed to be made or given by the Offerors to such directors or executive officers as compensation for loss of office or as compensation for remaining in or retiring from office if the offer to purchase described herein is consummated.

**Acceptance of the Offer**

The Offerors have no knowledge as to whether any Wheaton shareholder will accept the offer to purchase described herein.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table contains information concerning the beneficial ownership of Coeur common stock as of August 17, 2004 by each of Coeur's Directors, named executive officers, and by such persons as a group. To Coeur's knowledge, as of the date of this proxy statement/prospectus, no person or group of persons beneficially owns 5% or more of the outstanding Coeur common stock.

	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class</b>
<b>Directors</b>		
Dennis E. Wheeler	990,769(1)(2)	.46%
James J. Curran	192,586(1)(2)	*
James A. McClure	34,029(2)	*
Cecil D. Andrus	12,540(2)	*
John H. Robinson	49,475(2)	*
Robert E. Mellor	30,928(2)	*
Timothy R. Winterer	69,968(2)	*
J. Kenneth Thompson	76,349(2)	*
<b>Executive Officers</b>		
Mitchell J. Krebs	64,923	*
Robert Martinez	290,543(2)	.14%
James A. Sabala	114,282	*
All executive officers and nominees for director as a group (17 persons)	2,184,393(2)	1.02%

\* Shares beneficially owned represent less than .10% of the outstanding shares of Coeur common stock.

- (1) Shares investment and voting powers over certain of his shares with his spouse. The other directors have sole investment and voting power over their shares.
- (2) Holding includes the following shares which may be acquired upon the exercise of exercisable options outstanding under the 2003 Long-Term Incentive Plan, executive compensation program or Non-Employee Directors Stock Option Plan: Dennis E. Wheeler 699,525 shares; James J. Curran 192,486 shares; James A. McClure 33,679 shares; Cecil D. Andrus 12,440 shares; John H. Robinson 49,375 shares; Robert E. Mellor 30,828 shares; Timothy R. Winterer 68,968 shares; J. Kenneth Thompson 66,349 shares; Robert Martinez 182,311 shares; and all executive officers and directors as a group 1,405,880 shares.



**Table of Contents****COMPARATIVE PER SHARE INFORMATION**

The following table summarizes unaudited per share information for Coeur and Wheaton separately on a historical basis and on an equivalent unaudited pro forma condensed combined basis. This information should be read in conjunction with the audited consolidated financial statements of Coeur incorporated by reference herein and the audited consolidated financial statements of Wheaton and the unaudited pro forma condensed combined financial statements herein. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the actual operating results or financial position that would have resulted if Coeur and Wheaton had merged at the beginning of the period presented, nor is it necessarily indicative of the future operating results or financial position of the combined company. The historical book value per share is computed by dividing total shareholders' equity by the number of shares outstanding at the end of the period. The unaudited pro forma condensed combined income per share is computed by dividing the unaudited pro forma condensed combined income from continuing operations available to holders of common stock by the unaudited pro forma condensed combined weighted average number of shares outstanding. The unaudited pro forma condensed combined book value per share is computed by dividing total unaudited pro forma condensed combined shareholders' equity by the unaudited pro forma condensed combined number of common shares outstanding at the end of the period. The historical per share information of Coeur and Wheaton was derived from Coeur's and Wheaton's respective historical annual financial statements.

To date, the Offerors have not had access to the non-public books and records of Wheaton and, although they have no reason to doubt the accuracy or completeness of Wheaton's public filings, the Offerors are not in a position to independently assess or verify the information in Wheaton's publicly filed documents, including financial statements.

	<b>Six Months Ended June 30, 2004</b>	<b>Year Ended December 31, 2003</b>
<b>Coeur Historical</b>		
Historical per common share:		
Income per basic share	\$(0.03)	\$(0.39)
Income per diluted share	\$(0.03)	\$(0.39)
Dividends declared	\$	\$
Book value per share	\$ 0.89	\$ 0.93
<b>Wheaton Historical (Canadian GAAP)</b>		
Historical per common share:		
Income per basic share	\$ 0.06	\$ 0.14
Income per diluted share	\$ 0.05	\$ 0.13
Dividends declared	\$	\$
Book value per share	\$ 1.20	\$ 1.04
<b>Unaudited Wheaton (US GAAP)<sup>(1)</sup></b>		
Historical per common share:		
Income per basic share		\$ 0.13
Income per diluted share		\$ 0.12
Dividends declared		\$
Book value per share		\$ 1.03
<b>Unaudited Pro Forma Condensed Combined (US GAAP)<sup>(1)</sup></b>		
Unaudited pro forma condensed combined per common share of New Coeur:		
Income per basic share		\$(0.04)
Income per diluted share		\$(0.04)
Dividends declared		\$
Book value per share		\$ 1.74

- (1) Wheaton has not publicly filed Canadian GAAP to US GAAP reconciliations of its unaudited per share information for the six months ended June 30, 2004, and therefore the Offerors are unable to present this information.

**Table of Contents****COMPARATIVE MARKET DATA**

Wheaton common shares are currently traded on the TSX under the symbol WRM and on the AMEX under the symbol WHT. Coeur common stock is currently traded on the NYSE under the symbol CDE. The following table sets forth the closing prices per common share of Wheaton as reported on the TSX and the AMEX and of Coeur as reported on the NYSE on (1) May 27, 2004, the last trading day preceding the initial public announcement of Coeur's proposed business combination with Wheaton, and (2) on August 17, 2004, the most recent trading day practicable before the filing of this offer to purchase. This information should be read in conjunction with the Comparative Per Share Market Price and Dividend Information below.

Issuer	TSX		AMEX		NYSE	
	May 27, 2004	August 19, 2004	May 27, 2004	August 19, 2004	May 27, 2004	August 19, 2004
Wheaton	Cdn\$3.96	Cdn\$3.63	\$2.92	\$2.81	\$	
Coeur					\$5.06	\$3.73

**COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION**

The following table sets forth, for each of the calendar quarters indicated, the high and low closing sales prices per share, and the average daily trading volumes, reported by the TSX, AMEX and NYSE, as applicable. Neither Coeur nor Wheaton declared dividends on the Coeur common stock or the Wheaton common shares, respectively, during such periods.

	Coeur/NYSE			Wheaton/AMEX <sup>(1)</sup>			Wheaton/TSX		
	High	Low	Avg. Daily Volume	High	Low	Avg. Daily Volume	High	Low	Avg. Daily Volume
(Canadian \$)									
<b>2001</b>									
March 31	\$1.60	\$0.88	139,052	\$0.43	\$0.21	9,163	\$0.65	\$0.34	196,006
June 30	1.95	1.00	437,735	0.60	0.36	8,947	0.92	0.57	214,239
September 30	1.28	0.73	313,290	0.55	0.30	32,104	0.84	0.51	147,288
December 31	0.94	0.65	199,491	0.45	0.35	5,738	0.67	0.58	146,007
<b>2002</b>									
March 31	1.46	0.79	677,315	0.63	0.36	12,993	1.03	0.58	324,544
June 30	2.09	0.98	2,337,886	1.20	0.60	43,973	1.94	0.97	994,526
September 30	2.36	1.31	1,677,091	1.01	0.59	52,205	1.51	0.95	902,566
December 31	1.92	1.31	1,270,514	1.00	0.60	183,270	1.47	0.94	1,118,361
<b>2003</b>									
March 31	2.08	1.16	1,745,620	1.14	0.76	1,088,338	1.77	1.10	2,750,154
June 30	1.55	1.27	1,418,149	1.27	0.81	1,084,148	1.70	1.18	2,620,752
September 30	3.72	1.40	4,922,723	2.13	1.21	2,872,436	2.89	1.68	5,019,018
December 31	5.78	2.92	4,313,765	3.21	1.79	5,439,179	4.19	2.40	6,811,384
<b>2004</b>									
March 31	7.67	5.34	6,006,784	3.42	2.55	5,944,716	4.48	3.39	7,036,810
June 30	7.14	3.88	4,591,726	3.32	2.37	4,932,666	4.34	3.25	8,536,254
July 31	4.27	3.21	3,187,605	3.00	2.39	2,920,941	3.95	3.25	3,803,008
Through August 19	3.73	3.10	2,235,064	2.81	2.33	2,645,229	3.63	3.10	4,020,696

(1) Wheaton began trading on the AMEX on December 11, 2002. Numbers in this column for periods prior to such date represent trading activity on the OTC Bulletin Board.



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**FEDERAL INCOME TAX CONSIDERATIONS**

The following is a discussion of the material United States federal income tax consequences of the Coeur holding company reorganization to Coeur stockholders. This discussion is based on the Internal Revenue Code of 1986, as amended, referred to as the Code, the related Treasury regulations, administrative interpretations and court decisions, all of which are subject to change, possibly with retroactive effect. Any such change could affect the accuracy of the statements and the conclusions discussed below and the tax consequences of the Coeur holding company reorganization. This discussion applies only to Coeur shareholders that hold their shares of Coeur common stock, and will hold the shares of New Coeur common stock received in exchange for their shares of Coeur common stock, as capital assets within the meaning of section 1221 of the Code. This discussion does not address all federal income tax consequences of the Coeur holding company reorganization that may be relevant to particular holders, including holders that are subject to special tax rules (such as financial institutions, insurance companies, tax exempt organizations, holders who are foreign persons, and holders who acquired their shares of Coeur common stock through stock option or stock purchase programs or otherwise as compensation). In addition, this discussion does not address any consequences arising under the laws of any state, local or foreign jurisdiction. Coeur shareholders are urged to consult their own tax advisors as to the specific tax consequences to them of the Coeur holding company reorganization.

The Coeur holding company reorganization is expected to qualify as a reorganization under section 368(a) of the Code and as a transaction governed by section 351 of the Code. As a result, the federal income tax consequences of Coeur holding company reorganization to Coeur stockholders will be as follows:

A shareholder who exchanges his or her shares of Coeur common stock for New Coeur common stock pursuant to the Coeur holding company reorganization will not recognize gain or loss on the exchange.

A shareholder's tax basis in each share of New Coeur common stock received in the Coeur holding company reorganization will be the same as his or her tax basis in the Coeur common stock surrendered in exchange therefor.

The holding period of each share of New Coeur common stock received in the Coeur holding company reorganization by a Coeur shareholder will include the holding period of Coeur common stock that he or she surrendered in the Coeur holding company reorganization.

**REGULATORY MATTERS**

The Offerors' obligation to take up and pay for Wheaton common shares deposited under the offer to purchase is conditional upon obtaining all governmental or regulatory consents or approvals that New Coeur, in its sole discretion, views as necessary or desirable to enable the Offerors to consummate the offer to purchase, on terms and conditions satisfactory to New Coeur.

**Hart-Scott-Rodino Act**

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules promulgated thereunder by the United States Federal Trade Commission (the "FTC"), certain transactions, including the completion of the offer to purchase, may not be consummated unless notification has been given and certain information has been furnished to the FTC and the Antitrust Division of the United States Department of Justice (the "Antitrust Division") and certain waiting period requirements have been satisfied. The Offerors intend to file any required Notification and Report Form with the FTC and the Antitrust Division for review in connection with the offer to purchase as soon as practicable.

**Competition Act (Canada)**

Part IX of the *Competition Act* (Canada) requires pre-merger notification to the Commissioner of Competition (the "Commissioner") for transactions that exceed certain financial thresholds and, in the case of share acquisitions, exceed an additional voting interest threshold. The acquisition contemplated by the offer to purchase may be a transaction that will exceed those thresholds.

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If a transaction is subject to pre-merger notification, a filing must be submitted to the Commissioner and a waiting period must expire or be waived by the Commissioner before the proposed transaction can be completed. Alternatively, the parties to a transaction may seek to comply with Part IX by requesting an advance ruling certificate ( ARC ) prior to completing the transaction. The Commissioner may issue an ARC if she is satisfied that she would not have sufficient grounds to challenge the proposed transaction before the Competition Tribunal under the merger provisions of the *Competition Act* (Canada) or, in the alternative, the Commissioner may choose to issue a no action letter and accompanying waiver of the pre-merger notification requirements.

As the acquisition contemplated by the offer to purchase may be subject to pre-merger notification, the Offerors are applying for an ARC on the basis that the transaction presents no competitive concerns in Canada because the Offerors and their affiliates carry on no business in Canada that competes in a substantive manner with that of Wheaton and its affiliates. The acquisition contemplated by the offer to purchase may require pre-merger notification to the Commissioner in the event an ARC is not granted by the Commissioner or the Commissioner does not waive the notification requirement.

### **Investment Canada Act**

Certain acquisitions of control of Canadian businesses by non-Canadians are subject to review under the *Investment Canada Act*, a Canadian statute that governs such acquisitions. If an acquisition is reviewable, the acquiror must submit an application for review with prescribed information to Industry Canada and, before the acquisition may be completed, the Minister of federal Cabinet responsible for Industry Canada must determine that the investment is likely to be of net benefit to Canada. The Minister has an initial 45-day period to make his or her determination. The Minister may extend the period for a further 30 days by giving notice to the prospective acquiror. If the Minister is not satisfied that the investment is likely to be of net benefit to Canada, he or she must send a notice to that effect to the prospective acquiror, and the acquiror has 30 days to make representations and submit undertakings to the Minister in an attempt to change his or her decision.

The Offerors have made an application for review under such *Act* as soon as practicable.

### **Filings Under Other Jurisdictions**

The Offerors have made a voluntary filing with the Australian Treasury Department, seeking a statement of no objection from the Foreign Investment Review Board within 30 days of the filing date. The Offerors anticipate filing a non-suspensive notification regarding the offer to purchase with the Argentinean Commission for the Defence of Competition in mid-August, seeking approval. The Offerors also are in discussion with the Mexican antitrust regulatory authorities, and anticipate making a non-suspensive filing in mid-August.

### **Securities Regulatory Matters**

The distribution of the shares of New Coeur common stock and Exchangeable Shares under the offer to purchase is being made pursuant to statutory exemptions from the prospectus qualification and dealer registration requirements under applicable Canadian securities laws. Although the resale of shares of New Coeur common stock and Exchangeable Shares issued under the offer to purchase is subject to restrictions under the securities laws of certain Canadian jurisdictions, shareholders in such jurisdictions generally will be able to rely on statutory exemptions from such restrictions. Where such statutory exemptions are not available, the Offerors have applied for exemptive relief from the applicable securities regulatory authorities to the effect that the shares of New Coeur common stock and Exchangeable Shares to be issued under the offer to purchase may be resold without a prospectus.

### **DISSENTERS APPRAISAL RIGHTS**

Under Idaho law, holders of shares of Coeur common stock and New Coeur common stock are not entitled to dissenters rights of appraisal in connection with the Coeur holding company reorganization, as the

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shares of Coeur common stock are listed on the NYSE and the shares of New Coeur common stock outstanding after giving effect to the Coeur holding company reorganization will be listed on the NYSE.

**YEAR 2005 SHAREHOLDER PROPOSALS**

If the Coeur holding company reorganization and the other transactions described in this proxy statement/prospectus are effected, it is expected that Coeur will not hold an annual meeting of shareholders in 2005. Shareholder proposals for the 2005 Annual Meeting of New Coeur shareholders (or Coeur shareholders if the reorganization and other transactions described herein are not completed) must be received at 400 Coeur d Alene Mines Building, Post Office Box I, Coeur d Alene, Idaho 83814 no later than December 15, 2004, (i.e., approximately 120 days prior to April 15, 2005, the currently anticipated mailing date for the proxy statement for the 2005 annual meeting), in order to be considered for inclusion in the proxy statement for New Coeur s (or Coeur s, if the reorganization and other transactions are not completed) 2005 annual meeting of shareholders. Shareholders who wish to submit a proposal to be voted on at the 2005 annual meeting, but who do want to have the proposal included in the proxy statement for the 2005 annual meeting, should submit such proposal to us by March 1, 2005, (i.e., at least 45 days prior to April 15, 2005, the currently anticipated mailing date for the proxy statement for the 2005 annual meeting). Failure to comply with that advance notice requirement will permit New Coeur s management (or Coeur s management, if applicable) to use its discretionary voting authority if the proposal is raised at the 2005 annual meeting without including any discussion of the proposal in the 2005 annual meeting proxy statement.

**OTHER MATTERS**

As of the date of this proxy statement/prospectus, Coeur s Board of Directors does not intend to present any matters for action at the special meeting other than those specifically referred to herein, nor is Coeur aware that other persons intend to present any other matters at the special meeting. If any other matters properly come before the meeting, the persons named in the enclosed proxy will vote all proxies in accordance with the board of directors recommendation on such matters, or, in the absence of a board recommendation, in the discretion of the proxy holder.

Other than the Coeur holding company reorganization and the changes in the composition of Coeur s shareholder base resulting from the issuance of shares of New Coeur common stock in connection with the Wheaton acquisition, Coeur is not aware of any arrangement that may at a subsequent date result in a change in control of Coeur.

None of the Directors or Executive Officers nor their respective associates has any substantial direct or indirect interest, by security holdings or otherwise, in any matter to be acted upon at the special meeting.

Coeur s principal accountants for 2004 and 2003 are not expected to be present at the special meeting, and therefore are not expected to make any statements or to be available to respond to questions from shareholders.

**WHERE YOU CAN FIND ADDITIONAL INFORMATION**

Coeur files annual, quarterly and special reports, proxy statements and other information with the SEC. Wheaton is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, applicable to foreign private issuers and accordingly files or furnishes reports, including annual reports on Form 40-F, reports on Form 6-K and other information with the SEC. Shareholders may read and copy this information at the SEC s public reference room located at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549.

Shareholders may obtain information on the operation of the Public Reference Rooms by calling the SEC at 1-800-SEC-0330. Shareholders may also obtain copies of this information by mail from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates.

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The SEC also maintains a website at [www.sec.gov](http://www.sec.gov) from which any electronic filings made by Coeur or Wheaton may be obtained without charge.

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The SEC allows Coeur to incorporate by reference information into this offer to purchase. This means that Coeur can disclose important information about Coeur and Wheaton and Coeur's and Wheaton's financial condition to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this offer to purchase, except for any information that is superseded by information that is included directly in this document. The following documents filed with the SEC are incorporated by reference in this offer to purchase:

**Coeur d Alene Mines Corporation:**

Coeur's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2003, filed with the SEC August 19, 2004;

Coeur's Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2004, filed with the SEC August 19, 2004;

Coeur's Quarterly Report on Form 10-Q/A for the quarter ended June 30, 2004, filed with the SEC August 19, 2004;

Coeur's Current Reports on Form 8-K filed on May 28, June 3, and June 23, 2004; and

The description of Coeur common stock contained in Coeur's Registration Statement on Form 8-A (File No. 1-08641), filed March 28, 1990, and any amendments or reports filed for the purpose of updating that description.

**Wheaton River Minerals Ltd.:**

Wheaton's Annual Report on Form 40-F filed with the SEC on May 18, 2004; and

Wheaton's Reports of Foreign Issuer on Form 6-K, filed with the SEC on April 26, May 17, June 2, June 3, June 4, June 7, June 8 (2 reports), June 10, June 14, June 17, June 21 (2 reports), June 23 (2 reports), June 24, 2004 and August 6, 2004.

Whenever Coeur or Wheaton files reports or documents under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date of this offer to purchase, those reports and documents will be deemed to automatically be incorporated into and become a part of this offer to purchase. Any information contained in such subsequently filed reports that updates, modifies, supplements or replaces information contained in this offer to purchase automatically shall supersede and replace such information. Any information that is modified or superseded by a subsequently filed report or document shall not be deemed, except as so modified or superseded, to constitute a part of this offer to purchase.

You may request a copy of these filings incorporated herein by reference, including exhibits to such documents that are specifically incorporated by reference, at no cost, by writing or calling Coeur at the following address or telephone number:

Corporate Secretary

Coeur d Alene Mines Corporation  
400 Coeur d Alene Mines Building  
505 Front Avenue  
Coeur d Alene, Idaho 83814  
(208) 667-3511

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Documents filed electronically by Coeur or Wheaton with the SEC also may be obtained without charge at the SEC's website at [www.sec.gov](http://www.sec.gov).

Statements contained in this proxy statement/prospectus as to the contents of any contract or other documents are not necessarily complete, and in each instance investors are referred to the copy of the contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by such reference and the exhibits and schedules thereto.

**LEGAL MATTERS**

The legality of the New Coeur common stock offered hereby will be passed upon for the Offerors by William F. Boyd, Esq. The opinions contained under the heading "Material U.S. Federal Income Tax Considerations" have been provided by Gibson, Dunn & Crutcher LLP.

**EXPERTS**

The consolidated financial statements of Coeur d'Alene Mines Corporation as and for the years ended December 31, 2003 and 2002 have been incorporated by reference herein, and the balance sheet of Coeur d'Alene Mines Holdings Company as of July 31, 2004 has been included in Appendix B hereto, in reliance upon the reports of KPMG LLP, independent registered accounting firm, appearing elsewhere herein and upon the authority of said firm as experts in accounting and auditing.

The audit report covering the December 31, 2003 and 2002 financial statements refers to the adoption of Statement of Financial Accounting Standards No. 143, *Accounting for Asset Retirement Obligations*, as of January 1, 2003, and also refers to a restatement of the consolidated financial statements as of and for the years ended December 31, 2003 and 2002.

The consolidated financial statements of Wheaton River Minerals Ltd included elsewhere in this registration statement have been audited by Deloitte & Touche LLP, independent registered chartered accountants, as stated in their reports appearing herein and elsewhere in the registration statement, and are included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.



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**ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about Coeur and Wheaton from other documents that are not included in or delivered with this proxy statement/prospectus. Documents filed by Coeur and Wheaton with the SEC are available without charge at the SEC's website at [www.sec.gov](http://www.sec.gov). Coeur will provide copies of any documents incorporated by reference into this proxy statement/prospectus upon request submitted to MacKenzie Partners, Inc., Coeur's information agent for the special meeting, at the following address and telephone number:

MacKenzie Partners, Inc.

105 Madison Avenue  
New York, New York 10016  
(212) 929-5500 (Call Collect)  
(800) 322-2885 (Toll Free)

To receive documents before the special meeting, your request must be received by [ ], 2004.

By order of the Board of Directors,  
COEUR D ALENE MINES CORPORATION

DENNIS E. WHEELER  
*Chairman of the Board*

Coeur d Alene, Idaho  
[ ], 2004

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**NOTE**

The following information has been copied directly from the public filings of Wheaton. No modifications have been made to the presentation of financial statements as filed publicly by Wheaton. As of the date of this offer document, Wheaton has refused to meet with Coeur to discuss a combination of Wheaton and Coeur. The Offerors have not had access to the non-public books and records of Wheaton, and, although they have no reason to doubt the accuracy or completeness of Wheaton's public filings, the Offerors are not in a position to independently assess or verify the information in Wheaton's publicly filed documents, including its financial statements. Wheaton's auditors have consented to the inclusion herein of their audit report on Wheaton's financial statements included herein. Coeur and Wheaton's auditors undertook the procedures necessary to include such consent. However, such procedures did not enable the Offerors to independently assess or verify the information in Wheaton's publicly filed documents, including its financial statements.

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**REPORT OF INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS**

To the Shareholders of

Wheaton River Minerals Ltd

We have audited the consolidated balance sheets of Wheaton River Minerals Ltd as at December 31, 2003 and 2002, and the consolidated statements of operations, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2003. 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 the standards of the Public Company Accounting Oversight Board (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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2003 and 2002 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2003, in accordance with Canadian generally accepted accounting principles.

Independent Registered Chartered Accountants

Vancouver, British Columbia

February 27, 2004 (except for Note 21 (b) for which the date is March 30, 2004)

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**COMMENTS BY INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS ON  
CANADA-UNITED STATES OF AMERICA REPORTING DIFFERENCE**

The standards of the Public Company Accounting Oversight Board (United States) require the addition of an explanatory paragraph (following the opinion paragraph) when there are changes in accounting principles that have a material effect on the comparability of the Company's financial statements, such as the change described in Note 2(p) to the consolidated financial statements. Our report to the Shareholders, dated February 27, 2004 (except for Note 21(b) for which the date is March 30, 2004), is expressed in accordance with Canadian reporting standards which do not require a reference to such changes in accounting principles in the report of the Independent Registered Chartered Accountants when the change is properly accounted for and adequately disclosed in the consolidated financial statements.

Independent Registered Chartered Accountants

Vancouver, British Columbia

February 27, 2004 (except for Note 21 (b) for which the date is March 30, 2004)

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**Table of Contents****WHEATON RIVER MINERALS LTD****CONSOLIDATED STATEMENTS OF OPERATIONS****Years Ended December 31**

	Note	2003	2002	2001
(US dollars and shares in thousands, except per share amounts)				
Sales		\$212,633	\$ 34,693	\$ 9,010
Cost of sales		91,954	19,355	5,452
Royalties		3,712	28	215
Depreciation and depletion		32,393	3,028	324
Reclamation		793	47	1,516
		128,852	22,458	7,507
Earnings from mining operations		83,781	12,235	1,503
Expenses and other income				
General and administrative		9,654	6,329	2,516
Interest and finance fees		4,318	487	13
Exploration		1,875	2,126	340
Depreciation and amortization		1,778	108	25
Other (income) expense	4	(9,223)	(4,870)	9,188
		8,402	4,180	12,082
Earnings (loss) before the following		75,379	8,055	(10,579)
Equity in earnings of Minera Alumbra Ltd	3(b)	7,324		
Earnings (loss) before income taxes		82,703	8,055	(10,579)
Income tax expense	5	(25,044)	(2,453)	(154)
Net earnings (loss)		\$ 57,659	\$ 5,602	\$(10,733)
Earnings (loss) per share				
Basic		\$ 0.14	\$ 0.04	\$ (0.18)
Diluted		\$ 0.13	\$ 0.04	\$ (0.18)
Weighted-average number of shares outstanding				
Basic		412,035	137,327	60,075
Diluted		439,214	143,227	61,186

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

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**WHEATON RIVER MINERALS LTD**  
**CONSOLIDATED BALANCE SHEETS**

**At December 31**

	Note	2003	2002
(US dollars and shares in thousands)			
<b>ASSETS</b>			
Current			
Cash and cash equivalents		\$ 151,878	\$ 22,936
Appropriated cash	12(v)	8,840	
Marketable securities	6	1,142	1,543
Accounts receivable		31,824	5,617
Product inventory and stockpiled ore	7	16,726	156
Supplies inventory		10,083	3,300
Other		4,287	782
		<u>224,780</u>	<u>34,334</u>
Property, plant and equipment	8	583,911	110,896
Stockpiled ore	7	60,736	
Future income taxes	5	7,211	5,613
Other	9	14,367	1,255
		<u>\$ 891,005</u>	<u>\$ 152,098</u>
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities	10	\$ 31,402	\$ 9,796
Income taxes payable		1,062	116
Current portion of long-term debt	12	41,000	
Other		3,832	
		<u>77,296</u>	<u>9,912</u>
Long-term debt	12	81,423	
Future income taxes	5	145,730	17,509
Provision for reclamation	13	19,604	11,271
Future employee benefits and other	14	10,834	5,352
		<u>334,887</u>	<u>44,044</u>
<b>Shareholders Equity</b>			
Share purchase options	15	877	410
Contributed surplus		600	600
Share capital			
Common shares			
Authorized: unlimited shares, no par value;			
Issued and outstanding: 533,697 (December 31, 2002			
190,400)	15	505,090	115,152
Retained earnings (deficit)		49,551	(8,108)
		<u>556,118</u>	<u>108,054</u>
		<u>\$ 891,005</u>	<u>\$ 152,098</u>

Commitments (Note 18)

Approved by the Directors

(signed) Ian Telfer  
**Director**

(signed) Douglas Holtby  
**Director**

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

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**Table of Contents****WHEATON RIVER MINERALS LTD****CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY****Years Ended December 31**

	Common Shares		Special Warrants		Share	Contributed Surplus	Retained Earnings (Deficit)	Total
	Shares	Amount	Warrants	Amount	Purchase Options			
(US dollars, shares and warrants in thousands)								
At January 1, 2001	52,729	\$ 25,284		\$	\$	\$572	\$ (2,977)	\$ 22,879
Shares issued for royalty payments	900	356						356
Special warrants issued			11,000	3,456				3,456
Special warrants exercised	1,090	346	(1,090)	(346)				
Share options exercised	1,989	437						437
Shares repurchased and cancelled	(107)	(51)				28		(23)
Share issue costs		(373)						(373)
Fair value of stock options issued to non-employees					317			317
Net loss							(10,733)	(10,733)
At December 31, 2001	56,601	25,999	9,910	3,110	317	600	(13,710)	16,316
Special warrants issued			110,000	82,068				82,068
Special warrants exercised	119,910	85,178	(119,910)	(85,178)				
Share options exercised	1,355	411						411
Warrants exercised	3,450	2,010						2,010
Shares issued on acquisition of Luismin SA de CV	9,084	6,805						6,805
Share issue costs		(5,251)						(5,251)
Fair value of stock options issued to non-employees					93			93
Net earnings							5,602	5,602
At December 31, 2002	190,400	115,152			410	600	(8,108)	108,054
Share options exercised	6,621	5,431						5,431
Warrants exercised	9,602	5,192						5,192
Shares issued	327,074	402,266						402,266
Share issue costs, net of tax		(22,951)						(22,951)
Fair value of stock options issued to non-employees					467			467
Net earnings							57,659	57,659
At December 31, 2003	533,697	\$505,090		\$	\$877	\$600	\$ 49,551	\$556,118
Shareholders Equity (Note 15)								

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



**Table of Contents****WHEATON RIVER MINERALS LTD****CONSOLIDATED STATEMENTS OF CASH FLOWS****Years Ended December 31**

	Note	2003	2002	2001
(US dollars in thousands)				
<b>Operating Activities</b>				
Net earnings (loss)		\$ 57,659	\$ 5,602	\$ (10,733)
Reclamation expenditures		(1,854)	(685)	(304)
Cash distribution from Minera Alumbrrera Ltd		12,610		
Items not affecting cash				
Depreciation, depletion and amortization		34,171	3,136	349
Provision for reclamation		793	47	1,516
Gain on sale of marketable securities	4	(2,095)	(3,593)	
Equity in earnings of Minera Alumbrrera Ltd		(7,324)		
Future employee benefits		461	380	
Future income taxes	5	24,281	2,606	
Share purchase options	15	467	199	211
Property, plant and equipment written down				8,707
Other		920	(1,090)	322
Change in non-cash working capital	16	6,589	(2,241)	1,623
		<u>126,678</u>	<u>4,361</u>	<u>1,691</u>
<b>Financing Activities</b>				
Bank loans	12	75,000		
Repayment of long-term debt		(54,919)		
Common shares issued	15	390,522	2,421	414
Common share and special warrant issue costs		(25,551)	(5,251)	(373)
Debt issue costs	12(iii)	(4,242)		
Deferred gold put options	12(i)	(5,786)		
Special warrants issued	15(a)		82,068	3,456
		<u>375,024</u>	<u>79,238</u>	<u>3,497</u>
<b>Investing Activities</b>				
Proceeds on sale of marketable securities, net		4,013	6,169	
Property, plant and equipment		(29,010)	(5,214)	(1,016)
Acquisition of Minera Alumbrrera Ltd, net of cash acquired	3(b)	(224,356)		
Acquisition of Peak Gold Mines Pty Ltd, net of cash acquired	3(b)	(34,187)		
Acquisition of Los Filos and El Limón gold projects, net of cash acquired	3(c)	(89,223)		
Acquisition of Luismin SA de CV, net of cash acquired	3(a)		(76,886)	
Short-term money market instruments			13,013	(13,013)
Other		3	520	(457)
		<u>(372,760)</u>	<u>(62,398)</u>	<u>(14,486)</u>
Increase (decrease) in cash and cash equivalents		128,942	21,201	(9,298)
Cash and cash equivalents, beginning of year		22,936	1,735	11,033
		<u>\$ 151,878</u>	<u>\$ 22,936</u>	<u>\$ 1,735</u>

Supplemental cash flow information

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

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**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Years Ended December 31 2003, 2002 and 2001****(US dollars)****1. Description of Business and Nature of Operations**

Wheaton River Minerals Ltd (the Company) is engaged in gold mining and related activities including exploration, extraction, processing, refining and reclamation. The Company has mining operations in Mexico, Argentina and Australia and has ongoing exploration activities in Mexico and Australia. During 2002 it also carried on exploration activities in Canada. The Company is in the process of reclaiming the Golden Bear Mine in Canada, which ceased commercial production in 2001.

On March 18, 2003 the Company acquired the Peak Mine in Australia and a 25% indirect interest in the Alumbra Mine in Argentina (Note 3). On June 24, 2003 the Company acquired an additional 12.5% indirect interest in the Alumbra Mine (Note 3). On October 31, 2003, the Company acquired the Los Filos gold project, together with a 21.2% interest (of which 14% is a carried interest) in the El Limón gold project, both located in Mexico (Note 3). On January 9, 2004, the Company acquired the Amapari gold project in northern Brazil (Note 21).

**2. Summary of Significant Accounting Policies****(a) Canadian generally accepted accounting principles**

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). Differences between Canadian and United States GAAP, which would have a material effect on these consolidated financial statements, are explained in Note 20.

**(b) Basis of presentation**

These consolidated financial statements include the accounts of the Company and its subsidiaries. Principal subsidiaries and investments at December 31, 2003 are listed below:

<b>Subsidiary</b>	<b>Location</b>	<b>Ownership Interest</b>	<b>Status</b>	<b>Operations and Development Projects Owned</b>
Luismin SA de CV (Luismin)				San Dimas, San Martin and Nukay mines and Los Filos development project in Mexico
Peak Gold Mines Pty Ltd (Peak)	Mexico	100%	Consolidated	
Minera Alumbra Ltd (Alumbra)	Australia	100%	Consolidated	Peak mine in Australia
	Argentina	37.5%	Proportionately consolidated	Alumbra mine in Argentina

**(c) Investment in Minera Alumbra Ltd**

On March 18, 2003 the Company acquired a 25% indirect interest in Alumbra which was accounted for using the equity method and the Company's share of earnings of Alumbra have been included in the earnings of the Company since that date. On June 24, 2003 the Company acquired an additional 12.5% indirect interest in Alumbra. As a result of this acquisition and acquisition of control of an intermediate holding company, the Company now has joint control over Alumbra through certain matters requiring unanimous consent in the shareholders agreement and, therefore, the Company has proportionately consolidated its 37.5% share of the financial statements of Alumbra from June 24, 2003 onwards. On this basis, the Company records its 37.5% share of the assets, liabilities, revenues and expenses of Alumbra in these consolidated financial statements.



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**WHEATON RIVER MINERALS LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**(d) Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Significant areas where management's judgment is applied are asset valuations, depreciation and depletion, income taxes, employee future benefits, contingent liabilities and provision for reclamation. Actual results could differ from those reported.

**(e) Foreign currency translation**

The Company's functional and reporting currency is the United States dollar. Foreign currency monetary assets and liabilities are translated into United States dollars at the exchange rates prevailing at the balance sheet date. Non-monetary assets denominated in foreign currencies are translated using the rate of exchange at the transaction date. Foreign currency transactions are translated at the United States dollar rate prevailing on the transaction dates. Foreign exchange gains and losses are included in the determination of earnings.

**(f) Financial instruments**

The carrying values of cash and cash equivalents, appropriated cash, marketable securities, accounts receivable, accounts payable and accrued liabilities and long-term debt approximate their fair values.

The Company has employed metal, interest rate and Canadian dollar forward and option contracts to manage exposure to fluctuations in metal prices and foreign currency exchange rates. Hedging gains or losses are recognized in sales when the hedged production is sold.

**(g) Revenue recognition**

Revenue from the sale of metals is recognized in the accounts when title and risk passes to the buyer, collection is reasonably assured and the price is reasonably determinable. Revenue from the sale of metals may be subject to adjustment upon final settlement of estimated metal prices, weights and assays. Adjustments to revenue for metal prices are recorded monthly and other adjustments are recorded on final settlement. Refining and treatment charges are netted against revenue.

**(h) Exploration and development expenditures**

Significant property acquisition costs are capitalized. Exploration and development expenditures are expensed until a positive economic analysis has been completed that indicates the property is economically feasible. Capitalized costs are written down to their estimated recoverable amount if the properties are determined to be uneconomic or are placed for sale.

**(i) Income and resource taxes**

The provision for income and resource taxes is based on the liability method. Future taxes arise from the recognition of the tax consequences of temporary differences by applying enacted or substantively enacted tax rates applicable to future years to differences between the financial statement 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.

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**WHEATON RIVER MINERALS LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**(j) Earnings per share**

Earnings per share calculations are based on the weighted average number of common shares and common share equivalents issued and outstanding during the year. Diluted earnings per share are calculated using the treasury method.

**(k) Cash and cash equivalents**

Cash and cash equivalents include cash, and those short-term money market instruments that are readily convertible to cash with an original term of less than 91 days.

**(l) Short-term money market instruments**

Short-term money market instruments are those which are due within one year but have an original term of greater than 90 days.

**(m) Marketable securities**

Marketable securities are carried at the lower of cost and market value.

**(n) Inventories**

Product inventory is valued at the lower of average cost and net realizable value. Inventories of supplies are valued at the lower of average cost and replacement cost net of a provision for obsolescence. Inventories at December 31, 2003 included an obsolescence provision of \$162,000 (2002 \$441,000).

**(o) Property, plant and equipment**

Property, plant and equipment are recorded at cost. Significant costs related to property acquisitions including undeveloped mineral interests are capitalized until the viability of the mineral interest is determined. When it has been established that a mineral deposit is commercially mineable and a decision has been made to prepare a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the development costs subsequently incurred are capitalized. Major development expenditures incurred to expose the ore, increase production or extend the life of an existing mine are capitalized. Capitalized costs are written down to their estimated recoverable amount if the properties are determined to be uneconomic or are placed for sale.

Interest and finance costs relating to the construction of plant and equipment are capitalized prior to the commencement of commercial production of a new mine.

Depletion of mine properties is charged on a unit-of-production basis over proven and probable reserves and a portion of resources expected to be converted to reserves. Depreciation of plant and equipment is calculated using the straight-line method, based on estimated useful lives, over three to forty years.

Evaluations of the carrying values of each operation and development property are undertaken in each reporting period to determine if estimated undiscounted future net cash flows are less than the carrying value. Estimated undiscounted future net cash flows are calculated using estimated production sales prices and operating costs, capital costs and reclamation and closure costs. If it is determined that the future net cash flows from an operation or development property are less than the carrying value then a write-down is recorded with a charge to operations.

**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(p) Provision for reclamation and closure**

On January 1, 2003 the Company adopted the standard of the CICA handbook, Asset Retirement Obligations, which requires that the fair value of liabilities for asset retirement obligations be recognized in the period in which they are incurred. A corresponding increase to the carrying amount of the related assets is generally recorded and depreciated over the life of the asset. The amount of the liability is subject to re-measurement at each reporting period. This differs from the prior practice that involved accruing for the estimated reclamation and closure liability through charges to income on a unit-of-production basis over the estimated life of the mine. The effect of the change has no material impact on the Company's consolidated financial statements.

Reclamation and closure costs have been estimated based on the Company's interpretation of current regulatory requirements. The fair value of the estimated reclamation and closure expenses for Luismin, Peak, Alumbreira and Los Filos were recorded as a liability on acquisition. Fair value was determined as the discounted future cash expenditures. Golden Bear Mine estimated reclamation and closure expenses have been fully accrued at December 31, 2003.

**(q) Share option plan**

As of January 1, 2002, the Company adopted the standard of the CICA handbook, Stock-Based Compensation and Other Stock-Based Payments, which has been applied prospectively. All stock-based awards made to non-employees are recognized and measured using the fair value based method at the date of grant. For stock options granted to employees, the Company has adopted the disclosure only provisions whereby pro forma net income and pro forma earnings per share are disclosed as if the fair value based method of accounting had been applied. The Company uses the Black-Scholes model to estimate fair value.

Effective January 1, 2004, the Company will adopt the changes to CICA Handbook Section, Stock-based Compensation and other Stock-based Payments, whereby all stock options granted are accounted for under the fair value based method.

**(r) Future employee benefits**

Seniority premiums, to which some employees are entitled upon termination of employment after 15 years of service, as well as the obligations under the Company's non-contributory retirement plan for employees, are recognized as expenses of the years in which the services are rendered. This is completed through contributions to an irrevocable trust fund and the establishment of accruals, based on actuarial studies made by independent actuaries.

**3. Acquisitions****(a) Luismin SA de CV**

On June 19, 2002 the Company acquired all of the outstanding shares of Luismin. Under the purchase agreement, the Company acquired Luismin for \$55,160,000 in cash and 9,084,090 common shares of the Company. The Company also advanced \$19,840,000 to Luismin to repay its outstanding bank debt. The Company incurred acquisition costs of \$3,266,000. As part of the purchase consideration, a contingent payment of 11,355,113 of the Company's common shares was due if the price of silver averaged \$5 or more per ounce over a period of 60 consecutive trading days prior to June 19, 2004. On September 29, 2003, this condition was satisfied and the additional shares were issued in October 2003. As a result, the carrying value of property, plant and equipment has been increased by \$32,893,000, future income tax liability has been increased by \$10,526,000 and share capital has been increased by \$22,367,000, the fair value of the shares on September 29, 2003.

**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

This acquisition has been accounted for using the purchase method and results from Luismin's operations have been included in the Company's results of operations from June 19, 2002. The allocation of the purchase price is summarized in the table below:

	<u>(In thousands)</u>
Purchase price:	
Cash	\$ 55,160
Cash advanced to repay Luismin bank debt	19,840
Shares issued	29,172
Acquisition costs	3,266
	<u>\$ 107,438</u>
Net assets acquired:	
Cash	\$ 1,380
Non-cash working capital	(1,888)
Property, plant and equipment	145,696
Provision for reclamation and closure	(9,072)
Future employee benefits	(7,504)
Future income tax assets	6,500
Future income tax liabilities	(27,674)
	<u>\$ 107,438</u>

**(b) Minera Alumbreira Ltd and Peak Gold Mines Pty Ltd**

On March 18, 2003 the Company acquired a 25% indirect interest in Alumbreira and a 100% interest in Peak from Rio Tinto Ltd. The acquisition of the 25% interest in Alumbreira was through intermediate holding companies with assets relating solely to the investment in Alumbreira. The purchase price for Alumbreira and Peak totaled \$214,227,000 including acquisition costs. Alumbreira and Peak operate gold and copper mines located in Argentina and Australia, respectively.

On June 24, 2003 the Company acquired an additional 12.5% indirect interest in Alumbreira from Rio Algom Ltd ( Rio Algom , a subsidiary of BHP Billiton Ltd) for a purchase price of \$90,156,000 including acquisition costs. This purchase price was satisfied by a cash payment of \$65,000,000, a promissory note due to Rio Algom in the amount of \$25,000,000 (Note 12 (iv)) and acquisition costs paid of \$156,000. As a result of the acquisition of an additional 12.5% indirect interest in Alumbreira and acquisition of control of an intermediate holding company, the Company obtained joint control over Alumbreira through certain matters requiring unanimous consent in the shareholders' agreement.

**(i) Minera Alumbreira Ltd**

The acquisition of the 37.5% interest in Alumbreira has been accounted for using the purchase method and the results of Alumbreira have been included in the earnings of the Company as follows: 25% interest on an equity basis from date of acquisition, March 18, 2003, to June 23, 2003 and 37.5% interest on a proportionate



**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

consolidation basis from June 24, 2003 onwards. The total purchase price was \$270,459,000 including acquisition costs. The allocation of the purchase price as at June 24, 2003 is summarized in the table below.

	<u>(In thousands)</u>
Purchase price:	
Acquisition of 25% interest, effective March 18, 2003	
Cash paid	\$ 180,000
Acquisition costs	303
Equity in earnings March 18 June 23, 2003	7,324
Cash distribution received	(11,210)
	<u>176,417</u>
Acquisition of additional 12.5% interest, effective June 24, 2003	
Cash paid	65,000
Promissory note (Note 12 <sup>(iv)</sup> )	25,000
Acquisition costs	156
Cash distribution received	(1,400)
	<u>\$ 265,173</u>
Net assets acquired:	
Cash	\$ 21,103
Appropriated cash	8,763
Non-cash working capital	36,835
Property, plant and equipment	269,409
Other	58,376
Provision for reclamation and closure	(4,918)
Future income tax liabilities	(47,053)
Long-term debt	(77,342)
	<u>\$ 265,173</u>

**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)***(ii) Peak Gold Mines Pty Ltd*

The acquisition of 100% of Peak has been accounted for using the purchase method and the results of Peak's operations have been included in the Company's results of operations from March 18, 2003. The allocation of the purchase price is summarized in the table below.

	<b>(In thousands)</b>
Purchase price:	
Cash paid	\$ 33,583
Acquisition costs	341
	<hr/>
	\$ 33,924
	<hr/>
Net assets acquired:	
Cash	\$ (263)
Non-cash working capital	4,791
Property, plant and equipment	34,219
Other non-current assets	422
Provision for reclamation and closure	(4,145)
Other non-current liabilities	(1,100)
	<hr/>
	\$ 33,924
	<hr/>

*(c) Los Filos and El Limón gold development projects*

On October 31, 2003, the Company acquired a 100% interest in the Los Filos gold development project, together with a 21.2% interest (of which 14% is a carried interest) in the El Limón gold project from Teck Cominco Limited and Miranda Mining Corporation. Both projects are located in Mexico. The purchase price was \$89,486,000 including acquisition costs. The acquisition has been accounted for using the purchase method and the preliminary allocation of the purchase price is summarized in the table below.

	<b>(In thousands)</b>
Purchase price:	
Cash paid	\$ 87,020
Acquisition costs	2,466
	<hr/>
	\$ 89,486
	<hr/>
Net assets acquired:	
Cash	\$ 263
Property, plant and equipment	137,780
Future income tax assets	922
Non-cash working capital	(1,080)
Provision for reclamation and closure	(1,000)
Future income tax liabilities	(47,399)

\_\_\_\_\_  
\$ 89,486  
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**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****4. Other Income (Expense)**

	<u>2003</u>	<u>2002</u>	<u>2001</u>
	(In thousands)		
Other income is comprised of:			
Interest income	\$ 1,591	\$ 480	\$ 561
Gain on sale of marketable securities	2,095	3,593	
Foreign exchange gain (loss)	6,774	(71)	230
Other	(1,237)	868	(1,272)
Property, plant and equipment written down			(8,707)
	<u>\$ 9,223</u>	<u>\$4,870</u>	<u>\$(9,188)</u>

In 2001 the Company recognised an impairment of \$8,707,000 in the carrying value of Bellavista, George Lake and Red Mountain projects.

**5. Income Taxes**

	<u>2003</u>	<u>2002</u>	<u>2001</u>
	(In thousands)		
Current income tax expense (recovery)	\$ 763	\$ (153)	\$ 154
Future income tax expense	24,281	2,606	
	<u>\$25,044</u>	<u>\$2,453</u>	<u>\$ 154</u>

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

	<u>2003</u>	<u>2002</u>	<u>2001</u>
	(In thousands)		
Earnings (loss) before income taxes	\$82,703	\$8,055	\$(10,579)
Canadian federal and provincial income tax rates	37.6%	39.6%	44.6%
Income tax expense (recovery) based on above rates	31,113	3,190	(4,718)
Increase (decrease) in income taxes due to:			
Lower effective tax rates on earnings of foreign subsidiaries	(4,941)	(578)	
Tax included in equity earnings of Minera Alumbra Ltd	(3,139)		
Non-deductible expenditures	1,196		
Valuation allowance	508		(121)
Resource and other taxes		(153)	154
Property, plant and equipment written down			5,464
Resource allowance			(625)

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Other	<u>307</u>	<u>(6)</u>	<u>          </u>
	\$25,044	\$2,453	\$ 154

At December 31, 2003, the Company had non-capital losses available for tax purposes in Canada of \$15,210,000 that expire from 2007 to 2010 and \$33,490,000 that expire from 2004 to 2013 in foreign jurisdictions.

At December 31, 2003, the Company had capital losses in Canada in the amount of \$11,014,000 to be carried forward indefinitely and applied to future capital gains.

**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The components of future income taxes are as follows:

	<b>2003</b>	<b>2002</b>
	<u>          </u>	<u>          </u>
	<b>(In thousands)</b>	
Future income tax assets		
Non-capital losses	\$ 13,985	\$ 13,187
Deductible temporary differences and other	14,948	12,932
	<u>          </u>	<u>          </u>
Value of future income tax assets	28,933	26,119
Recoverable asset taxes	953	523
Valuation allowance	(4,411)	(6,797)
	<u>          </u>	<u>          </u>
Future income tax assets	25,475	19,845
Future income tax liabilities		
Total taxable temporary differences	(163,994)	(31,741)
	<u>          </u>	<u>          </u>
Future income tax liabilities, net	\$(138,519)	\$(11,896)
	<u>          </u>	<u>          </u>
Disclosed on the Consolidated Balance Sheets as:		
Future income tax assets	\$ 7,211	\$ 5,613
Future income tax liabilities	(145,730)	(17,509)
	<u>          </u>	<u>          </u>
Future income tax liabilities, net	\$(138,519)	\$(11,896)
	<u>          </u>	<u>          </u>

**6. Marketable Securities**

	<b>2003</b>	<b>2002</b>
	<u>          </u>	<u>          </u>
	<b>(In thousands)</b>	
Marketable securities at market values	\$ 1,702	\$ 3,151
	<u>          </u>	<u>          </u>

**7. Product Inventory and Stockpiled Ore**

	<b>2003</b>	<b>2002</b>
	<u>          </u>	<u>          </u>
	<b>(In thousands)</b>	
Stockpiled ore	\$ 62,174	\$
Work in process	2,891	
Finished goods	12,397	156
	<u>          </u>	<u>          </u>
	77,462	156
Less: non-current stockpiled ore	60,736	
	<u>          </u>	<u>          </u>

\$ 16,726

\$ 156

Non-current stockpiled ore is primarily comprised of lower grade ore at Alumbraera, which will be processed later in the mine life. This inventory is valued at the lower of cost and net realizable value.

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**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****8. Property, Plant and Equipment**

	2003			2002		
	Cost	Accumulated Depletion	Net	Cost	Accumulated Depletion	Net
(In thousands)						
Mineral properties						
Luismin mines, Mexico	\$ 120,736	\$ (6,070)	\$ 114,666	\$ 77,646	\$ (1,958)	\$ 75,688
Peak mine, Australia	25,672	(2,518)	23,154			
Alumbrera mine, Argentina	27,142	(2,091)	25,051			
	<u>173,550</u>	<u>(10,679)</u>	<u>162,871</u>	<u>77,646</u>	<u>(1,958)</u>	<u>75,688</u>
Plant and equipment						
Luismin mines, Mexico	42,519	(3,334)	39,185	34,280	(1,152)	33,128
Peak mine, Australia	17,726	(1,736)	15,990			
Alumbrera mine, Argentina	246,559	(20,553)	226,006			
Corporate, Canada	456	(261)	195	440	(198)	242
	<u>307,260</u>	<u>(25,884)</u>	<u>281,376</u>	<u>34,720</u>	<u>(1,350)</u>	<u>33,370</u>
Properties under development						
Los Filos project, Mexico	93,691		93,691			
El Limón project, Mexico	42,161		42,161			
San Pedrito project, Mexico	3,667		3,667	1,838		1,838
Other	145		145			
	<u>139,664</u>		<u>139,664</u>	<u>1,838</u>		<u>1,838</u>
	<u>\$ 620,474</u>	<u>\$ (36,563)</u>	<u>\$ 583,911</u>	<u>\$ 114,204</u>	<u>\$ (3,308)</u>	<u>\$ 110,896</u>

Effective August 1, 2003 the Company sold the La Guitarra Mine in Mexico to Genco Resources Ltd ( Genco ) for shares and cash totaling \$5,000,000. Consideration received on closing was 1,380,315 shares of Genco with a fair value of \$1,000,000 and a promissory note for \$4,000,000 to be repaid over eight years in cash or equivalent shares of \$500,000 per annum. Due to uncertainty surrounding the collectibility of the promissory note, the repayment of the note will be recorded in operations when received.

**9. Other Non-Current Assets**

	Note	2003	2002
(In thousands)			
Deferred gold put options	12(i)	\$ 5,786	\$
Deferred debt issue costs	12(iii)	3,497	
Other		5,084	1,255



<u>          </u>	<u>          </u>
\$ 14,367	\$ 1,255
<u>          </u>	<u>          </u>

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**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****10. Accounts Payable and Accrued Liabilities**

	<u>2003</u>	<u>2002</u>
	(In thousands)	
Accounts payable trade	\$ 15,198	\$ 4,032
Accrued liabilities	6,709	2,137
Accrued employee benefits	2,814	1,419
Customer payment in advance	3,396	
Other	3,285	2,208
	<u>\$ 31,402</u>	<u>\$ 9,796</u>

**11. Bank Credit Line**

The Company has an Aus\$5,000,000 (\$3,750,000), unsecured, revolving working capital facility for its Peak Mine operations of which \$nil was drawn down at December 31, 2003. The loan bears interest related to the Australian Treasury Bill rate plus 1.5% per annum.

**12. Long-Term Debt**

	<u>2003</u>	<u>2002</u>
	(In thousands)	
Corporate debt		
Term loan <sup>(i)</sup>	\$ 45,000	\$
Revolving working capital facility <sup>(ii)</sup>		
	<u>45,000</u>	<u>—</u>
Total bank indebtedness <sup>(iii)</sup>	45,000	
Promissory note <sup>(iv)</sup>	19,443	
	<u>64,443</u>	<u>—</u>
Project debt		
Share of Alumbrera project debt <sup>(v)</sup>	57,980	
	<u>122,423</u>	<u>—</u>
Less: current portion	41,000	
	<u>\$ 81,423</u>	<u>\$</u>

- (i) The bank term loan bears interest at LIBOR plus 2.75% and has a maturity date of June 30, 2007. Principal repayments are due on a six monthly basis, commencing December 31, 2003, and are comprised of (a) a minimum amount (\$5,000,000 every six months, increasing to \$7,500,000 on December 31, 2005); plus (b) 25% of the excess of the Company's consolidated net cash flows over the consolidated debt service for the period. The Company may repay the term loan prior to maturity without penalty.

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During the year, the Company entered into a gold-indexed interest rate swap transaction, whereby the effective interest rate on the bank term loan varies in relationship to the gold price. At a minimum gold price of \$300 per ounce or less, the effective interest rate will be approximately 0.4% and at a maximum gold price of \$410 or higher, the effective interest rate will be 9.5%. During the year, the effective rate amounted to 5.8%.

Also during the year, under the terms of the loan agreement, the Company acquired options to sell 700,000 ounces of gold at a price of \$300 per ounce during the period January 2004 to June 2008. The

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**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

cost of \$5,786,000 has been deferred and will be amortized against income as the options expire or are exercised. The fair value of these put options at December 31, 2003 is \$2,030,000.

- (ii) The bank revolving working capital facility bears interest at LIBOR plus 3% and may be drawn down to a maximum of \$25,000,000 prior to December 31, 2007, thereupon reduced to \$15,000,000 until maturity date, June 30, 2008.
- (iii) The bank indebtedness is secured by corporate guarantees of Luismin and Peak. Debt issue costs of \$4,242,000 have been deferred and are being amortized to earnings over the term of the debt. An amount of \$745,000 has been amortized to December 31, 2003.
- (iv) The promissory note is due to Rio Algom, bears interest at LIBOR plus 2% and has a maturity date of May 30, 2005. The note is secured by the Company's 12.5% indirect interest in Alumbreira acquired during June 2003 from Rio Algom. Principal repayments are comprised of 75% of any distributions received from Alumbreira, relating to the 12.5% interest acquired from Rio Algom. The promissory note is redeemable prior to maturity without penalty.
- (v) The Alumbreira project debt was incurred to finance the construction and operation of the Alumbreira Mine. The debt is formalized by a Common Security Agreement between Alumbreira, the owners of Alumbreira, and a consortium of commercial banks that was originally signed on February 26, 1997. The Company's share of the remaining balance outstanding at December 31, 2003 is \$57,980,000 of which \$26,400,000 is current. There are certain pledges and mortgages associated with this agreement that apply to Alumbreira's assets. The project debt is non-recourse to the Company and bears interest at LIBOR plus 1.5% to 1.75%.

Under the project debt agreement, Alumbreira is required to maintain a Senior Debt Reserve Account in a segregated offshore trust account which is used to set aside funds for the servicing of upcoming, scheduled long-term debt repayments. The Company's 37.5% interest in these funds is disclosed in these financial statements as appropriated cash and at December 31, 2003 amounted to \$8,840,000.

- (vi) Scheduled minimum repayments of the Company's long-term debt are as follows:

	<u>Corporate</u>	<u>Project</u>	<u>Total</u>
	(In thousands)		
2004	\$ 14,600	\$ 26,400	\$ 41,000
2005	31,943	26,400	58,343
2006	15,000	5,180	20,180
2007	2,900		2,900
	<u>\$ 64,443</u>	<u>\$ 57,980</u>	<u>\$ 122,423</u>

**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****13. Provision for Reclamation and Closure**

	<b>(In thousands)</b>
At January 1, 2002	\$ 3,831
Reclamation expenditures	(685)
Provision for reclamation	47
Amounts acquired	9,072
Disposition of liability	(1,068)
Other	74
At December 31, 2002	11,271
Reclamation expenditures	(1,854)
Provision for reclamation	793
Amounts acquired	10,063
Disposition of liability	(830)
Other	161
At December 31, 2003	\$ 19,604

The total undiscounted amount of estimated cash flows required to settle the obligations is \$29,030,000 (2002 \$13,400,000), which has been discounted using discount rates ranging from 5-7%. Reclamation obligations at the Golden Bear mine of \$1,315,000 are expected to be paid over the next two years and will be funded primarily from reclamation deposits on hand. Certain obligations at Luismin amounting to \$5,500,000 will be paid over the next three years and will be funded from operating cash flows. The remainder of the obligations are not expected to be paid within the foreseeable future and will be funded from operating cash flows at the time.

**14. Future Employee Benefits and Other**

	<b>2003</b>	<b>2002</b>
	<b>(In thousands)</b>	
Defined benefit pension plan	\$ 2,796	\$ 3,008
Deferred employee profit sharing	5,549	2,344
Other	2,489	
	\$ 10,834	\$ 5,352

**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The Company has a defined benefit pension plan for certain Mexican employees. Information on this plan is as follows:

	2003	2002	2001
(In thousands)			
<b>Change in plan assets</b>			
Fair value of plan assets, beginning of year	\$ 228	\$ 180	\$
Increase due to acquisition of Luismin (Note 3)		180	
Actual return on plan assets	16	70	
Benefits paid		(14)	
Contributions	463		
Foreign exchange rate changes	(34)	(8)	
	<u>673</u>	<u>228</u>	<u>\$</u>
Fair value of plan assets, end of year	\$ 673	\$ 228	\$
<b>Projected benefit obligation</b>			
Benefit obligations, beginning of year	\$ 3,147	\$ 3,029	\$
Increase due to acquisition of Luismin (Note 3)		3,029	
Service cost	259	149	
Benefits paid		(14)	
Interest cost	244	135	
Foreign exchange rate changes	(257)	(123)	
Plan amendment/past service cost	649		
Actuarial (gain) loss	62	(29)	
	<u>4,104</u>	<u>3,147</u>	<u>\$</u>
Benefit obligations, end of year	\$ 4,104	\$ 3,147	\$
<b>Excess of projected benefit obligation over plan assets</b>			
Unamortized past service costs	(649)		
Unamortized net actuarial gain	14	89	
	<u>2,796</u>	<u>3,008</u>	<u>\$</u>
Accrued net pension liability	\$ 2,796	\$ 3,008	\$
<b>Employee future benefits expense</b>			
Service cost	\$ 259	\$ 149	\$
Interest cost	244	135	
Expected return on assets	(25)	(8)	
	<u>478</u>	<u>276</u>	<u>\$</u>
Net expense	\$ 478	\$ 276	\$
<b>Significant assumptions used</b>			
Discount rate	9%	9%	
Expected long-term rate of return on plan assets	9%	9%	
Rate of compensation increase	6%	6%	
Estimated average remaining service life	12 years	11 years	

The Company has a defined contribution pension plan for certain Australian employees. The current service cost for 2003 was \$552,000 (2002 \$nil; 2001 \$nil).



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**WHEATON RIVER MINERALS LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. Shareholders Equity**

*(a) Shares issued*

In May 2001 the Company completed a private placement of 11,000,000 special warrants at a price of Cdn\$0.50 per special warrant (Cdn\$0.55 for persons associated with the Company) for gross proceeds of \$3,456,000. Each special warrant was exchangeable, for no additional consideration, into one common share and one common share purchase warrant. Each share purchase warrant was exercisable into one common share at a price of Cdn\$0.75 per share until May 23, 2003. The Company committed to spend \$1,052,000 of these proceeds on exploration eligible for flow-through expenditures and these expenditures were subsequently made in 2002. In 2002 and 2001, special warrants in the amounts of 9,910,000 and 1,090,000 respectively were converted to shares and share purchase warrants.

In May 2002 the Company completed a private placement to finance the Luismin purchase (Note 3) whereby 110,000,000 special warrants were issued at a price of Cdn\$1.15 per special warrant for total proceeds of \$82,068,000. Each special warrant entitled the holder to acquire, without further payment, one common share of the Company and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share of the Company at a price of Cdn\$1.65 per share for a period of five years following the closing. The special warrants were subsequently converted to shares and share purchase warrants during 2002.

In February 2003, the Company issued and sold 230,000,000 subscription receipts at Cdn\$1.45 per subscription receipt by way of a private placement for gross proceeds of \$217,952,000 (Cdn\$333,500,000) less agents' commissions and expenses of \$15,934,000. Each subscription receipt was subsequently converted into one common share and one-quarter of one common share purchase warrant, where one whole share purchase warrant entitles the holder to purchase one common share at a price of Cdn\$1.65 before May 30, 2007. The proceeds from this private placement were used to finance the acquisition of a 25% indirect interest in Alumbreira and 100% of Peak.

In August 2003 the Company issued and sold 47,619,049 units at Cdn\$2.10 per unit for gross proceeds of \$72,457,000 (Cdn\$100,000,000) less agents' commissions and expenses of \$4,514,000. Each unit was subsequently converted into one common share and one half of one Series B common share purchase warrant, where one whole share purchase warrant entitles the holder to purchase one common share at a price of Cdn\$3.10 before August 25, 2008.

In October 2003 the Company issued and sold 38,100,000 units of the Company at Cdn\$3.15 per unit for gross proceeds of \$89,490,000 (Cdn\$120,015,000) less agent's commissions and expenses of approximately \$5,103,000. Each unit was subsequently converted into one common share and one half of one Series B common share purchase warrant, where one whole share purchase warrant entitles the holder to purchase one common share at a price of Cdn\$3.10 before August 25, 2008.

In October 2003, 11,355,113 of the Company's common shares were issued as further consideration for Luismin (Note 3).



**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(b) Warrants**

A summary of the Company's warrants at December 31, 2003, 2002, and 2001 and the changes for the years ending on those dates is presented below:

	<b>Warrants Outstanding</b>	<b>Weighted Average Exercise Price (Cdn\$)</b>
At January 1, 2001	2,000,000	\$ 1.00
Issued on exercise of special warrants	1,090,000	0.75
At December 31, 2001	3,090,000	0.91
Issued on exercise of special warrants	64,909,997	1.51
Exercised	(3,450,000)	0.89
At December 31, 2002	64,549,997	1.52
Issued in connection with issuance of shares	100,359,522	2.27
Exercised	(9,601,400)	0.76
At December 31, 2003	155,308,119	\$ 2.05

The following table summarizes information about the warrants outstanding at December 31, 2003:

<b>Expiry Date</b>	<b>Warrants Outstanding</b>	<b>Exercise Price (Cdn\$)</b>
May 30, 2007	112,461,095	\$ 1.65
August 25, 2008	42,847,024	3.10
	155,308,119	

**(c) Share purchase options**

The Company has established a share purchase option plan whereby the Company's directors may from time to time grant options to directors, employees or consultants. The maximum term of any option may be ten years, but generally options are granted for five years or less. The exercise price of an option is not less than the closing price on the Toronto Stock Exchange on the last trading day preceding the grant date. At December 31, 2003 there were 2,057,566 (2002 - 4,818,000) options available for grant under the plan.

**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

A summary of the Company's options at December 31, 2003, 2002 and 2001 and the changes for the years ending on those dates is presented below:

	<b>Options Outstanding</b>	<b>Weighted Average Exercise Price (Cdn\$)</b>
At January 1, 2001	5,194,263	\$ 0.49
Granted	5,342,058	0.50
Exercised	(1,988,520)	0.35
Expired	(1,900,800)	0.47
Forfeited	(528,487)	0.86
At December 31, 2001	6,118,514	0.52
Granted	3,646,000	1.16
Exercised	(1,355,224)	0.53
Expired	(20,400)	0.29
Forfeited	(130,000)	1.08
At December 31, 2002	8,258,890	0.79
Granted	22,965,000	2.20
Exercised	(6,620,694)	1.09
Forfeited	(132,333)	1.24
At December 31, 2003	24,470,863	\$ 2.03

The following table summarizes information about the options outstanding at December 31, 2003:

<b>Exercise Prices (Cdn\$)</b>	<b>Options Outstanding</b>	<b>Weighted Average Exercise Price of Options Outstanding (Cdn\$)</b>	<b>Weighted Average Remaining Contractual Life</b>	<b>Options Exercisable</b>	<b>Weighted Average Exercise Price of Options Exercisable (Cdn\$)</b>	<b>Weighted Average Remaining Life of Options Exercisable</b>
\$0.35 to \$0.86	2,221,202	\$0.53	1.6 years	2,221,202	\$0.53	1.6 years
\$1.10 to \$1.92	13,379,661	1.47	3.7 years	12,491,667	1.49	3.7 years
\$3.25	8,870,000	3.25	4.9 years	8,870,000	3.25	4.9 years
	24,470,863	\$2.03	4.0 years	23,582,869	\$2.06	4.0 years

Share purchase options with a fair value of \$467,000 were granted to non-employees in 2003 (2002 \$93,000; 2001 \$317,000). The compensation expense (2003 \$467,000; 2002 \$199,000; 2001 \$211,000) is charged to operations over the vesting period.

The following table summarizes information about options granted during 2003:

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Date Granted	Expiry Date	Share Purchase Options Granted	Exercise Price (Cdn\$)
February 2003	February 2006	4,445,000	\$ 1.40
June 2003	June 2008	9,450,000	1.60
August 2003	August 2008	200,000	1.92
November 2003	November 2008	8,870,000	3.25
		<u>22,965,000</u>	

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**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)***Pro forma compensation expense*

If the Company had included share purchase options granted to employees in the calculation of compensation expense, net earnings would be as follows:

	2003	2002	2001
	(In thousands, except per share amounts)		
Net earnings (loss)	\$ 57,659	\$ 5,602	\$ (10,733)
Compensation expense of employees	(15,925)	(923)	(415)
Pro forma net earnings (loss)	\$ 41,734	\$ 4,679	\$ (11,148)
Pro forma basic and diluted earnings (loss) per share	\$ 0.10	\$ 0.03	\$ (0.19)

Pro forma compensation expense is determined using an option pricing model assuming no dividends are to be paid, a weighted average volatility of the Company's share price of 60% (2002 70%; 2001 62%;), an annual risk free interest rate of 4% (2002 5%; 2001 5%) and expected lives of three years (2002 five years). The weighted average fair value of options granted to directors, officers and employees during 2003 was \$0.69 (2002 \$0.45; 2001 \$0.15).

**16. Supplemental Cash Flow Information**

	Note	2003	2002	2001
		(In thousands)		
Change in non-cash working capital				
Accounts receivable		\$ 12,235	\$ (516)	\$ (181)
Product inventory and stockpiled ore		(8,220)	501	1,314
Supplies inventory		(1,524)	130	65
Accounts payable and accrued liabilities		4,282	(2,098)	318
Income taxes payable		370	38	
Other		(554)	(296)	107
		\$ 6,589	\$ (2,241)	\$ 1,623
Non-cash financing and investing activities				
Promissory note issued	12(iv)	\$ 25,000	\$	\$
Shares issued on acquisition of Luismin	3(a)	22,367	6,805	
Shares issued on conversion of special warrants	15		85,178	346
Common shares issued to pay royalties				356
Marketable securities received on sale of property, plant and equipment		1,263	207	2,636
Operating activities included the following cash payments				
Interest paid		\$ 4,357	\$ 120	\$ 13
Income taxes paid		489	227	104

**17. Related Party Transactions**

Consulting and other expenses for 2003 of \$2,288,000 (2002 \$1,512,000; 2001 \$373,000) were paid to corporations with directors in common and \$nil (2002 \$nil; 2001 \$13,000) to a director of the Company. Restructuring expenses of \$nil (2002 \$nil; 2001 \$80,000) were paid to corporations with common directors or ex-directors. Administration expenses for 2003 of \$nil were recovered from companies

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with directors in common (2002 \$10,000; 2001 \$32,000). All transactions with related parties have been recorded at the exchange amounts which approximate fair values.

In connection with the private placement in May 2001, the Company entered into an agreement with Endeavour Financial Corporation ( Endeavour ). Corporations and persons associated with Endeavour purchased most of the private placement and Endeavour arranged the private placement. The original agreement was to May 2002 and has been subsequently extended on a monthly basis. The agreement requires the Company to pay \$10,000 per month and a success fee to be negotiated based on the value of any acquisitions, dispositions and financings. Two directors of Endeavour are directors of the Company.

**18. Commitments**

Commitments exist at Alubrera and Peak for capital expenditures in 2004 of \$2,132,000. The Company rents premises and leases equipment under operating leases that expire over the next nine years. Operating lease expense in 2003 was \$2,154,000 (2002 \$880,000; 2001 \$125,000). Following is a schedule of future minimum rental and lease payments required:

	<b>(In thousands)</b>
2004	\$ 1,616
2005	831
2006	329
2007	204
2008	166
	<hr/>
	3,146
Thereafter	624
	<hr/>
Total minimum payments required	\$ 3,770
	<hr/>

**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****19. Segmented Information**

The Company's reportable operating and geographical segments are summarized in the table below. Information pertaining to Luismin, Los Filos and El Limón is reported as one segment, being Mexico. Combined statements of operations include the Company's 37.5% interest in Alumbreira as if it had been proportionately consolidated at 25% from March 18 to June 23, 2003, and then at 37.5% from June 24, 2003.

	2003							
	Mexico	Australia	Argentina	Corporate	Consolidated	Adjustments	Argentina	Combined
	(In thousands)							
<b>Statements of Operations</b>								
Sales	\$66,251	\$36,475	\$109,907	\$	\$212,633	\$(109,907)	\$142,141	\$244,867
Cost of sales	34,422	24,301	33,231		91,954	(33,231)	45,795	104,518
Depreciation and depletion	6,242	4,254	21,897		32,393	(21,897)	29,589	40,085
Other	259	1,270	2,976		4,505	(2,976)	3,784	5,313
	40,923	29,825	58,104		128,852	(58,104)	79,168	149,916
Earnings from mining operations	25,328	6,650	51,803		83,781	(51,803)	62,973	94,951
General and administrative expenses	(4,816)			(4,838)	(9,654)			(9,654)
Interest and finance fees	(264)	(46)	(1,919)	(2,089)	(4,318)	1,919	(3,043)	(5,442)
Other (expenses) income	(1,665)	156	1,304	5,775	5,570	(1,304)	1,721	5,987
Equity in earnings of Minera Alumbreira Ltd				7,324	7,324	(7,324)		
Earnings before income taxes	18,583	6,760	51,188	6,172	82,703	(58,512)	61,651	85,842
Income tax (expense) recovery	(7,781)	(1,483)	(15,356)	(424)	(25,044)	15,356	(18,495)	(28,183)
Net earnings	\$10,802	\$5,277	\$35,832	\$5,748	\$57,659	\$(43,156)	\$43,156	\$57,659

	2003				
	Mexico	Australia	Argentina	Corporate	Consolidated
	(In thousands)				
<b>Balance Sheets</b>					
Cash and cash equivalents	\$7,762	\$521	\$56,054	\$87,541	\$151,878
Other current assets	9,520	5,666	56,420	1,296	72,902
Property, plant and equipment	293,370	39,144	251,057	340	583,911
Other non-current assets	4,619	6,098	59,170	12,427	82,314
	\$315,271	\$51,429	\$422,701	\$101,604	\$891,005
Current liabilities other than long-term debt	\$10,932	\$5,418	\$18,345	\$1,601	\$36,296

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Long-term debt			57,980	64,443	122,423
Other non-current liabilities	99,240	7,767	67,847	1,314	176,168
Inter-company balances	189,307	32,967	235,373	(457,647)	
Shareholders equity	15,792	5,277	43,156	491,893	556,118
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	\$315,271	\$51,429	\$422,701	\$ 101,604	\$891,005
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Capital asset expenditures	\$ 15,780	\$ 9,653	\$ 3,411	\$ 166	\$ 29,010
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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	2002			2001		
	Mexico	Corporate	Consolidated	Corporate	Other	Consolidated
(In thousands)						
<b>Statements of Operations</b>						
Sales	\$ 34,693	\$	\$ 34,693	\$ 9,010	\$	\$ 9,010
Cost of sales	19,355		19,355	5,452		5,452
Depreciation and depletion	3,028		3,028	324		324
Other	75		75	1,731		1,731
	22,458		22,458	7,507		7,507
Earnings from mining operations	12,235		12,235	1,503		1,503
General and administrative expenses	(3,899)	(2,430)	(6,329)	(2,516)		(2,516)
Interest and finance fees	(82)	(405)	(487)	(13)		(13)
Other (expenses) income	(653)	3,289	2,636	(3,252)	(6,301)	(9,553)
Earnings (loss) before income taxes	7,601	454	8,055	(4,278)	(6,301)	(10,579)
Income tax (expense) recovery	(2,611)	158	(2,453)	(154)		(154)
Net earnings (loss)	\$ 4,990	\$ 612	\$ 5,602	\$ (4,432)	\$ (6,301)	\$ (10,733)

	2002		
	Mexico	Corporate	Consolidated
(In thousands)			
<b>Balance Sheets</b>			
Cash and cash equivalents	\$ 6,223	\$ 16,713	\$ 22,936
Other current assets	9,064	2,334	11,398
Property, plant and equipment	110,654	\$ 242	110,896
Other non-current assets	5,613	1,255	6,868
	\$ 131,554	\$ 20,544	\$ 152,098
Current liabilities	\$ 9,402	510	9,912
Other non-current liabilities	32,009	2,123	34,132
Inter-company balances	85,153	(85,153)	
Shareholders' equity	4,990	103,064	108,054
	\$ 131,554	\$ 20,544	\$ 152,098
Capital asset expenditures	\$ 4,681	\$ 533	\$ 5,214



**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****20. Differences in Generally Accepted Accounting Principles Between Canada and The United States**

These financial statements are prepared in accordance with accounting principles generally accepted in Canada ( Canadian GAAP ). The differences between Canadian GAAP and accounting principles generally accepted in the United States ( US GAAP ) as they relate to these financial statements are summarized below:

	2003			
	Canadian GAAP	Alumbrera Equity Adjustment(a)	US GAAP Adjustments	US GAAP
(In thousands, except per share amounts)				
<b>Consolidated Statements of Operations</b>				
Sales	\$ 212,633	\$ (109,907)	\$	\$ 102,726
Cost of sales	91,954	(33,231)		58,723
Depreciation and depletion	34,171	(21,897)	3,548(c)	15,822
Royalties and reclamation	4,505	(2,976)		1,529
General and administrative expenses	9,654			9,654
Other income	(7,348)	1,304		(6,044)
	132,936	(56,800)	3,548	79,684
Earnings from operations	79,697	(53,107)	(3,548)	23,042
Interest and finance fees	(4,318)	1,919		(2,399)
Loss on derivative instruments			(2,121)(e)	(2,121)
Equity in earnings of Minera Alumbrera Ltd	7,324	35,832	(1,615)(e)	41,541
Earnings before income taxes	82,703	(15,356)	(7,284)	60,063
Income tax (expense) recovery	(25,044)	15,356	1,678(d)	(8,010)
Net earnings	\$ 57,659	\$	\$ (5,606)	\$ 52,053
Marketable securities			(1,048)(b)	(1,048)
Comprehensive income	\$ 57,659	\$	\$ (6,654)	\$ 51,005
Earnings per share basic	\$ 0.14			\$ 0.13
Earnings per share diluted	\$ 0.13			\$ 0.12

**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	2002			
	Canadian GAAP	Alumbrera Equity Adjustment <sup>(a)</sup>	US GAAP Adjustments	US GAAP
(In thousands, except per share amounts)				
<b>Consolidated Statements of Operations</b>				
Sales	\$ 34,693	\$ —	\$ —	\$ 34,693
Cost of sales	19,355			19,355
Depreciation and depletion	3,136		1,166(c)	4,302
Royalties and reclamation	75			75
General and administrative expenses	6,329			6,329
Other income	(2,744)			(2,744)
	26,151		1,166	27,317
Earnings from operations	8,542		(1,166)	7,376
Interest and finance fees	(487)			(487)
Earnings before income taxes	8,055		(1,166)	6,889
Income tax expense	(2,453)		373(d)	(2,080)
Net earnings	\$ 5,602	\$ —	\$ (793)	\$ 4,809
Marketable securities			1,247(b)	1,247
Comprehensive income	\$ 5,602	\$ —	\$ 454	\$ 6,056
Earnings per share basic	\$ 0.04			\$ 0.04
Earnings per share diluted	\$ 0.04			\$ 0.03

**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	2001			
	Canadian GAAP	Alumbraera Equity Adjustment <sup>(a)</sup>	US GAAP Adjustments	US GAAP
	(In thousands, except per share amounts)			
<b>Consolidated Statements of Operations</b>				
Sales	\$ 9,010	\$ —	\$ —	\$ 9,010
Cost of sales	5,452			5,452
Depreciation and depletion	349			349
Royalties and reclamation	1,731			1,731
General and administrative expenses	2,516			2,516
Other expenses	9,528		589(f,j)	10,117
	19,576		589	20,165
Loss from operations	(10,566)		(589)	(11,155)
Interest and finance fees	(13)			(13)
Gain on derivative instruments			143(e)	143
Loss before income taxes	(10,579)		(446)	(11,025)
Income tax expense	(154)		(4) <sup>(d)</sup>	(158)
Net loss	\$(10,733)	\$ —	\$ (450)	\$(11,183)
Marketable securities			346(b)	346
Foreign exchange translation adjustment			(1,226) <sup>(i)</sup>	(1,226)
Comprehensive loss	\$(10,733)	\$ —	\$(1,330)	\$(12,063)
Loss per share basic and diluted	\$ (0.18)			\$ (0.19)

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**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	<b>2003</b>			
	<b>Canadian GAAP</b>	<b>Alumbrera Equity Adjustment<sup>(a)</sup></b>	<b>US GAAP Adjustments</b>	<b>US GAAP</b>
	<b>(In thousands)</b>			
<b>Consolidated Balance Sheets</b>				
Cash and cash equivalents	\$ 151,878	\$ (56,054)	\$	\$ 95,824
Accounts receivable (net of \$89 allowance)	31,824	(25,129)		6,695
Other current assets	41,078	(31,291)	560(b)	10,347
<b>Total Current Assets</b>	<b>224,780</b>	<b>(112,474)</b>	<b>560</b>	<b>112,866</b>
Property, plant and equipment	583,911	(251,057)	(4,714) <sup>(c)</sup>	328,140
Investment in Minera Alumbrera Ltd		278,529	(1,615) <sup>(e)</sup>	276,914
Other non-current assets	82,314	(59,170)	(2,121) <sup>(e)</sup>	21,023
<b>Total Assets</b>	<b>\$ 891,005</b>	<b>\$ (144,172)</b>	<b>\$ (7,890)</b>	<b>\$ 738,943</b>
Current liabilities other than long-term debt	\$ 36,296	\$ (18,345)	\$	\$ 17,951
Current portion of long-term debt	41,000	(26,400)		14,600
<b>Total Current Liabilities</b>	<b>77,296</b>	<b>(44,745)</b>		<b>32,551</b>
Long-term debt	81,423	(31,580)		49,843
Other non-current liabilities	176,168	(67,847)	(2,051) <sup>(d)</sup>	106,270
<b>Total Liabilities</b>	<b>334,887</b>	<b>(144,172)</b>	<b>(2,051)</b>	<b>188,664</b>
Total Shareholders' equity	556,118		(5,839)	550,279
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 891,005</b>	<b>\$ (144,172)</b>	<b>\$ (7,890)</b>	<b>\$ 738,943</b>

	<b>2002</b>			
	<b>Canadian GAAP</b>	<b>Alumbrera Equity Adjustment<sup>(a)</sup></b>	<b>US GAAP Adjustments</b>	<b>US GAAP</b>
	<b>(In thousands)</b>			
<b>Consolidated Balance Sheets</b>				
Cash and cash equivalents	\$ 22,936	\$	\$	\$ 22,936
Accounts receivable (net of \$73 allowance)	5,617			5,617
Other current assets	5,781		1,608(b)	7,389
<b>Total Current Assets</b>	<b>34,334</b>		<b>1,608</b>	<b>35,942</b>
Property, plant and equipment	110,896		(1,166) <sup>(c)</sup>	109,730
Other non-current assets	6,868			6,868
<b>Total Assets</b>	<b>\$ 152,098</b>	<b>\$</b>	<b>\$ 442</b>	<b>\$ 152,540</b>

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Total Current Liabilities	\$ 9,912	\$	\$	\$ 9,912
Other non-current liabilities	34,132		(373) <sup>(d)</sup>	33,759
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	44,044		(373)	43,671
Total Shareholders' equity	108,054		815	108,869
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Shareholders' Equity	\$ 152,098	\$	\$ 442	\$ 152,540
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	Common Shares		Special Warrants		Share Purchase Warrants		Share Purchase Options		Comprehensive Income	Retained Earnings (Deficit)	Total
	Shares	Amount	Warrants	Amount	Warrants	Amount	Amount	Surplus			
(dollars, shares and warrants in thousands)											
<b>Consolidated Statements of Shareholders Equity</b>											
At January 1, 2001	52,729	\$ 28,410			2,000	\$ 242	\$ 80	\$ 675	\$ (607)	\$ (4,352)	\$ 24,448
Shares issued for royalty payments	900	366									366
Special warrants issued			11,000	3,557							3,557
Special warrants exercised	1,090	200	(1,090)	(356)	1,090	156					
Stock options exercised	1,989	450									450
Shares repurchased and cancelled	(107)	(52)						29			(23)
Share issue costs		(384)									(384)
Fair value of stock options issued							326				326
Marketable securities									346		346
Foreign currency translation									(1,226)		(1,226)
Net loss										(11,183)	(11,183)
At December 31, 2001	56,601	28,990	9,910	3,201	3,090	398	406	704	(1,487)	(15,535)	16,677
Special warrants issued			110,000	82,068							82,068
Special warrants exercised	119,910	66,246	(119,910)	(85,269)	64,910	19,023					
Stock options exercised	1,355	411									411
Warrants exercised	3,450	2,454			(3,450)	(444)					2,010
Shares issued on acquisition of Luismin	9,084	6,805									6,805
Share issue costs		(5,251)									(5,251)
Fair value of stock options issued							93				93
Marketable securities									1,247		1,247
Net earnings										4,809	4,809
At December 31, 2002	190,400	99,655			64,550	18,977	499	704	(240)	(10,726)	108,869
Share options exercised	6,621	5,431									5,431
Warrants exercised	9,602	6,542			(9,602)	(1,350)					5,192



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Shares issued	327,074	357,896		100,360	44,370					402,266	
Share issue costs		(22,951)								(22,951)	
Fair value of stock options issued						467				467	
Marketable securities								(1,048)		(1,048)	
Net earnings									52,053	52,053	
At December 31, 2003	533,697	\$446,573	\$	\$	155,308	\$61,997	\$966	\$704	\$(1,288)	\$41,327	\$550,279

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**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	2003	2002	2001
	(In thousands)		
<b>Consolidated Statements of Cash Flows</b>			
<b>Operating activities</b>			
Operating activities under Canadian GAAP	\$ 126,678	\$ 4,361	\$ 1,691
Alumbrera equity adjustment <sup>(a)</sup>	(57,801)		
Foreign exchange translation adjustment <sup>(i)</sup>			58
Operating activities under US GAAP	<u>\$ 68,877</u>	<u>\$ 4,361</u>	<u>\$ 1,749</u>
<b>Financing activities</b>			
Financing activities under Canadian GAAP	\$ 375,024	\$ 79,238	\$ 3,497
Alumbrera equity adjustment <sup>(a)</sup>	19,362		
Foreign exchange translation adjustment <sup>(i)</sup>			102
Financing activities under US GAAP	<u>\$ 394,386</u>	<u>\$ 79,238</u>	<u>\$ 3,599</u>
<b>Investing activities</b>			
Investing activities under Canadian GAAP	\$(372,760)	\$(62,398)	\$(14,486)
Alumbrera equity adjustment <sup>(a)</sup>	(17,615)		
Foreign exchange translation adjustment <sup>(i)</sup>			(431)
Investing activities under US GAAP	<u>\$(390,375)</u>	<u>\$(62,398)</u>	<u>\$(14,917)</u>
Effect of foreign exchange on cash and cash equivalents	<u>\$</u>	<u>\$</u>	<u>\$ (414)</u>

**(a) Joint Venture**

Under Canadian GAAP, the Company has accounted for its joint venture interest in Alumbrera on a proportionate consolidation basis. Under US GAAP, the Company is required to equity account for its investment in Alumbrera and record in earnings its proportionate share of Alumbrera net income in accordance with US GAAP.

**(b) Marketable securities**

Marketable securities are carried at the lower of cost and market value under Canadian GAAP. Under Statement of Financial Accounting Standards ( SFAS ) No. 115, portfolio investments classified as available-for-sale securities are recorded at market value. The resulting gains or losses are included in the determination of other comprehensive income.

**(c) Depreciation and depletion**

Under Canadian GAAP, depletion expense is calculated in reference to proven and probable reserves and a portion of resources, whereas under US GAAP, depletion expense is calculated in reference to proven and probable reserves only.

**(d) Income taxes**

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Under Canadian GAAP, future income taxes are calculated based on enacted or substantially enacted tax rates applicable to future years. Under US GAAP, only enacted rates are used in the calculation of future income taxes. This difference in GAAP did not result in a difference in the financial position, results of operations or cash flows of the Company for the years ended December 31, 2003, 2002 and 2001.

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**WHEATON RIVER MINERALS LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

US GAAP adjustments have been tax affected based on enacted or substantially enacted statutory tax rates applicable to the relevant jurisdiction.

**(e) Accounting for derivative instruments and hedging activities**

SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, is effective for all fiscal years beginning after June 15, 2000 and standardizes the accounting for derivative instruments. The Company has chosen, for US GAAP purposes, to mark its foreign exchange, gold and interest rate derivative contracts to market. The Company's put options on future gold production have been excluded from the mark-to-market calculation as it expects to deliver into these contracts in the normal course of business.

**(f) Share purchase warrants**

The Company, from time to time, issues special warrants which are normally comprised of a common share and either a whole or portion of a share purchase warrant. The special warrant is issued at the current market value of the common share and the share purchase warrant is normally exercisable at or higher than market value. Under Canadian GAAP the proceeds of the special warrant are allocated to the common share with no value being assigned to the share purchase warrant. Under US GAAP the gross proceeds would be allocated between the shares and warrants based on the relative fair value of the special warrant components at the date the Company has a contractual liability to issue the special warrants.

Prior to 2001, the Company issued share purchase warrants in connection with the acquisition of a mineral property and the issuance of debt. Under Canadian GAAP, no values were assigned to these purchase warrants. Under US GAAP, these warrants would be recorded at their fair values and be recorded as additional paid in capital at the date of issuance.

**(g) Stock-based compensation**

For US GAAP purposes the Company accounts for stock-based compensation to employees and directors under Accounting Principles Board Opinion No 25, Accounting for Stock Issued to Employees, ( APB No. 25 ), using the intrinsic value based method whereby compensation expense is recorded for the excess, if any, of the quoted market price at the date granted over the exercise price. No compensation cost has been recorded in 2003, 2002 and 2001, respectively, under this method.

SFAS No. 123, Accounting for Stock-Based Compensation, requires the use of the fair value based method of accounting for stock options. Under this method, compensation cost is measured at the grant date based on the fair value of the options granted and is recognized over the vesting period. SFAS No. 123, however, allows the Company to continue to measure the compensation expense of employees in accordance with APB No. 25. The Company has adopted the disclosure-only provisions of SFAS No. 123.

**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following pro forma financial information presents the net earnings (loss) for the years ended December 31 and the earnings (loss) per share had the Company adopted SFAS 123 for all stock options issued to directors, officers and employees.

	2003	2002	2001
	_____	_____	_____
	(In thousands)		
Net earnings (loss) for the period under US GAAP	\$ 52,053	\$ 4,809	\$ (11,183)
Additional stock-based compensation expense (Note 15 (c))	(15,925)	(923)	(415)
	_____	_____	_____
Pro forma net earnings (loss)	\$ 36,128	\$ 3,886	\$ (11,598)
	_____	_____	_____
Pro forma basic earnings (loss) per share	\$ 0.09	\$ 0.03	\$ (0.19)
	_____	_____	_____
Pro forma diluted earnings (loss) per share	\$ 0.08	\$ 0.03	\$ (0.19)
	_____	_____	_____

**(h) Financial statement presentation**

For US GAAP purposes, the measure Earnings from mining operations is not a recognized term and would therefore not be presented. Instead, Earnings from operations has been calculated as net earnings (loss), before interest and finance fees, derivative instruments, equity in earnings of Minera Alumbra Ltd and income taxes.

**(i) Flow-through shares**

Under Canadian GAAP, flow-through shares are recorded at their face value, net of related issuance costs. When eligible expenditures are made, the carrying value of these expenditures may exceed their tax value. The tax effect of this temporary difference is recorded as a cost of issuing the shares.

The Financial Accounting Standards Board ( FASB ) staff has taken the view that under SFAS No. 109, Accounting for Income Taxes, the proceeds from issuance should be allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A liability is recognized for this difference. The liability is reversed when tax benefits are renounced and a deferred tax liability is recognized at that time. Income tax expense is the difference between the amount of deferred tax liability and the liability recognized on issuance. The flow-through shares issued during 2001 were granted at the fair value of existing non flow-through shares. As such, no liability was recognized for the difference between the quoted price of the existing shares and the amount paid for the flow-through shares.

**(j) Foreign currency translation**

Under Canadian GAAP, as a result of the Company's adoption of the US dollar as its functional currency, the Company's consolidated financial statements for the year ended December 31, 2001, have been translated from Canadian dollars into US dollars at a rate of \$1 to \$1.5935.

Under US GAAP, this change in the functional currency would require a restatement of the Company's financial statements whereby monetary assets and liabilities of the Company would be translated into US dollars at the exchange rate in effect at the balance sheet date and non-monetary assets, liabilities and share capital at the exchange rates in effect at the time of acquisition or issue. Revenues, expenses and financing and investing activities would be translated at rates approximating exchange rates in effect at the time of the transactions.

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Under Canadian GAAP, the Company's foreign currency denominated subsidiaries were translated into Canadian dollars whereby monetary items were translated at the rate of exchange in effect at the balance sheet

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date and non-monetary items were translated at historical exchange rates. The resulting Canadian dollar denominated subsidiary statements were translated into US dollars at a rate of \$1 to \$1.5935. Under US GAAP, the Company's foreign currency denominated subsidiaries would be translated using the method whereby assets and liabilities would be translated at foreign exchange rates in effect at the balance sheet date and revenues and expenses would be translated at average foreign exchange rates in effect during the period. Adjustments arising from the translation of the Company's foreign currency denominated subsidiaries would be deferred and recorded under a separate component of Shareholders' Equity.

**(k) Pro forma information on business combinations**

Under US GAAP, SFAS 141 requires disclosure of certain pro forma information when a business combination is effected. The following table presents the unaudited pro forma results of operations for informational purposes, assuming that the Company had acquired Alumbra and Peak at the beginning of 2002 and Luismin at the beginning of 2001:

	2003	2002	2001
	(In thousands)		
Sales	\$ 110,413	\$ 99,540	76,996
Net earnings (loss)	75,149	25,181	(5,903)
Pro forma basic earnings (loss) per share	\$ 0.18	\$ 0.07	\$ (0.03)
Pro forma diluted earnings (loss) per share	\$ 0.17	\$ 0.07	\$ (0.03)

The pro forma results of operations give effect to certain adjustments including the increase in depletion, depreciation and amortization resulting from adjustments to asset carrying values on the acquisitions of Alumbra, Peak and Luismin. The pro forma basic and diluted earnings per share have been calculated assuming the special warrants and common shares issued in connection with the acquisitions of Alumbra and Peak, and Luismin were issued at the beginning of 2002 and 2001 respectively. This information may not be necessarily indicative of the future combined results of operations of the Company.

**(l) Recently released accounting standards**

In May 2003, the FASB issued SFAS No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equities. SFAS No. 150 requires certain financial instruments that were accounted for as equity under previous guidance to now be accounted for as liability. SFAS No. 150 applies to mandatory redeemable stock and certain financial instruments that require or may require settlement by transferring cash or other assets. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company has not issued any financial instruments that fall under the scope of SFAS No. 150 and does not expect that the adoption of this statement will have a material impact on the Company's financial position or results of operations.

In April 2003, SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities, was issued. In general, this statement amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133. This statement is effective for contracts entered into or modified after June 30, 2003, and for hedging relationships designated after June 30, 2003. The Company is in the process of evaluating the impact the adoption of SFAS No. 149 will have on its consolidated financial position or results of operations.

In January 2003, the FASB issued FIN No. 46, Consolidation of Variable Interest Entities, an interpretation of ARB No. 51. FIN No. 46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a





**Table of Contents****WHEATON RIVER MINERALS LTD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN No. 46 is effective for all new variable interest entities created or acquired prior to February 1, 2003, the provisions of FIN No. 46 must be applied for the first interim or annual period beginning after June 15, 2003. It is not expected that the adoption of FIN No. 46 will have a material effect on the Company's financial position or results of operations.

**21. Subsequent Events****(a) Acquisition of Amapari gold development project**

On January 9, 2004 the Company acquired a 100% interest in the Amapari gold development project in Brazil for total consideration of \$113.5 million including acquisition costs. Of the purchase price, \$25 million was paid in cash and the remainder by way of 33 million Wheaton common shares and 21.5 million Series B common share purchase warrants.

The acquisition of Amapari has been accounted for using the purchase method. The preliminary allocation of the purchase price is summarized in the table below.

	<u>(In thousands)</u>
Purchase price:	
Cash paid	\$ 25,000
Shares and share purchase warrants issued	87,300
Acquisition costs	1,200
	<u>\$ 113,500</u>
Net assets acquired:	
Cash	\$ 300
Non-cash working capital	(2,000)
Property, plant and equipment	130,400
Debt, due in 2004	(15,200)
	<u>\$ 113,500</u>

**(b) Proposed combination with IAMGOLD Corporation**

On March 30, 2004, the Company announced a proposed combination with IAMGOLD Corporation ( IAMGOLD ) that will be completed by way of a plan of arrangement whereby each share of the Company will be exchanged for 0.55 of an IAMGOLD share. As a result of the proposed transaction, the combined company will be held 68% by existing Wheaton shareholders and 32% by existing IAMGOLD shareholders (74% and 26% respectively, on a fully diluted basis). The combination is subject to due diligence, to be concluded before April 30, 2004 whereupon the parties will enter into a definitive agreement. The combination is subject to receipt of all requisite regulatory approvals, third party consents and other conditions customary in transactions of this nature. The combination must be approved by at least two-thirds of the votes cast by the shareholders of Wheaton and by a majority of the votes cast by the shareholders of IAMGOLD. The shareholder meetings are expected to be held in June 2004, with the transaction expected to close shortly thereafter. If the combination does not occur as a result of one of the parties accepting a superior proposal from a competing bidder then the party which accepted the superior proposal will be required to pay a fee equal to three percent of its market capitalization to the other party.



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**WHEATON RIVER MINERALS LTD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF**  
**RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

*The following should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2003 and related notes thereto which have been prepared in accordance with Canadian generally accepted accounting principles. All figures are in United States dollars unless otherwise noted.*

**2003 HIGHLIGHTS**

**Net earnings of \$57.7 million (\$0.14 per share) compared with \$5.6 million (\$0.04 per share) in 2002.**

**Operating cash flows of \$126.7 million (2002 \$4.4 million).**

**Sales of 450,100 gold equivalent ounces and 113.7 million pounds of copper (2002 106,300 gold equivalent ounces).**

**Total cash costs of \$61 per gold equivalent ounce (2002 \$182).**

**The Company remains unhedged to increases in gold, copper and silver prices.**

**Cash and cash equivalents at December 31, 2003 of \$151.9 million (2002 \$22.9 million) and working capital of \$147.5 million (2002 \$24.4 million).**

**Overview**

Wheaton River Minerals Ltd. (Wheaton or the Company) is a growth-oriented precious metals mining company with operations in Mexico, Argentina, Brazil and Australia.

During 2003, Wheaton acquired a 37.5% interest in the world-class Alumbreira gold/copper mine in Argentina and 100% of the Peak gold mine in Australia. In addition, the Company acquired the Los Filos gold project in Mexico and, on January 9, 2004, the Amapari gold project in northern Brazil.

On March 30, 2004, the Company announced a proposed combination with IAMGold Corporation (IAMGold) that will be completed by way of a plan of arrangement whereby each share of the Company will be exchanged for 0.55 of an IAMGold share. As a result of the proposed transaction, the combined company will be held 68% by existing Wheaton shareholders and 32% by existing IAMGold shareholders (74% and 26% respectively, on a fully diluted basis). The combination is subject to receipt of all requisite regulatory approvals, third party consents and other conditions customary in transactions of this nature. The combination must be approved by at least two-thirds of the votes cast by the shareholders of Wheaton and by a majority of the votes cast by the shareholders of IAMGold. The shareholder meetings are expected to be held in June 2004, with the transaction expected to close shortly thereafter. If the combination does not occur as a result of one of the parties accepting a superior proposal from a competing bidder then the party which accepted the superior proposal will be required to pay a fee equal to three percent of its market capitalization to the other party.

**Table of Contents****Summarized Financial Results**

	2003	2002	2001
	(Notes 2 and 3)	(Note 4)	(Note 5)
<b>Sales</b> (\$000 s)	\$ 212,633	\$ 34,693	\$ 9,010
Gold (ounces)	369,300	59,700	33,700
Silver (ounces)	6,054,200	3,208,900	
<b>Gold equivalent</b> (ounces) (Note 1)	450,100	106,300	33,700
<b>Copper</b> (lbs)	113,718,700		
<b>Net earnings (loss)</b> (\$000 s)	\$ 57,659	\$ 5,602	\$ (10,733)
<b>Earnings (loss) per share</b>			
<b>basic</b>	\$ 0.14	\$ 0.04	\$ (0.18)
<b>diluted</b>	\$ 0.13	\$ 0.04	\$ (0.18)
<b>Cash flow from operations</b> (\$000 s)	\$ 126,678	\$ 4,361	\$ 1,691
Average realized gold price (\$ s per ounce)	\$ 365	\$ 326	\$ 278
Average realized silver price (\$ s per ounce)	\$ 4.88	\$ 4.55	\$
Average realized copper price (\$ s per lb)	\$ 0.86	\$	\$
<b>Total cash costs</b> (per gold equivalent ounce) (Note 6)	\$ 61	\$ 182	\$ 173
<b>Cash and cash equivalents</b> (\$000 s)	\$ 151,878	\$ 22,936	\$ 1,735
<b>Total assets</b> (\$000 s)	\$ 891,005	\$ 152,098	\$ 21,207
<b>Long-term debt</b> (\$000 s)	\$ 122,423	\$	\$
<b>Shareholders equity</b> (\$000 s)	\$ 556,118	\$ 108,054	\$ 16,316

- (1) Gold and silver are accounted for as co-products at the Luismin mines. Silver sales are converted into gold sales using the ratio of the average gold price to the average silver price for the period. For the year ended December 31, 2003 the equivalency ratio was 75 (2002 69) ounces of silver equals one ounce of gold sold.
- (2) Includes Peak s results from March 18, 2003 onwards.
- (3) Includes, with the exception of sales, 25% of Alubrera s total operating results for the period March 18 to June 23, 2003, and 37.5% of the results for the period June 24 to December 31, 2003. Sales include 37.5% of Alubrera s total sales for the period from June 24 to December 31, 2003. Prior to June 24, 2003, the Company used the equity method to account for its 25% investment in Alubrera.
- (4) Includes Luismin s results from June 19, 2002 onwards.
- (5) Includes results of the Golden Bear mine in Canada, which ceased commercial production in 2001 and is presently in the process of being reclaimed.
- (6) The calculation of total cash costs per ounce for Peak and Alubrera is net of by-product copper sales revenue.  
Net earnings for 2003 were \$57,659,000 or \$0.14 per share, compared to \$5,602,000 or \$0.04 per share in 2002. The increase was primarily as a result of the contribution from the Alubrera and Peak mines, acquired during 2003.

**Table of Contents****Quarterly Financial Review**

<b>2003</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
(Notes 2 and 3)					
<b>Sales</b> (\$000 s)	\$ 17,257	\$ 28,814	\$ 63,142	\$ 103,420	\$ 212,633
Gold (ounces)	35,100	92,600	105,400	136,200	369,300
Silver (ounces)	1,561,900	1,500,500	1,515,900	1,475,900	6,054,200
<b>Gold equivalent (ounces)</b> (Note 1)	55,600	112,400	126,100	156,000	450,100
<b>Copper (lbs)</b>	3,551,000	28,139,400	28,296,800	53,731,500	113,718,700
<b>Net earnings</b> (\$000 s)	\$ 4,064	\$ 11,088	\$ 14,689	\$ 27,818	\$ 57,659
<b>Earnings per share</b>					
basic	\$ 0.02	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.14
diluted	\$ 0.02	\$ 0.03	\$ 0.03	\$ 0.05	\$ 0.13
<b>Cash flow from operations</b> (\$000 s)	\$ 9,752	\$ 20,990	\$ 31,453	\$ 64,483	\$ 126,678
Average realized gold price (\$ s per ounce)	\$ 347	\$ 353	\$ 366	\$ 385	\$ 365
Average realized silver price (\$ s per ounce)	\$ 4.64	\$ 4.61	\$ 5.00	\$ 5.29	\$ 4.88
Average realized copper price (\$ s per lb)	\$ 0.68	\$ 0.74	\$ 0.81	\$ 0.96	\$ 0.86
<b>Total cash costs (per gold equivalent ounce)</b> (Note 5)	\$ 175	\$ 90	\$ 98	\$ (39)	\$ 61

<b>2002</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
(Note 4)					
<b>Sales</b> (\$000 s)	\$	\$ 915	\$ 15,840	\$ 17,938	\$ 34,693
Gold (ounces)		1,500	25,900	32,300	59,700
Silver (ounces)		90,900	1,445,800	1,672,200	3,208,900
<b>Gold equivalent (ounces)</b> (Note 1)		2,900	47,800	55,600	106,300
<b>Net earnings</b> (\$000 s)	\$ 262	\$ 1,814	\$ 949	\$ 2,577	\$ 5,602
<b>Earnings per share</b>					
basic	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.01	\$ 0.04
diluted	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.01	\$ 0.04
<b>Cash flow from operations</b> (\$000 s)	\$(1,050)	\$ 2,443	\$ (2,663)	\$ 5,631	\$ 4,361
Average realized gold price (\$ s per ounce)	\$	\$ 299	\$ 331	\$ 323	\$ 326
Average realized silver price (\$ s per ounce)	\$	\$ 4.47	\$ 4.60	\$ 4.51	\$ 4.55
<b>Total cash costs (per gold equivalent ounce)</b>	\$	\$ 176	\$ 182	\$ 186	\$ 182

- (1) Gold and silver are accounted for as co-products at the Luismin mines. Silver sales are converted into gold sales using the ratio of the average gold price to the average silver price for the period.
- (2) Includes Peak s results from March 18, 2003 onwards.
- (3) Includes, with the exception of sales, 25% of Alumbreira s total operating results for the period March 18 to June 23, 2003, and 37.5% of the results for the period June 24 to December 31, 2003. Sales include 37.5% of Alumbreira s total sales for the period from June 24 to December 31, 2003. Prior to June 24, 2003, the Company used the equity method to account for its 25% investment in Alumbreira.

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(4) Includes Luismin's results from June 19, 2002 onwards.

(5) The calculation of total cash costs per ounce for Peak and Alumbreira is net of by-product copper sales revenue.

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**Table of Contents****Results of Operations**

	2003				
	Luismin	Peak	Alumbrera	Corporate	Total
	(Note 1)	(Note 2)	(Notes 3 and 4)		
<b>Sales (\$000 s)</b>	\$ 66,251	\$ 36,475	\$ 109,907	\$	\$ 212,633
Gold (ounces)	106,300	97,200	165,800		369,300
Silver (ounces)	6,054,200				6,054,200
<b>Gold equivalent (ounces)</b> (Note 1)	187,100	97,200	165,800		450,100
<b>Copper (lbs)</b>	-	2,964,100	110,754,600		113,718,700
<b>Net earnings (loss) (\$000 s)</b>	\$ 10,802	\$ 5,277	\$ 43,156	\$(1,576)	\$ 57,659
Average realized gold price (\$ s per ounce)	\$ 366	\$ 365	\$ 365	\$	\$ 365
Average realized silver price (\$ s per ounce)	\$ 4.88	\$	\$	\$	\$ 4.88
Average realized copper price (\$ s per lb)	\$	\$ 0.85	\$ 0.86	\$	\$ 0.86
<b>Total cash costs (per gold equivalent ounce)</b>	\$ 186	\$ 250	\$ (191)	\$	\$ 61

- (1) Gold and silver are accounted for as co-products at the Luismin mines. Silver sales are converted into gold sales using the ratio of the average gold price to the average silver price for the period. For the year ended December 31, 2003 the equivalency ratio was 75 ounces of silver equals one ounce of gold sold.
- (2) Peak results include the Company's 100% interest from March 18, 2003 onwards. The calculation of total cash costs per ounce of gold is net of by-product copper sales revenue.
- (3) Includes, with the exception of sales, 25% of Alumbrera's total operating results for the period March 18 to June 23, 2003, and 37.5% of the results for the period June 24 to December 31, 2003. Sales include 37.5% of Alumbrera's total sales for the period from June 24 to December 31, 2003. Prior to June 24, 2003, the Company used the equity method to account for its 25% investment in Alumbrera.
- (4) The calculation of total cash costs per ounce of gold for Alumbrera is net of by-product copper sales revenue. If copper production were treated as a co-product, average total cash costs at Alumbrera would be \$117 per ounce of gold and \$0.40 per pound of copper.

	2002		
	Luismin	Corporate	Total
	(Note 1)		
<b>Sales (\$000 s)</b>	\$ 34,693	\$	\$ 34,693
Gold (ounces)	59,700		59,700
Silver (ounces)	3,208,900		3,208,900
<b>Gold equivalent (ounces)</b> (Note 1)	106,300		106,300
<b>Net earnings (\$000 s)</b>	\$ 4,990	\$ 612	\$ 5,602
Average realized gold price (\$ s per ounce)	\$ 326	\$	\$ 326
Average realized silver price (\$ s per ounce)	\$ 4.55	\$	\$ 4.55
<b>Total cash costs (per gold equivalent ounce)</b>	\$ 182	\$	\$ 182

- (1) Gold and silver are accounted for as co-products at the Luismin mines. Silver sales are converted into gold sales using the ratio of the average gold price to the average silver price for the period. For the year ended December 31, 2002 the equivalency ratio was 69 ounces of silver equals one ounce of gold sold.





**Table of Contents****OPERATIONAL REVIEW****Luismin Mines**

The Company acquired the Luismin gold/silver mines during June, 2002 for a purchase price of \$76,886,000 including acquisition costs. As part of the purchase consideration, a contingent payment of 11,355,113 of the Company's common shares was due if the price of silver averaged \$5 or more per ounce over a period of 60 consecutive trading days prior to June 19, 2004. On September 29, 2003, this condition was satisfied and the additional shares were issued in October, 2003.

	2003				2002	
	Q1	Q2	Q3	Q4	Total	Total
Ore mined (tonnes)	189,800	184,500	186,300	181,800	742,400	422,900
Ore milled (tonnes)	183,900	181,900	182,800	176,000	724,600	420,700
Grade (grams/tonne)						
Gold	4.43	4.54	5.01	5.21	4.79	4.40
Silver	291.23	288.92	285.88	291.15	289.28	263.14
Recovery (%)						
Gold	96	96	97	97	97	96
Silver	90	91	91	90	91	90
Production (ounces)						
Gold	25,100	25,400	28,300	28,100	106,900	57,400
Silver	1,554,700	1,527,600	1,520,700	1,483,300	6,086,300	3,218,300
Gold equivalent (Note 1)	45,700	45,600	49,200	48,000	188,500	104,000
Sales						
(\$ 000 s)	\$ 15,653	\$ 15,103	\$ 17,152	\$ 18,343	\$ 66,251	\$ 34,693
Gold (ounces)	25,600	25,000	27,600	28,100	106,300	59,700
Silver (ounces)	1,561,900	1,500,500	1,515,900	1,475,900	6,054,200	3,208,900
Gold equivalent (ounces)						
(Note 1)	46,100	44,800	48,300	47,900	187,100	106,300
Net earnings (\$ 000 s)	\$ 3,312	\$ 2,768	\$ 4,145	\$ 577	\$ 10,802	\$ 4,990
Average realized gold price						
(\$ s per ounce)	\$ 353	\$ 350	\$ 366	\$ 393	\$ 366	\$ 326
Average realized silver price						
(\$ s per ounce)	\$ 4.64	\$ 4.61	\$ 5.00	\$ 5.29	\$ 4.88	\$ 4.55
Total cash costs						
(per gold equivalent ounce)	\$ 185	\$ 200	\$ 180	\$ 179	\$ 186	\$ 182

- (1) Gold and silver are accounted for as co-products at the Luismin mines. Silver sales are converted into gold sales using the ratio of the average gold price to the average silver price for the period. For the year ended December 31, 2003 the equivalency ratio was 75 (2002 69) ounces of silver equals one ounce of gold sold.

During 2003, the Luismin gold/silver operations in Mexico sold 187,100 gold equivalent ounces at a total cash cost of \$186 per ounce, compared with sales of 106,300 gold equivalent ounces at a total cash cost of \$182 per ounce in 2002. The Luismin operations were acquired during June 2002, and hence the 2002 Wheaton operating results only include six and a half months of the Luismin operations.

General and administrative expenses in 2003 were \$4,816,000 compared to \$3,899,000 in 2002. The 2003 costs represent the full year of operations whereas 2002 costs were incurred since the acquisition date on June 19, 2002. Costs incurred during the six and a half months of 2002 were abnormally high due to non-recurring expenses that resulted from the acquisition of Luismin by Wheaton.

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Luismin owns a significant number of exploration properties, several of which are being explored and funded by joint venture partners. Luismin exploration expense in 2003 was \$1,103,000 compared with \$375,000 in 2002.

The tax rate for the Luismin operations averaged 42% for the year, as compared with an expected rate of 32%, primarily as a result of certain expenses not being deductible for tax purposes. Luismin paid no significant cash taxes in 2003.

**Peak Mine**

The Company acquired the Peak gold mine in Australia on March 18, 2003 for a purchase price of \$33,924,000 including acquisition costs.

	2003				
	Q1	Q2	Q3	Q4	Total
Ore mined (tonnes)	20,000	247,500	352,700	219,200	839,400
Ore milled (tonnes)	25,300	157,200	157,500	153,100	493,100
Grade					
Gold (grams/tonne)	6.14	6.56	7.81	5.93	6.74
Copper (%)		0.49	0.53	0.54	0.52
Recovery (%)					
Gold	85	87	85	88	85
Copper		67	84	77	75
Production					
Gold (ounces)	4,100	28,900	33,600	25,700	92,300
Copper (lbs)		778,700	1,438,100	1,396,800	3,613,600
Sales					
(\$ 000 s)	\$ 1,605	\$ 9,475	\$ 14,639	\$ 10,756	\$ 36,475
Gold (ounces)	4,800	26,700	39,200	26,500	97,200
Copper (lbs)			1,843,000	1,121,100	2,964,100
Net earnings (loss) (\$ 000 s)	\$ (121)	\$ 1,298	\$ 1,721	\$ 2,379	\$ 5,277
Average realized gold price (\$ s per ounce)	\$ 331	\$ 355	\$ 365	\$ 391	\$ 365
Average realized copper price (\$ s per lb)	\$	\$	\$ 0.80	\$ 0.90	\$ 0.85
Total cash costs (per ounce) (Note 1)	\$ 330	\$ 221	\$ 223	\$ 302	\$ 250

(1) The calculation of total cash costs per ounce of gold is net of by-product copper sales revenue.

Peak sold 97,200 ounces of gold and 3.0 million lbs of copper during the nine and a half months from the date of acquisition, March 18, 2003. Total cash costs averaged \$250 per ounce (net of by-product copper sales revenue), being approximately 10% in excess of budget.

The first nine and a half months of ownership were very much a transitional period. Major changes in underground operating methods during the fourth quarter negatively impacted production and total cash costs for the quarter, but are expected to result in improved long-term results. Other significant improvements during the year included a change in senior mine personnel and a 20% reduction in the workforce. These changes resulted in short-term operating inefficiencies, negatively impacting the 2003 operating results. However, the long-term benefits of many of these changes started to be seen in late 2003, and further significant improvements are expected commencing in early 2004.

During the second quarter of 2003, mining of the Perseverance ore body was commenced, which contains high grades of gold and copper. Sales of the copper/gold concentrate produced from the Perseverance ore body commenced in the third quarter.

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The tax rate for Peak approximates 30%; however, no significant cash taxes were paid during 2003.

**Alumbra Mine** (Wheaton interest 37.5%)

The Company acquired a 25% interest in the Alumbra gold/copper mine in Argentina on March 18, 2003 and accounted for its interest using the equity method until June 24, 2003, at which time it increased its interest in Alumbra to 37.5%. As a result of the Company's acquisition of this additional 12.5% interest, the Company has proportionately consolidated its 37.5% share of the financial statements of Alumbra from June 24, 2003 onwards. The total purchase price was \$270,459,000 including acquisition costs. The Alumbra mine is operated by Xstrata plc, who owns a 50% interest in the mine.

	2003				
	Q1	Q2	Q3	Q4	Total
	(Wheaton's share only)				
Ore mined (tonnes)	322,700	2,171,700	2,219,300	2,409,000	7,122,700
Ore milled (tonnes)	330,800	2,235,400	3,043,100	3,415,000	9,024,300
Grade					
Gold (grams/tonne)	0.57	0.81	0.83	0.94	0.86
Copper (%)	0.52	0.69	0.67	0.69	0.67
Recovery (%)					
Gold	79	74	73	74	74
Copper	91	89	89	89	89
Production					
Gold (ounces)	4,800	43,300	59,000	75,900	183,000
Copper (lbs)	3,457,100	29,912,800	39,895,700	47,098,200	120,363,800
Sales					
(\$ 000's)	\$	\$ 4,236	\$ 31,351	\$ 74,320	\$ 109,907
Gold (ounces)	4,700	40,900	38,600	81,600	165,800
Copper (lbs)	3,551,000	28,139,400	26,453,800	52,610,400	110,754,600
Net earnings (\$ 000's)	\$ 516	\$ 7,706	\$ 8,919	\$ 26,015	\$ 43,156
Average realized gold price (\$'s per ounce)	\$ 301	\$ 355	\$ 366	\$ 379	\$ 365
Average realized copper price (\$'s per lb)	\$ 0.68	\$ 0.74	\$ 0.81	\$ 0.96	\$ 0.86
Total cash costs (per ounce) (Note 1)	\$ (81)	\$ (112)	\$ (132)	\$ (277)	\$ (191)

(1) The calculation of total cash costs per ounce of gold for Alumbra is net of by-product copper sales revenue. If copper production were treated as a co-product, 2003 average total cash costs at Alumbra would be \$117 per ounce of gold and \$0.40 per pound of copper.

Wheaton's share of Alumbra's 2003 results amounted to 165,800 ounces of gold and 110.8 million lbs of copper at a total cash cost of minus \$191 per ounce, net of by-product copper sales revenue.

Total cash costs for Alumbra decreased significantly throughout the period of ownership, from minus \$81 per ounce in the first quarter to minus \$277 per ounce in the fourth quarter. The primary reasons for this improvement were the increase in grades mined of both gold and copper and the increase in the selling price of copper during the period.

Product shipments late in the third quarter (Wheaton's share 20,400 ounces of gold and 13.4 million lbs of copper) were not recognized in sales until the fourth quarter due to shipping schedules that delayed the transfer of title, which is a requirement in the Company's accounting policy for revenue recognition. Had these shipments been recognized in the third quarter, as opposed to the fourth quarter, Wheaton's third quarter sales

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and net earnings would have been increased by, and the fourth quarter results would have been decreased by, approximately \$15,700,000 and \$5,600,000, respectively.

The tax rate for Alumbraera approximates 30%; however, no significant cash taxes were paid in 2003.

**Corporate**

	<u>2003</u>	<u>2002</u>
	(\$000 s)	
General and administrative expenses	\$(4,838)	\$ (2,430)
Interest and finance fees	(2,089)	(405)
Gain on sale of marketable securities	2,095	3,593
Foreign exchange gain	4,775	
Other expenses	(1,095)	(304)
	<u>          </u>	<u>          </u>
(Loss) earnings before income taxes	\$ (1,152)	\$ 454
Income tax (expense) recovery	(424)	158
	<u>          </u>	<u>          </u>
Corporate net (loss) earnings	\$ (1,576)	\$ 612

General and administrative expenses in 2003 totaled \$4,838,000 compared with \$2,430,000 in 2002. The increased costs in 2003 reflect the increased level of corporate activity.

Interest and finance fees increased from \$405,000 in 2002 to \$2,089,000 in 2003, primarily as a result of the acquisition of Alumbraera. The 2003 foreign exchange gain of \$4,775,000 resulted from the appreciation of Canadian dollar denominated cash deposits against the US dollar during the year.

The tax rate in Canada approximates 38%; however, no significant cash taxes were paid in 2003.

**Non GAAP measures total cash cost per gold equivalent ounce calculation**

The Company reports total cash costs on a sales basis. In the gold mining industry, this is a common performance measure but does not have any standardized meaning. The following table provides a reconciliation of total cash costs per ounce to the financial statements:

	<u>2003</u>	<u>2002</u>
	(In \$000 s, except per ounce amounts)	
Cost of sales per financial statements	\$ 91,954	\$ 19,355
Alumbraera equity adjustment (Note 1)	(5,628)	
Treatment and refining charges	15,302	
Non-cash adjustments	(2,226)	
By-product copper sales	(75,743)	
Royalties	3,712	
	<u>          </u>	<u>          </u>
	\$ 27,371	\$ 19,355
	<u>          </u>	<u>          </u>
Divided by gold equivalent ounces sold	450,100	106,300
<b>Total cash cost per ounce</b>	<b>\$ 61</b>	<b>\$ 182</b>

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- (1) Total cash costs are calculated as if the Company's initial acquisition of a 25% interest in Alubrera had been accounted for on a proportionately consolidated basis. The consolidated financial statements however present the initial 25% interest using the equity method until the Company increased its interest to 37.5% on June 24, 2003, and thereafter accounted for its interest on a proportionately consolidated basis.

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### **Liquidity and Capital Resources**

At December 31, 2003 the Company had cash and cash equivalents of \$151,878,000 (December 31, 2002 \$22,936,000) and working capital of \$147,484,000 (December 31, 2002 \$24,422,000).

In the opinion of management, the working capital at December 31, 2003, together with cash flows from operations, are sufficient to support the Company's normal operating requirements on an ongoing basis.

Total assets increased to \$891,005,000 at December 31, 2003 from \$152,098,000 at December 31, 2002. Contributing to the rapid growth was the March 18, 2003 acquisition of a 25% interest in the Alumbreira mine in Argentina and 100% of the Peak gold mine in Australia, together with the June 24, 2003 acquisition of an additional 12.5% interest in Alumbreira. Total consideration for these acquisitions was \$304,383,000 including acquisition costs, of which \$33,924,000 was apportioned to Peak and \$270,459,000 to Alumbreira. During October 2003, the Company acquired a 100% interest in the Los Filos gold deposit, together with a 21.2% interest (of which 14% is a carried interest) in the El Limon gold deposit, both located in Mexico, for cash consideration of \$89,486,000.

The acquisition of Peak and the initial 25% interest in Alumbreira were financed through the February 2003 issue of 230,000,000 subscription receipts for gross proceeds of \$217,952,000 (Cdn\$333,500,000) less share issue costs of \$15,934,000. In March 2003, each subscription receipt was converted into one common share and one-quarter of one common share purchase warrant, where one whole share purchase warrant entitles the holder to purchase one common share at a price of Cdn\$1.65 before May 30, 2007.

The \$90,000,000 purchase price of the additional 12.5% interest in Alumbreira was satisfied by the payment of \$65,000,000 in cash and by the issuance of a promissory note in the amount of \$25,000,000 at an interest rate of LIBOR plus 2%, which is due on May 30, 2005. Principal repayments are comprised of 75% of any distributions received from Alumbreira, relating to the 12.5% interest acquired. The outstanding balance of the promissory note equals \$19,443,000 after 2003 principal repayments of \$5,557,000.

The cash portion of the purchase price for the additional 12.5% of Alumbreira was funded by a \$50,000,000 bank term loan, and a \$25,000,000 revolving working capital facility which was repaid in August 2003. The bank term loan bears interest at LIBOR plus 2.75% per annum, requiring semi-annual principal repayments of \$5,000,000 until June 30, 2005 and \$7,500,000 until maturity on June 30, 2007, plus additional principal repayments based on the Company's consolidated net cash flows. The remaining principal amount of the bank term loan at December 31, 2003 was \$45,000,000. The revolving working capital facility bears interest at LIBOR plus 3% per annum. The facility may be drawn down to a maximum of \$25,000,000 prior to December 31, 2007, reducing to \$15,000,000 to the maturity date of June 30, 2008. Under the terms of the loan agreement, the Company acquired options to sell 700,000 ounces of gold at a price of \$300 per ounce during the period from January 2004 to June 2008. The fair value of these options at December 31, 2003 is \$2,030,000. The cost of \$5,786,000 has been deferred and will be amortized against income as the options expire or are exercised. Debt issue costs of \$4,242,000 were incurred, and are being amortized to income over the term of the debt.

Alumbreira project debt was incurred to finance the construction and operation of the mine. The debt is formalized by a Common Security Agreement between Alumbreira, the owners of Alumbreira, and a consortium of commercial banks that was originally signed on February 26, 1997. The Company's share of the remaining balance outstanding at December 31, 2003 is \$57,980,000, after principal payments of \$19,362,000. There are certain pledges and mortgages associated with this agreement that apply to Alumbreira's assets. The project debt is non-recourse to the Company and bears interest at LIBOR plus 1.5% to 1.75%.

During August 2003, the Company issued 47,619,049 units of the Company at a price of Cdn\$2.10 per unit for gross proceeds of \$72,457,000 (Cdn\$100,000,000) less share issue costs of \$4,514,000. Each unit consists of one common share of the Company and one-half of one Series B common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of Cdn\$3.10 on or before August 25, 2008. Together with cash on hand, the proceeds of the financing were utilized to complete the Los Filos acquisition in October 2003.

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During October 2003, the Company issued 38,100,000 units of the Company at a price of Cdn\$3.15 per unit for gross proceeds of \$89,490,000 (Cdn\$120,015,000) less share issue costs of \$5,103,000. Each unit consists of one common share of the Company and one-half of one Series B common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of Cdn\$3.10 on or before August 25, 2008. The proceeds of the financing are held to fund potential acquisitions and mine construction costs.

During 2003 the Company invested a total of \$29,010,000 in property, plant and equipment including expenditures of \$15,780,000 at the Luismin operations, \$9,653,000 at Peak and \$3,411,000 at Alumbreira. In May and November 2003, the Company received biannual cash distributions totaling \$35,084,000 from Alumbreira.

During 2002, the Company invested \$76,886,000 to acquire the Luismin operations, financed by the issue of special warrants in the amount of \$82,068,000. As part of the purchase consideration, a contingent payment of 11,355,113 common shares of the Company was due if the price of silver averaged \$5 or more per ounce over a period of 60 consecutive trading days prior to June 19, 2004. On September 29, 2003, this condition was satisfied and the additional shares were issued in October 2003. As a result, the carrying value of property, plant and equipment has been increased by \$32,893,000, future income tax liability has been increased by \$10,526,000 and share capital has been increased by \$22,367,000.

As of April 26, 2004, there were 568,210,638 common shares of the Company issued and outstanding.

In addition, as of April 26, 2004, the Company has 23,936,161 stock options outstanding under its share option plan and 176,670,019 share purchase warrants outstanding.

***Derivative instruments***

The Company has employed metal, interest rate and Canadian dollar forward and option contracts to manage exposure to fluctuations in metal prices and foreign currency exchange rates.

During the year, the Company entered into a gold-indexed interest rate swap transaction, whereby the effective interest rate on the bank term loan varies in relationship to the price of gold. At a minimum gold price of \$300 per ounce or less, the effective interest rate will be approximately 0.4% and at a maximum gold price of \$410 or higher, the effective interest rate will be 9.5%. During the year, the effective rate amounted to 5.8% and at December 31, 2003 the fair value of the gold-indexed interest rate swap was \$(2,121,000).

***Long-term debt repayment schedule***

Scheduled minimum repayments of the Company's long-term debt are as follows:

	<u>Corporate</u>	<u>Project</u>	<u>Total</u>
	(In \$000 s)		
2004	\$ 14,600	\$ 26,400	\$ 41,000
2005	31,943	26,400	58,343
2006	15,000	5,180	20,180
2007	2,900		2,900
	<u>\$ 64,443</u>	<u>\$ 57,980</u>	<u>\$ 122,423</u>

***Contractual obligations***

Commitments exist at Alumbreira and Peak for capital expenditures in 2004 of \$2,132,000. The Company rents premises and leases equipment under operating leases that expire over the next nine years. Operating





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lease expense in 2003 was \$2,154,000 (2002 \$880,000; 2001 \$125,000). Following is a schedule of future minimum rental and lease payments required:

	(In \$000 s)
2004	\$1,616
2005	831
2006	329
2007	204
2008	166
	<hr/>
	3,146
Thereafter	624
	<hr/>
Total minimum payments required	\$3,770
	<hr/>

**Related party transactions**

In 2001, the Company entered into a financial advisory agreement with Endeavour Financial Corporation ( Endeavour ), a corporation with two directors in common. Under the terms of this agreement, which can be cancelled on 30 days notice, Endeavour provides financial advisory services to the Company and is entitled to a monthly fee of \$10,000 and a success fee to be negotiated based on the value of any acquisitions, dispositions and financings. In 2003, Endeavour was paid consulting and financial advisory fees of \$2,288,000 (2002 \$1,412,000; 2001 \$373,000). In addition, during 2002 Sanluis Corporación SA de CV, a corporation with a director in common, was paid \$100,000 for consulting fees.

**RISKS AND UNCERTAINTIES**

The main risks that can affect the profitability of the Company include changes in metal prices, currency fluctuations, government regulation, foreign operations and environmental.

**Metal prices**

Profitability of the Company depends on metal prices for gold, silver and copper. A 10% change in the gold, silver or copper prices would impact 2004 net earnings by approximately 16%, 4% or 13%, respectively.

Gold, silver and copper prices are affected by numerous factors such as the sale or purchase of gold and silver by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the US dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold, silver and copper-producing countries throughout the world.

**Currency fluctuations**

Exchange rate fluctuations may affect the costs that the Company incurs in its operations. Gold, silver and copper are sold in US dollars and the Company's costs are incurred principally in Canadian dollars, Mexican pesos, Argentine pesos and Australian dollars. The appreciation of non-US dollar currencies against the US dollar can increase the cost of gold, silver and copper production in US dollar terms. From time to time, the Company transacts currency hedging to reduce the risk associated with currency fluctuations. There is no assurance that its hedging strategies will be successful. Currency hedging may require margin activities. Sudden fluctuations in currencies could result in margin calls that could have an adverse effect on the Company's financial position.

A 10% change in foreign exchange rates would have an approximate 11% impact on 2004 net earnings.



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### ***Government regulation***

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could increase the cost of operations.

### ***Foreign operations***

The majority of the Company's operations are currently conducted in Mexico, Argentina, Australia and Brazil, and as such the Company's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Mexico, Argentina, Australia and Brazil could adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

### ***Environmental***

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company could be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties.

The mining and milling facilities at the San Dimas and San Martin mines are in compliance with Mexican environmental standards but are not in compliance with World Bank Group/ International Finance Corporation ( IFC ) environmental and social guidelines. The tailings impoundments at these units are being remediated in accordance with North American best practice.

The tailings impoundment at the recently acquired Nukay mine is not in compliance with Mexican environmental standards. Luismin is in the process of evaluating the facility to determine the best course of

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action for bringing the tailings facility into compliance with both Mexican and World Bank Group/ IFC environmental guidelines. Luismin is also currently preparing action plans to bring all of its mine sites into compliance with World Bank Group/ IFC environmental and social guidelines.

### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Management has identified property, plant and equipment and provision for reclamation and closure as the main estimates for the following discussion. Note 2 of the Company's consolidated financial statements describes all of the significant accounting policies.

#### ***Property, plant and equipment***

Property, plant and equipment are the most significant assets of the Company, representing \$583,911,000 at December 31, 2003. This amount represents the capitalized expenditures related to the acquisition, exploration and development of mineral deposits. The Company estimates its reserves and resources and the economic life of its mines and utilizes this information to calculate depletion and amortization expense. Depletion of mine properties is charged on a unit-of-production basis over proven and probable reserves and a portion of resources expected to be converted to reserves. Depreciation of plant and equipment is calculated using the straight-line method, based on estimated useful lives, over three to forty years.

#### ***Provision for reclamation and closure***

Reclamation and closure costs have been estimated based on the Company's interpretation of current regulatory requirements, however changes in regulatory requirements and new information may result in revisions to estimates. The Company recognizes the fair value of liabilities for reclamation and closure costs in the period in which they are incurred. A corresponding increase to the carrying amount of the related assets is generally recorded and depreciated over the life of the asset.

The Company estimates that its discounted and undiscounted reclamation and closure liability will be \$19,604,000 and \$29,030,000, respectively. A total of \$1,315,000 on an undiscounted and discounted basis, relates to the Golden Bear mine which ceased operations in 2001 and the balance represents future reclamation costs to be incurred at its operating mines.

### **CHANGES IN ACCOUNTING POLICIES**

#### ***Accounting for asset retirement obligations***

On January 1, 2003, the Company chose to early adopt CICA Handbook Section 3110, Asset Retirement Obligations, which requires that the fair value of liabilities (discounted future cash expenditures) for asset retirement obligations be recognized in the period in which they are incurred. A corresponding increase to the carrying amount of the related assets is generally recorded and depreciated over the life of the asset. The amount of the liability is subject to re-measurement at each reporting period. This differs from the prior practice that involved accruing for the estimated reclamation and closure liability through charges to income on a unit-of-production basis over the estimated life of the mine. The effect of the change has no material impact on the Company's consolidated financial statements as the fair value of estimated reclamation and closure expenses for Luismin, Peak, Alumbarrera and Los Filos were recorded as a liability on acquisition and Golden Bear expenses are fully accrued.

#### ***Stock-based compensation and other stock-based payments***

Effective January 1, 2004, the Company will retroactively adopt the changes to CICA Handbook Section 3870, Stock-Based Compensation and other Stock-based Payments, whereby all stock options granted are accounted for under the fair-value based method. In 2003, all stock-based awards made to non-

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employees were recognized and measured using the fair value based method at the date of grant. For stock options granted to employees, the Company adopted the disclosure only provisions whereby pro forma net income and pro forma earnings per share were disclosed as if the fair value based method of accounting had been applied. On January 1, 2004 when the Company retroactively adopts Section 3870, opening retained earnings will be reduced by \$16,848,000 for prior years pro forma expense relating to these options.

## **OUTLOOK**

On January 9, 2004, the Company acquired the Amapari gold project located in northern Brazil for \$25,000,000 in cash, 33,000,000 Wheaton River common shares and 21,500,000 Wheaton River Series B common share purchase warrants. Based upon the trading price of the common shares and warrants at the time of closing, this represents aggregate consideration of approximately \$113,500,000, including \$1,200,000 of acquisition costs. During 2004, the Company is required to make additional cash payments of \$15,200,000 to repay debt. Construction of an open pit heap leach operation has commenced, and site clearing, access road construction and foundation preparation are underway for the process facilities. Condemnation and final delineation drilling is in process, and further exploration is planned for the second half of 2004. Production is planned to commence during the fourth quarter of 2005.

At the recently acquired Los Filos gold development project in Mexico, metallurgical, geotechnical and condemnation drilling is underway. The Company plans to complete a final feasibility study during 2004, with production scheduled to commence in early 2006.

At the Luismin operations, a 25% process capacity expansion at Tayoltita and a 20% expansion at the San Martin mine are planned during 2004-2005.

At the Peak mine, during 2004 additional development work will be performed at the Perseverance and New Occidental ore bodies which presently account for 100% of production. Development of the New Cobar underground ore body may commence in 2004, with commercial production possible for 2005. Resource delineation work will also be performed on the Chesney resource, which with the possible development of the New Cobar mine could establish infrastructure to exploit the Chesney resource 600 metres along strike.

A reserve and mine plan review is scheduled to be completed at Alumbra by July 2004, as current reserves and mine planning are based on metal prices of US\$295 gold and US\$0.80 copper. With new mineralization proven in the 2003 drilling program, there is potential to extend the life of Alumbra in light of current gold and copper prices.

Capital expenditures planned in 2004 to complete the work discussed above are expected to approximate \$57,000,000, of which \$22,000,000 will be incurred at Amapari. Luismin's budgeted expenditures are \$21,000,000 of which \$6,000,000 relates to Los Filos and \$15,000,000 to San Dimas and San Martin. Peak has planned 2004 capital expenditures of \$14,000,000.

In 2004, Wheaton expects to produce approximately 540,000 gold equivalent ounces at a cash cost of less than US\$50 per ounce. By 2006, with the Los Filos and Amapari projects in operation, overall production will increase to 900,000 gold equivalent ounces at a cash cost of US\$100 per ounce.

On March 30, 2004, the Company announced a proposed combination with IAMGold which is expected to close in June 2004. The combination will create one of the world's top ten gold producers. 2004 annualized gold production for the combined company will approximate 1,000,000 gold equivalent ounces at a cash cost of less than US\$100 per ounce. By 2006, production will increase by over 30% to 1,300,000 gold equivalent ounces through the development of the Amapari and Los Filos projects and the expansion of IAMGold's Tarkwa mine in Ghana. The new company will have a strong balance sheet with US\$300,000,000 in cash and gold bullion. Proven and probable reserves will increase to 9,000,000 ounces plus additional measured and indicated resources of 4,400,000 ounces and inferred resources of 10,500,000 ounces. In addition, the company will have a large portfolio of exploration projects in the Americas and West Africa.

April 26, 2004

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*Additional information relating to the Company, including its Annual Information Form, is available on SEDAR at [www.sedar.com](http://www.sedar.com).*

*This Management's Discussion & Analysis contains certain forward-looking statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding future plans and objectives of the Company are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove 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 the Company's expectations are disclosed in Company documents filed from time to time with the Toronto Stock Exchange and other regulatory authorities.*

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**Table of Contents****CONSOLIDATED STATEMENTS OF OPERATIONS****Three Months Ended March 31**

	Note	March 31 2004	March 31 2003
(US dollars and shares in thousands, except per share amounts Unaudited)			
Sales		\$ 114,134	\$ 17,257
Cost of sales		38,786	9,510
Royalties		2,017	60
Depreciation and depletion		13,268	1,706
Reclamation		256	68
		54,327	11,344
Earnings from mining operations		59,807	5,913
Expenses and other income			
General and administrative		3,675	1,993
Interest and finance fees		2,147	12
Exploration		634	299
Amortization		1,278	
Other expense (income)	4	842	(1,490)
		8,576	814
Earnings before the following		51,231	5,099
Equity in earnings of Minera Alumbrera Ltd			516
Earnings before income taxes		51,231	5,615
Income tax expense		(17,560)	(1,551)
Net earnings		\$ 33,671	\$ 4,064
Earnings per share			
Basic		\$ 0.06	\$ 0.02
Diluted		\$ 0.05	\$ 0.02
Weighted-average number of shares outstanding			
Basic		565,111	244,368
Diluted		650,677	251,494

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

**Table of Contents****CONSOLIDATED BALANCE SHEETS**

	Note	March 31 2004	December 31 2003
(US dollars and shares in thousands Unaudited)			
<b>ASSETS</b>			
Current			
Cash and cash equivalents		\$ 173,814	\$ 151,878
Appropriated cash		8,821	8,840
Accounts receivable		33,174	31,824
Product inventory and stockpiled ore	5	14,771	16,726
Supplies inventory		10,172	10,083
Other		4,963	5,429
		<u>245,715</u>	<u>224,780</u>
Property, plant and equipment	6	712,544	583,911
Stockpiled ore	5	60,871	60,736
Future income taxes		6,614	7,211
Other	7	13,643	14,367
		<u>\$ 1,039,387</u>	<u>\$ 891,005</u>
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities		\$ 29,898	\$ 31,402
Income taxes payable		858	1,062
Current portion of long-term debt	9	82,985	41,000
Other		3,828	3,832
		<u>117,569</u>	<u>77,296</u>
Long-term debt	9	49,798	81,423
Future income taxes		161,883	145,730
Provision for reclamation and closure		19,961	19,604
Future employee benefits and other		10,275	10,834
		<u>359,486</u>	<u>334,887</u>
<b>Shareholders Equity</b>			
Share purchase options		16,631	877
Contributed surplus		704	600
Share purchase warrants		16,660	
Share capital			
Common shares			
Authorized: unlimited shares, no par value; Issued and outstanding: 567,907 (December 31, 2003 533,697)		579,532	505,090
Retained earnings		66,374	49,551
		<u>679,901</u>	<u>556,118</u>
		<u>\$ 1,039,387</u>	<u>\$ 891,005</u>

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





**Table of Contents****CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY****Three Months Ended March 31, 2004 and Year Ended December 31, 2003**

	Common Shares		Share Purchase Warrants		Share Purchase Options	Contributed Surplus	Retained Earnings (Deficit)	Total
	Shares	Amount	Warrants	Amount				
	(US dollars, shares and warrants in thousands Unaudited)							
At January 1, 2003	190,400	\$ 115,152		\$	\$ 410	\$ 600	\$ (8,108)	\$ 108,054
Share options exercised	6,621	5,431						5,431
Warrants exercised	9,602	5,192						5,192
Shares issued	327,074	402,266						402,266
Share issue costs, net of tax		(22,951)						(22,951)
Fair value of stock options issued to non-employees					467			467
Net earnings							57,659	57,659
At December 31, 2003	533,697	505,090			877	600	49,551	556,118
Cumulative effect of change in accounting policy (Note 2 (a))		1,883			14,861	104	(16,848)	
Share options exercised	1,062	565			(92)			473
Warrants exercised	148	255						255
Shares and warrants issued on acquisition of Amapari (Note 3)	33,000	71,885	21,500	16,660				88,545
Share issue costs, net of tax		(146)						(146)
Fair value of stock options issued					985			985
Net earnings							33,671	33,671
At March 31, 2004	567,907	\$ 579,532	21,500	\$ 16,660	\$ 16,631	\$ 704	\$ 66,374	\$ 679,901
Shareholders Equity (Note 10)								

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

**Table of Contents****CONSOLIDATED STATEMENTS OF CASH FLOWS****Three Months Ended March 31**

	Note	March 31 2004	March 31 2003
(US dollars in thousands Unaudited)			
<b>Operating Activities</b>			
Net earnings		\$ 33,671	\$ 4,064
Reclamation expenditures		(64)	(17)
Items not affecting cash			
Depreciation, depletion and amortization		14,546	1,706
Provision for reclamation		256	68
Gain on sale of marketable securities		(42)	(786)
Equity in earnings of Minera Alumbrera Ltd			(516)
Future employee benefits		(34)	192
Future income taxes		17,552	1,449
Share purchase option expense		985	84
Other		(1,405)	(28)
Change in non-cash working capital	11	(3,617)	3,536
		<u>61,848</u>	<u>9,752</u>
<b>Financing Activities</b>			
Repayment of long-term debt		(4,645)	
Common shares issued		728	218,212
Common share issue costs		(146)	(15,514)
Bank loans			302
		<u>(4,063)</u>	<u>203,000</u>
<b>Investing Activities</b>			
Proceeds on sale of marketable securities, net		84	1,310
Property, plant and equipment		(10,148)	(2,039)
Acquisition of Mineracao Pedra Branco do Amapari, net of cash acquired	3	(25,785)	
Acquisition of Minera Alumbrera Ltd, net of cash acquired			(180,355)
Acquisition of Peak Gold Mines Pty Ltd, net of cash acquired			(34,064)
		<u>(35,849)</u>	<u>(215,148)</u>
		<u>21,936</u>	<u>(2,396)</u>
Increase (decrease) in cash and cash equivalents		21,936	(2,396)
Cash and cash equivalents, beginning of period		151,878	22,936
		<u>\$ 173,814</u>	<u>\$ 20,540</u>
Supplemental cash flow information (Note 11)			

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

**Table of Contents****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Three Months Ended March 31, 2004**  
**(US dollars Unaudited)**

**1. Description of Business and Nature of Operations**

Wheaton River Minerals Ltd (Wheaton or the Company) is engaged in gold mining and related activities including exploration, extraction, processing, refining and reclamation. The Company has mining operations in Mexico, Argentina and Australia, project developments activities in Mexico and Brazil, and ongoing exploration activities in Mexico and Australia. The Company is in the process of reclaiming the Golden Bear Mine in Canada, which ceased commercial production in 2001.

On January 9, 2004, the Company acquired the Amapari gold project in northern Brazil (Note 3).

**2. Summary of Significant Accounting Policies**

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information and they follow the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended December 31, 2003 except as noted below. These unaudited interim consolidated financial statements do not include all the information and note disclosures required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the most recent annual audited consolidated financial statements and the notes below.

**(a) Stock-based compensation**

Effective January 1, 2004, the Company adopted the amended recommendations of the CICA Handbook Section 3870, *Stock-based Compensation and Other Stock-based Payments*. Under the amended standards of this Section, the fair value of all stock-based awards granted are estimated using the Black-Scholes model and are recorded in operations over their vesting periods. The compensation cost related to stock options granted after January 1, 2004 is recorded in operations.

Previously, the Company provided note disclosure of pro forma net earnings and pro forma earnings per share as if the fair value based method had been used to account for share purchase options granted to employees, directors and officers after January 1, 2002. The amended recommendations have been applied retroactively from January 1, 2002 without restatement of prior periods. As a result, as of January 1, 2004, retained earnings decreased by \$16,848,000, share purchase options (a separate component of shareholders' equity) increased by \$14,861,000, share capital increased by \$1,883,000 and contributed surplus increased by \$104,000.

The total compensation expense recognized in the statement of operations for share purchase options granted in the three months ended March 31, 2004 totaled \$985,000. Had the same basis been applied to 2003 share purchase options granted, net earnings for the three months ended March 31, 2003 would have been as follows:

	<b>March 31, 2003</b>
	<b>(In thousands, except per share amounts)</b>
Net earnings	\$ 4,064
Additional compensation expense of employees	(1,913)
	\$ 2,151
Pro forma net earnings	\$ 2,151
	\$ 0.01
Pro forma basic and diluted earnings per share	\$ 0.01



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Stock-based compensation expense is determined using an option pricing model assuming no dividends are to be paid, a weighted average volatility of the Company's share price of 50% (2003 - 60%), an annual risk free interest rate of 3% (2003 - 4%) and expected lives of three years (2003 - three years).

**(b) Derivative instruments**

The Company has employed metal, interest rate and Canadian dollar forward and option contracts to manage exposure to fluctuations in metal prices and foreign currency exchange rates. For derivative contracts that have been designated as effective hedges and where the documentation standards as described by Accounting Guideline 13, Hedging Relationships (AcG-13) have been met, gains or losses are recognized in sales when the hedged production is sold. For derivative contracts that have not been designated as hedges or do not meet the documentation standards under AcG-13, gains or losses arising from the changes in their fair value subsequent to January 1, 2004 are recorded in operations.

**(c) Basis of presentation**

These consolidated financial statements include the accounts of the Company and its subsidiaries. Principal subsidiaries and investments at March 31, 2004 are listed below:

Subsidiary	Location	Ownership Interest	Status	Operations and Development Projects Owned
Luismin SA de CV ( Luismin )	Mexico	100%	Consolidated	San Dimas, San Martin and Nukay mines and Los Filos gold development project in Mexico
Peak Gold Mines Pty Ltd ( Peak )	Australia	100%	Consolidated	Peak mine in Australia
Mineracao Pedra Branco do Amapari ( Amapari )	Brazil	100%	Consolidated	Amapari gold development project in Brazil
Minera Alumbreira Ltd ( Alumbreira )	Argentina	37.5%	Proportionately consolidated	Alumbreira mine in Argentina

**(d) Investment in Minera Alumbreira Ltd**

On March 18, 2003 the Company acquired a 25% indirect interest in Alumbreira which was accounted for using the equity method and the Company's share of earnings of Alumbreira have been included in the earnings of the Company since that date.

On June 24, 2003 the Company acquired an additional 12.5% indirect interest in Alumbreira. As a result of this acquisition, the Company now has joint control over Alumbreira and therefore has proportionately consolidated its 37.5% share of the financial statements of Alumbreira from June 24, 2003 onwards.

**(e) Comparative amounts**

Certain comparative amounts have been reclassified to conform to presentation adopted in 2004.

**3. Acquisition of Amapari Gold Development Project**

On January 9, 2004 the Company acquired a 100% interest in the Amapari gold development project in Brazil for total consideration of \$114,649,000 including acquisition costs. Of the purchase price, \$25,000,000 was paid in cash and \$88,545,000 by way of 33 million Wheaton common shares and 21.5 million Series B common share purchase warrants.



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The acquisition of Amapari has been accounted for using the purchase method. The preliminary allocation of the purchase price is summarized in the table below.

	(In thousands)
Purchase price:	
Cash paid	\$ 25,000
Shares and share purchase warrants issued	88,545
Acquisition costs	1,104
	<u>\$ 114,649</u>
Net assets acquired:	
Cash	\$ 319
Non-cash working capital	(2,368)
Property, plant and equipment	131,898
Debt, due in 2004 (Note 9 (vi))	(15,200)
	<u>\$ 114,649</u>

**4. Other (Expense) Income**

	March 31 2004	March 31 2003
	(In thousands)	
Other income is comprised of:		
Interest income	\$ 649	\$ 455
Gain on sale of marketable securities	42	786
Foreign exchange (loss) gain	(401)	552
Share purchase option expense	(985)	(84)
Other	(147)	(219)
	<u>\$ (842)</u>	<u>\$ 1,490</u>

**5. Product Inventory and Stockpiled Ore**

	March 31 2004	December 31 2003
	(In thousands)	
Stockpiled ore	\$ 62,760	\$ 62,174
Work in process	2,501	2,891
Finished goods	10,381	12,397
	<u>75,642</u>	<u>77,462</u>
Less: non-current stockpiled ore	60,871	60,736
	<u>\$ 14,771</u>	<u>\$ 16,726</u>



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Non-current stockpiled ore is primarily comprised of lower grade ore at Alumbraera, which will be processed later in the mine life. This inventory is valued at the lower of cost and net realizable value.

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**Table of Contents****6. Property, Plant and Equipment**

	March 31, 2004			December 31, 2003		
	Cost	Accumulated Depletion	Net	Cost	Accumulated Depletion	Net
(In thousands)						
Mineral properties						
Luismin mines, Mexico	\$ 123,338	\$ (7,905)	\$ 115,433	\$ 120,736	\$ (6,070)	\$ 114,666
Peak mine, Australia	27,058	(3,484)	23,574	25,672	(2,518)	23,154
Alumbra mine, Argentina	27,142	(3,060)	24,082	27,142	(2,091)	25,051
	<u>177,538</u>	<u>(14,449)</u>	<u>163,089</u>	<u>173,550</u>	<u>(10,679)</u>	<u>162,871</u>
Plant and equipment						
Luismin mines, Mexico	44,548	(4,046)	40,502	42,519	(3,334)	39,185
Peak mine, Australia	18,088	(2,412)	15,676	17,726	(1,736)	15,990
Alumbra mine, Argentina	248,042	(28,631)	219,411	246,559	(20,553)	226,006
Corporate, Canada	487	(293)	194	456	(261)	195
	<u>311,165</u>	<u>(35,382)</u>	<u>275,783</u>	<u>307,260</u>	<u>(25,884)</u>	<u>281,376</u>
Properties under development						
Los Filos project, Mexico	94,252		94,252	93,691		93,691
El Limón project, Mexico	42,161		42,161	42,161		42,161
San Pedrito project, Mexico	3,699		3,699	3,667		3,667
Amapari project, Brazil	133,560		133,560	145		145
	<u>273,672</u>		<u>273,672</u>	<u>139,664</u>		<u>139,664</u>
	<u>\$762,375</u>	<u>\$(49,831)</u>	<u>\$712,544</u>	<u>\$620,474</u>	<u>\$(36,563)</u>	<u>\$583,911</u>
Sale of Metates property						

Effective February 25, 2004, the Company sold its 50% interest in the Metates property in Mexico to American Gold Capital Corporation ( American Gold ), a company listed on the TSX Venture Exchange. The Company received 5,000,000 shares of American Gold as consideration, 4,500,000 of which are held in escrow to be released over the period to February 2007. The Company has not recorded a gain on this disposition. Gains on the sale of the shares will be recorded in income when the shares are sold.

**7. Other Non-Current Assets**

	Note	March 31 2004	December 31 2003
(In thousands)			
Deferred gold put options	9(i)	\$ 5,424	\$ 5,786
Deferred debt issue costs	9(iii)	3,170	3,497

Other	5,049	5,084
	<u>5,049</u>	<u>5,084</u>
	\$13,643	\$14,367
	<u>\$13,643</u>	<u>\$14,367</u>

**8. Bank Credit Line**

The Company has an Aus\$5,000,000 (\$3,794,000), unsecured, revolving working capital facility for its Peak Mine operations of which \$nil was drawn down at March 31, 2004. The loan bears interest related to the Australian Treasury Bill rate plus 1.5% per annum.

**Table of Contents****9. Long-Term Debt**

	March 31 2004	December 31 2003
(In thousands)		
Corporate debt		
Term loan <sup>(i)</sup>	\$ 40,355	\$ 45,000
Revolving working capital facility <sup>(ii)</sup>		
	59,798	64,443
Total bank indebtedness <sup>(iii)</sup>	40,355	45,000
Promissory note <sup>(iv)</sup>	19,443	19,443
	132,783	122,423
Non-recourse project debt		
Alumbrera (Wheaton's 37.5% share) <sup>(v)</sup>	57,785	57,980
Amapari <sup>(vi)</sup>	15,200	
	132,783	122,423
Less: current portion	82,985	41,000
	\$ 49,798	\$ 81,423

(i) The bank term loan bears interest at LIBOR plus 2.75% and has a maturity date of June 30, 2007. Principal repayments are due on a semi-annual basis and are comprised of (a) a minimum amount (\$5,000,000 every six months, increasing to \$7,500,000 on December 31, 2005); plus (b) 25% of the excess of the Company's consolidated net cash flows over the consolidated debt service for the period. The Company may repay the term loan prior to maturity without penalty.

During 2003 the Company entered into a gold-indexed interest rate swap transaction, whereby the effective interest rate on the bank term loan varies in relationship to the gold price. At a minimum gold price of \$300 per ounce or less, the effective interest rate will be approximately 0.4% and at a maximum gold price of \$410 or higher, the effective interest rate will be 9.5%.

Under the terms of the loan agreement, the Company acquired options to sell 700,000 ounces of gold at a price of \$300 per ounce during the period January 2004 to June 2008. The cost of \$5,786,000 was deferred and is amortized against income as the options expire or are exercised. An amount of \$362,000 has been amortized to March 31, 2004 (December 31, 2003 -\$nil). The fair value of the 656,280 ounces of unexpired put options at March 31, 2004 was \$885,000.

(ii) The bank revolving working capital facility bears interest at LIBOR plus 3% and may be drawn down to a maximum of \$25,000,000 prior to December 31, 2007, thereupon reduced to \$15,000,000 until maturity date, June 30, 2008.

(iii) The bank indebtedness is secured by corporate guarantees of Luismin and Peak. Debt issue costs of \$4,242,000 were deferred and are being amortized to earnings over the term of the debt. An amount of \$1,072,000 has been amortized to March 31, 2004 (December 31, 2003 \$745,000).

(iv) The promissory note is due to Rio Algom, bears interest at LIBOR plus 2% and has a maturity date of May 30, 2005. The note is secured by the Company's 12.5% indirect interest in Alumbrera acquired during June 2003 from Rio Algom. Principal repayments are comprised of 75% of any distributions received from Alumbrera, relating to the 12.5% interest acquired from Rio Algom. The promissory note is redeemable prior to maturity without penalty.

(v) The Alumbrera project debt was incurred to finance the construction and operation of the Alumbrera Mine. The debt is formalized by a Common Security Agreement between Alumbrera, the owners of Alumbrera, and a consortium of commercial banks that was originally signed on February 26, 1997. There are certain pledges and mortgages associated with this agreement that apply to Alumbrera's assets. The project debt is non-recourse to the Company and bears interest at LIBOR plus 1.5% to 1.75%.

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Under the project debt agreement, Alumbra is required to maintain a Senior Debt Reserve Account in a segregated offshore trust account which is used to set aside funds for the servicing of upcoming, scheduled long-term debt repayments. The Company's 37.5% interest in these funds is disclosed in these financial statements as appropriated cash and at March 31, 2004 amounted to \$8,821,000.

During May 2004, Alumbra provided to the debt holders irrevocable notice of its intention to repay 100% of the debt during May 2004 out of cash on hand. Accordingly, the Company has recorded its entire share of the remaining debt balance at March 31, 2004 as current.

(vi) Amapari project debt acquired is due to AngloGold Brasil Ltda, bears interest at the United States Consumer Price Index and is due in August 2004. The debt is secured by a corporate guarantee of Amapari and is non-recourse to the Company.

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(vii) Scheduled minimum repayments of the Company's long-term debt are as follows:

	<u>Corporate</u>	<u>Project</u>	<u>Total</u>
	(In thousands)		
2004	\$ 10,000	\$ 72,985	\$ 82,985
2005	31,943		31,943
2006	15,000		15,000
2007	2,855		2,855
	<u>59,798</u>	<u>72,985</u>	<u>132,783</u>

**10. Shareholders Equity****(a) Warrants exercised**

During the period, 147,800 warrants were exercised for common shares with an average exercise price of Cdn\$2.27 per share for total proceeds of \$255,000. The warrants were originally issued between August 2002 and January 2004 and were due to expire between May 2007 and August 2008.

**(b) Share purchase options**

During the period, the Company granted 825,000 share purchase options at an average exercise price of Cdn\$3.74 and which expire between March 2008 and February 2009.

During the period, 1,062,202 share options were exercised for common shares with an average exercise price of Cdn\$0.69 per share for total proceeds of \$565,000. The share options were originally issued between March 2000 and June 2003 and were due to expire between January 2004 and June 2008.

**11. Supplemental cash Flow Information**

	<u>March 31 2004</u>	<u>March 31 2003</u>
	(In thousands)	
Change in non-cash working capital		
Accounts receivable	\$ (1,298)	\$ 2,826
Product inventory and stockpiled ore	1,820	520
Supplies inventory	(89)	(245)
Accounts payable and accrued liabilities	(1,614)	641
Income taxes payable	(241)	(97)
Other	(2,195)	(109)
	<u>\$ (3,617)</u>	<u>\$ 3,536</u>
Non-cash financing and investing activities		
Shares and share purchase warrants issued on acquisition of Amapari (Note 3)	\$ 88,545	\$
Marketable securities received on sale of property, plant and equipment		142
Operating activities included the following cash payments		
Interest paid	\$ 2,257	\$
Income taxes paid	8	62



**Table of Contents****12. Segmented Information**

The Company's reportable operating and geographical segments are summarized in the table below. Information pertaining to Luismin, Los Filos and El Limón is reported as one segment, being Mexico.

	<b>March 31, 2004</b>					
	<b>Mexico</b>	<b>Australia</b>	<b>Argentina</b>	<b>Brazil</b>	<b>Corporate</b>	<b>Consolidated</b>
	(In thousands)					
<b>Statements of Operations</b>						
Sales	\$ 23,715	\$ 15,307	\$ 75,112	\$	\$	\$ 114,134
Cost of sales	10,706	8,540	19,540			38,786
Depreciation and depletion	2,547	1,642	9,047		32	13,268
Other	59	532	1,682			2,273
	<u>13,312</u>	<u>10,714</u>	<u>30,269</u>		<u>32</u>	<u>54,327</u>
Earnings from mining operations	10,403	4,593	44,843		(32)	59,807
General and administrative expenses	(1,234)				(2,441)	(3,675)
Interest and finance fees	(15)		(877)		(1,255)	(2,147)
Other (expenses) income	92	(441)	104	108	(2,617)	(2,754)
	<u>9,246</u>	<u>4,152</u>	<u>44,070</u>	<u>108</u>	<u>(6,345)</u>	<u>51,231</u>
Income tax (expense) recovery	(3,605)	(914)	(13,221)		180	(17,560)
	<u>\$ 5,641</u>	<u>\$ 3,238</u>	<u>\$ 30,849</u>	<u>\$ 108</u>	<u>\$ (6,165)</u>	<u>\$ 33,671</u>
Capital asset expenditures	<u>\$ 5,224</u>	<u>\$ 1,748</u>	<u>\$ 1,483</u>	<u>\$ 1,662</u>	<u>\$ 31</u>	<u>\$ 10,148</u>

	<b>March 31, 2003</b>					
	<b>Mexico</b>	<b>Australia</b>	<b>Argentina</b>	<b>Brazil</b>	<b>Corporate</b>	<b>Consolidated</b>
	(In thousands)					
<b>Statements of Operations</b>						
Sales	\$ 15,653	\$ 1,604	\$	\$	\$	\$ 17,257
Cost of sales	7,912	1,598				9,510
Depreciation and depletion	1,493	202			11	1,706
Other	70	58				128
	<u>9,475</u>	<u>1,858</u>			<u>11</u>	<u>11,344</u>
Earnings from mining operations	6,178	(254)			(11)	5,913
General and administrative expenses	(1,088)				(905)	(1,993)
Interest and finance fees	(11)				(1)	(12)
Other (expenses) income	(549)				1,740	1,191
Equity in earnings of Minera Alumbrera Ltd					516	516
	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>



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Earnings before income taxes	4,530	(254)			1,339	5,615
Income tax (expense) recovery	(1,217)	133			(467)	(1,551)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net earnings	\$ 3,313	\$ (121)	\$	\$	\$ 872	\$ 4,064
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Capital asset expenditures	\$ 2,011	\$	\$	\$	\$ 28	\$ 2,039
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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March 31, 2004

	Mexico	Australia	Argentina	Brazil	Corporate	Consolidated
(In thousands)						
<b>Balance Sheets</b>						
Cash and cash equivalents	\$ 13,878	\$ 3,873	\$ 105,990	\$ 1,476	\$ 48,597	\$ 173,814
Other current assets	10,940	5,515	54,286	72	1,088	71,901
Property, plant and equipment	296,047	39,250	243,493	133,560	194	712,544
Other non-current assets	4,345	5,023	59,776		11,984	81,128
<b>Total Assets</b>	<b>\$ 325,210</b>	<b>\$ 53,661</b>	<b>\$ 463,545</b>	<b>\$ 135,108</b>	<b>\$ 61,863</b>	<b>\$ 1,039,387</b>
Current liabilities other than long-term debt	\$ 11,699	\$ 5,001	\$ 15,994	\$ 303	\$ 1,587	\$ 34,584
Long-term debt			57,785	15,200	59,798	132,783
Other non-current liabilities	102,806	7,605	80,387		1,321	192,119
Inter-company balances	189,272	32,540	235,374	119,497	(576,683)	
Shareholders' equity	21,433	8,515	74,005	108	575,840	679,901
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 325,210</b>	<b>\$ 53,661</b>	<b>\$ 463,545</b>	<b>\$ 135,108</b>	<b>\$ 61,863</b>	<b>\$ 1,039,387</b>

December 31, 2003

	Mexico	Australia	Argentina	Brazil	Corporate	Consolidated
(In thousands)						
<b>Balance Sheets</b>						
Cash and cash equivalents	\$ 7,762	\$ 521	\$ 56,054	\$	\$ 87,541	\$ 151,878
Other current assets	9,520	5,666	56,420		1,296	72,902
Property, plant and equipment	293,370	39,144	251,057		340	583,911
Other non-current assets	4,619	6,098	59,170		12,427	82,314
<b>Total Assets</b>	<b>\$ 315,271</b>	<b>\$ 51,429</b>	<b>\$ 422,701</b>	<b>\$</b>	<b>\$ 101,604</b>	<b>\$ 891,005</b>
Current liabilities other than long-term debt	\$ 10,932	\$ 5,418	\$ 18,345	\$	\$ 1,601	\$ 36,296
Long-term debt			57,980		64,443	122,423
Other non-current liabilities	99,240	7,767	67,847		1,314	176,168
Inter-company balances	189,307	32,967	235,373		(457,647)	
Shareholders' equity	15,792	5,277	43,156		491,893	556,118
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 315,271</b>	<b>\$ 51,429</b>	<b>\$ 422,701</b>	<b>\$</b>	<b>\$ 101,604</b>	<b>\$ 891,005</b>

**13. Subsequent Event**

On March 30, 2004, IAMGold Corporation ( IAMGold ) and Wheaton announced that their boards of directors had unanimously agreed to combine IAMGold and Wheaton under the name Axiom Gold Corporation ( Axiom ). Under the terms of the agreement, each IAMGold share will become an Axiom share and each Wheaton share will be exchanged for 0.55 of an Axiom share. As a result of the proposed transaction, the

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combined company will be held 32% by existing IAMGold shareholders and 68% by existing Wheaton shareholders. Under the terms of the agreement, each Wheaton warrant or stock option which gives the holder the right to acquire a common share of Wheaton when presented for exercise will be exchanged for 0.55 of a common share of Axiom.

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The business combination will be accounted for as a reverse takeover purchase transaction, with Wheaton, for accounting purposes, being identified as the acquirer and IAMGold as the acquiree. As a result, IAMGold's assets and liabilities are fair valued and added to Wheaton's balance sheet at the date of the transaction. The value of IAMGold's outstanding common shares is determined as if the inverse exchange ratio of 1:0.55 had been used to issue the equivalent number of Wheaton River common shares (i.e. 145,536,179/0.55 or 264,611,235 deemed common shares). The deemed Wheaton shares issued are valued at a price of \$3.06 (Cdn\$4.00) per share being the average common share price of Wheaton four days before, the day of, and four days after the date of announcement less an amount for deemed share issue costs.

An estimated allocation of the purchase price summarized in the table below is based on the consolidated financial statements of IAMGold as at December 31, 2003. The fair value of the net assets of IAMGold will ultimately be determined at the date of closing of the transaction. Therefore, it is likely that these will vary from those shown below and the differences may be material.

	(In thousands)
<b>Purchase price:</b>	
145,536,179 Axiom common shares	\$ 809,675
Stock options of IAMGold	14,692
Acquisition costs	12,000
	<u>836,367</u>
<b>Net assets acquired:</b>	
Cash and cash equivalents	\$ 61,675
Non-cash working capital	67,739
Other long-term assets	22,963
Equity investments in mine properties	132,723
Royalty interests	75,092
Property, plant and equipment	271,988
Goodwill	300,067
Rehabilitation provision	(4,697)
Long-term debt	(11,342)
Future income taxes, net	(83,589)
Deferred stock-based compensation	3,748
	<u>836,367</u>

Acquisition costs, above, include financial advisory fees of \$5 million, payable to Endeavour Financial Corporation (a company with two directors in common) on successful completion of the combination.

The combination of the Company and IAMGold is subject to, among other things, regulatory and shareholder approvals which are expected to be received in June 2004.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF**

**OPERATIONS AND FINANCIAL CONDITION**

**Three Months Ended March 31, 2004**

*This Management's Discussion and Analysis should be read in conjunction with the Company's unaudited consolidated financial statements for the three months ended March 31, 2004 and related notes thereto which have been prepared in accordance with Canadian generally accepted accounting principles. In addition, the following should be read in conjunction with the 2003 audited consolidated financial statements, the related annual Management's Discussion and Analysis, and the Annual Information Form/40F on file with the US Securities and Exchange Commission and Canadian provincial securities regulatory authorities. All figures are in United States dollars unless otherwise noted. This Management's Discussion and Analysis has been prepared as of May 10, 2004.*

**FIRST QUARTER HIGHLIGHTS**

**Record net earnings of \$33.7 million (\$0.06 per share) for the three months, compared with \$4.1 million (\$0.02 per share) in 2003.**

**Operating cash flows of \$61.8 million for the three months (2003 \$9.8 million).**

**Sales of 156,500 gold equivalent ounces and 42.9 million pounds of copper (2003 55,600 gold equivalent ounces and 3.6 million pounds of copper).**

**Total cash costs of minus \$67 per gold equivalent ounce (2003 \$175).**

**Cash and cash equivalents at March 31, 2004 of \$173.8 million (December 31, 2003 \$151.9 million).**

**Amapari acquisition finalized.**

**Wheaton and IAMGold Corporation announce a proposed business combination to create one of the ten largest gold producers in the world, to be named Axiom Gold Corporation.**

**OVERVIEW**

Wheaton River Minerals Ltd. (Wheaton or the Company) is a growth-oriented precious metals mining company with operations in Mexico, Argentina, Brazil and Australia.

During 2002, Wheaton acquired the Luismin gold/silver mines in Mexico, followed by the 2003 acquisition of a 37.5% interest in the world-class Alumbraera gold/copper mine in Argentina and 100% of the Peak gold mine in Australia. In addition, the Company acquired the Los Filos gold project in Mexico and in January, 2004, the Amapari gold project in northern Brazil.

On March 30, 2004, the Company announced a proposed combination with IAMGold Corporation (IAMGold) that will be completed by way of a plan of arrangement whereby each share of the Company will be exchanged for 0.55 of an IAMGold share. As a result of the proposed transaction, the combined company will be held 68% by existing Wheaton shareholders and 32% by existing IAMGold shareholders (74% and 26% respectively, on a fully diluted basis). The combination is subject to receipt of all requisite regulatory approvals, third party consents and other conditions customary in transactions of this nature. The combination must be approved by at least two-thirds of the votes cast by the shareholders of Wheaton and by a majority of the votes cast by the shareholders of IAMGold. The shareholder meetings will be held on June 8, 2004, with the transaction expected to close shortly thereafter. In certain circumstances, including if the combination does not occur as a result of one of the parties accepting a superior proposal from a competing bidder, then the party which accepted the superior proposal will be required to pay a fee equal to three percent of its market capitalization to the other party.

**Table of Contents****Summarized Financial Results**

	March 31		December 31		September 30		June 30	
	2004	2003	2003	2002	2003	2002	2003	2002
(Notes 2, 3 and 4)								
<b>Sales</b> (\$000 s)	\$ 114,134	\$ 17,257	\$ 103,420	\$ 17,938	\$ 63,142	\$ 15,840	\$ 28,814	\$ 915
Gold (ounces)	129,700	35,100	136,200	32,300	105,400	25,900	92,600	1,500
Silver (ounces)	1,612,900	1,561,900	1,475,900	1,672,200	1,515,900	1,445,800	1,500,500	90,900
<b>Gold equivalent</b> (ounces) (Note 1)	156,500	55,600	156,000	55,600	126,100	47,800	112,400	2,900
<b>Copper</b> (lbs)	42,879,500	3,551,000	53,731,500		28,296,800		28,139,400	
<b>Net earnings</b> (\$000 s)	\$ 33,671	\$ 4,064	\$ 27,818	\$ 2,577	\$ 14,689	\$ 949	\$ 11,088	\$ 1,814
<b>Earnings per share</b>								
<b>basic</b>	\$ 0.06	\$ 0.02	\$ 0.06	\$ 0.01	\$ 0.03	\$ 0.01	\$ 0.03	\$ 0.02
<b>diluted</b>	\$ 0.05	\$ 0.02	\$ 0.05	\$ 0.01	\$ 0.03	\$ 0.01	\$ 0.03	\$ 0.02
<b>Cash flow from</b>								
<b>operations</b> (\$000 s)	\$ 61,848	\$ 9,752	\$ 64,483	\$ 5,631	\$ 31,453	\$ (2,663)	\$ 20,990	\$ 2,443
Average realized gold price (\$ s per ounce)	\$ 412	\$ 347	\$ 385	\$ 323	\$ 366	\$ 331	\$ 353	\$ 299
Average realized silver price (\$ s per ounce)	\$ 6.78	\$ 4.64	\$ 5.29	\$ 4.51	\$ 5.00	\$ 4.60	\$ 4.61	\$ 4.47
Average realized copper price (\$ s per lb)	\$ 1.33	\$ 0.68	\$ 0.96	\$	\$ 0.81	\$	\$ 0.74	\$
<b>Total cash costs</b> (per gold equivalent ounce) (Note 5)	\$ (67)	\$ 175	\$ (39)	\$ 186	\$ 98	\$ 182	\$ 90	\$ 176
<b>Cash and cash equivalents</b>								
(\$000 s)	\$ 173,814	\$ 20,540	\$ 151,978	\$ 22,936	\$ 128,037	\$ 18,953	\$ 55,140	\$ 22,310
<b>Total assets</b> (\$000 s)	\$ 1,039,387	\$ 377,267	\$ 891,005	\$ 152,098	\$ 711,648	\$ 150,933	\$ 618,419	\$ 159,117
<b>Long-term debt</b>								
(\$000 s)	\$ 132,783	\$	\$ 122,423	\$	\$ 152,342	\$	\$ 177,342	\$
<b>Shareholders equity</b> (\$000 s)	\$ 679,901	\$ 314,900	\$ 556,118	\$ 108,054	\$ 436,773	\$ 105,481	\$ 331,038	\$ 103,162

- (1) Gold and silver are accounted for as co-products at the Luismin mines. Silver sales are converted into gold sales using the ratio of the average gold price to the average silver price for the period. For the three months ended March 31, 2004, the equivalency ratio was 60 ounces of silver equals one ounce of gold sold (March 31, 2003 = 76).
- (2) Includes Peak's results from March 18, 2003 onwards.
- (3) Includes, with the exception of sales, 25% of Alumbra's total operating results for the period March 18 to June 23, 2003, and 37.5% of the results for the period June 24, 2003 onwards. Sales include 37.5% of Alumbra's total sales for the period from June 24, 2003 onwards. Prior to June 24, 2003, the Company used the equity method to account for its 25% investment in Alumbra.
- (4) Includes Luismin's results from June 19, 2002 onwards.
- (5) The calculation of total cash costs per ounce for Peak and Alumbra is net of by-product copper sales revenue.

Net earnings for the three months ended March 31, 2004 totaled \$33,671,000 (\$0.06 per share), on sales of \$114,134,000. The comparable period in 2003 included the operating results of Luismin and two weeks of Alumbra and Peak, with net earnings of \$4,064,000 (\$0.02 per share) on sales of \$17,257,000.

**Table of Contents****RESULTS OF OPERATIONS****Three Months Ended March 31, 2004**

	<b>Luismin</b>	<b>Peak</b>	<b>Alumbrera</b>	<b>Amapari</b>	<b>Corporate</b>	<b>Total</b>
	<b>(Note 1)</b>	<b>(Note 2)</b>	<b>(Note 4)</b>			
<b>Sales</b> (\$000 s)	\$ 23,715	\$ 15,307	\$ 75,112	\$	\$	\$ 114,134
Gold (ounces)	32,400	33,400	63,900			129,700
Silver (ounces)	1,612,900					1,612,900
<b>Gold equivalent</b> (ounces) (Note 1)	59,200	33,400	63,900			156,500
<b>Copper</b> (lbs)		2,592,200	40,287,300			42,879,500
<b>Net earnings (loss)</b> (\$000 s)	\$ 5,641	\$ 3,238	\$ 30,849	\$ 108	\$ (6,165)	\$ 33,671
Average realized gold price (\$ s per ounce)	\$ 410	\$ 405	\$ 417	\$	\$	\$ 412
Average realized silver price (\$ s per ounce)	\$ 6.78	\$	\$	\$	\$	\$ 6.78
Average realized copper price (\$ s per lb)	\$	\$ 1.29	\$ 1.33	\$	\$	\$ 1.33
<b>Total cash costs</b> (per gold equivalent ounce)	\$ 170	\$ 217	\$ (435)	\$	\$	\$ (67)

**Three Months Ended March 31, 2003**

	<b>Luismin</b>	<b>Peak</b>	<b>Alumbrera</b>	<b>Amapari</b>	<b>Corporate</b>	<b>Total</b>
	<b>(Note 1)</b>	<b>(Note 2)</b>	<b>(Notes 3 and 4)</b>			
<b>Sales</b> (\$000 s)	\$ 15,653	\$ 1,604	\$	\$	\$	\$ 17,257
Gold (ounces)	25,600	4,800	4,700			35,100
Silver (ounces)	1,561,900					1,561,900
<b>Gold equivalent</b> (ounces) (Note 1)	46,100	4,800	4,700			55,600
<b>Copper</b> (lbs)			3,551,000			3,551,000
<b>Net earnings (loss)</b> (\$000 s)	\$ 3,313	\$ (121)	\$ 516	\$	\$ 356	\$ 4,064
Average realized gold price (\$ s per ounce)	\$ 353	\$ 331	\$ 301	\$	\$	\$ 347
Average realized silver price (\$ s per ounce)	\$ 4.64	\$	\$	\$	\$	\$ 4.64
Average realized copper price (\$ s per lb)	\$	\$	\$ 0.68	\$	\$	\$ 0.68
<b>Total cash costs</b> (per gold equivalent ounce)	\$ 185	\$ 330	\$ (81)	\$	\$	\$ 175

- (1) Gold and silver are accounted for as co-products at the Luismin mines. Silver sales are converted into gold sales using the ratio of the average gold price to the average silver price for the period. For the three months ended March 31, 2004 the equivalency ratio was 60 ounces of silver equals one ounce of gold sold (March 31, 2003 = 76).
- (2) Peak results include the Company's 100% interest from March 18, 2003 onwards. The calculation of total cash costs per ounce of gold is net of by-product copper sales revenue.
- (3) Includes, with the exception of sales, 25% of Alumbrera's total operating results from March 18, 2003 onwards. During the first quarter of 2003, the Company used the equity method to account for its 25% investment in Alumbrera.

- (4) The calculation of total cash costs per ounce of gold for Alumbreira is net of by-product copper sales revenue. If copper production were treated as a co-product, average total cash costs at Alumbreira in 2004 would be \$111 per ounce of gold and \$0.48 per pound of copper.

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**Table of Contents****OPERATIONAL REVIEW****Luismin Mines**

	<b>March 31 2004</b>	<b>December 31 2003</b>	<b>September 30 2003</b>	<b>June 30 2003</b>	<b>March 31 2003</b>
Ore mined (tonnes)	180,800	181,800	186,300	184,500	189,800
Ore milled (tonnes)	209,800	176,000	182,800	181,900	183,900
Grade (grams/tonne)					
Gold	5.19	5.21	5.01	4.54	4.43
Silver	266.00	291.15	285.88	288.92	291.23
Recovery (%)					
Gold	94	97	97	96	96
Silver	90	90	91	91	90
Production (ounces)					
Gold	32,700	28,100	28,300	25,400	25,100
Silver	1,615,500	1,483,300	1,520,700	1,527,600	1,554,700
Gold equivalent (Note 1)	59,100	48,000	49,200	45,600	45,700
Sales (\$ 000 s)	\$ 23,715	\$ 18,343	\$ 17,152	\$ 15,103	\$ 15,653
Gold (ounces)	32,400	28,100	27,600	25,000	25,600
Silver (ounces)	1,612,900	1,475,900	1,515,900	1,500,500	1,561,900
Gold equivalent (ounces) (Note 1)	59,200	47,900	48,300	44,800	46,100
Net earnings (\$ 000 s)	\$ 5,641	\$ 577	\$ 4,145	\$ 2,768	\$ 3,313
Average realized gold price (\$ s per ounce)	\$ 410	\$ 393	\$ 366	\$ 350	\$ 353
Average realized silver price (\$ s per ounce)	\$ 6.78	\$ 5.29	\$ 5.00	\$ 4.61	\$ 4.64
Total cash costs (per gold equivalent ounce)	\$ 170	\$ 179	\$ 180	\$ 200	\$ 185

(1) Gold and silver are accounted for as co-products at the Luismin mines. Silver sales are converted into gold sales using the ratio of the average gold price to the average silver price for the period. For the three months ended March 31, 2004 the equivalency ratio was 60 ounces of silver equals one ounce of gold sold (March 31, 2003 = 76).

During the first quarter of 2004, the Luismin gold/silver operations in Mexico sold 59,200 gold equivalent ounces, compared with sales of 46,100 gold equivalent ounces in the same period of 2003. This 28% increase in sales of gold equivalent ounces was primarily due to increased gold grades processed. In addition, the average realized gold price increased by 16% to \$410 per ounce, as compared with the same quarter in 2003, and the average realized silver price increased by 46%, resulting in increased sales from \$15,653,000 in 2003 to \$23,715,000 in 2004.

Total cash costs were \$170 per gold equivalent ounce in the first quarter of 2004, compared with \$185 during 2003. The primary reason for this decrease was the increased gold grades processed.

General and administrative expenses for the first quarter of 2004 were \$1,234,000 compared to \$1,088,000 in the same period of 2003.

Luismin owns a significant number of exploration properties, several of which are being explored and funded by joint venture partners. Luismin exploration expense in the first quarter was \$285,000 compared with \$225,000 in 2003.

Luismin paid no significant cash taxes during the first quarter of 2004.

**Table of Contents****Peak Mine**

	<u>March 31 2004</u>	<u>December 31 2003</u>	<u>September 30 2003</u>	<u>June 30 2003</u>	<u>March 31 2003</u>
					(Note 2)
Ore mined (tonnes)	178,300	219,200	352,700	247,500	20,000
Ore milled (tonnes)	170,800	153,100	157,500	157,200	25,300
Grade					
Gold (grams/tonne)	6.44	5.93	7.81	6.56	6.14
Copper (%)	0.83	0.54	0.53	0.49	
Recovery (%)					
Gold	91	88	85	87	85
Copper	82	77	84	67	
Production					
Gold (ounces)	32,100	25,700	33,600	28,900	4,100
Copper (lbs)	2,578,900	1,396,800	1,438,100	778,700	
Sales					
(\$ 000 s)	\$ 15,307	\$ 10,756	\$ 14,639	\$ 9,475	\$ 1,604
Gold (ounces)	33,400	26,500	39,200	26,700	4,800
Copper (lbs)	2,592,200	1,121,100	1,843,000		
Net earnings (loss) (\$ 000 s)	\$ 3,238	\$ 2,379	\$ 1,721	\$ 1,298	(\$ 121)
Average realized gold price (\$ s per ounce)	\$ 405	\$ 391	\$ 365	\$ 355	\$ 331
Average realized copper price (\$ s per lb)	\$ 1.29	\$ 0.90	\$ 0.80	\$	\$
Total cash costs (per ounce) (Note 1)	\$ 217	\$ 302	\$ 223	\$ 221	\$ 330

(1) The calculation of total cash costs per ounce of gold is net of by-product copper sales revenue.

(2) Peak results include the Company's 100% interest from March 18, 2003 onwards.

Peak sold 33,400 ounces of gold and 2.6 million lbs of copper during the three months ended March 31, 2004, compared with 4,800 ounces of gold in the two weeks following acquisition to March 31, 2003.

Total cash costs averaged \$217 per ounce (net of by-product copper sales revenue) during the quarter, compared with \$330 per ounce during the comparative quarter in 2003. The 2003 costs were abnormally high, as a result of treating lower grade ore from open pit operations.

No significant cash taxes were paid during the first quarter of 2004.

**Table of Contents****Alumbrera Mine (Wheaton interest 37.5%)**

	March 31 2004	December 31 2003	September 30 2003	June 30 2003	March 31 2003
	(Wheaton's share only)				
					(Note 2)
Ore mined (tonnes)	2,836,900	2,409,000	2,219,300	2,171,700	322,700
Ore milled (tonnes)	3,171,400	3,415,000	3,043,100	2,235,400	330,800
Grade					
Gold (grams/tonne)	0.80	0.94	0.83	0.81	0.57
Copper (%)	0.58	0.69	0.67	0.69	0.52
Recovery (%)					
Gold	77	74	73	74	79
Copper	91	89	89	89	91
Production					
Gold (ounces)	62,800	75,900	59,000	43,300	4,800
Copper (lbs)	36,512,700	47,098,200	39,895,700	29,912,800	3,457,100
Sales					
(\$ 000's)	\$ 75,112	\$ 74,320	\$ 31,351	\$ 4,236	\$
Gold (ounces)	63,900	81,600	38,600	40,900	4,700
Copper (lbs)	40,287,300	52,610,400	26,453,800	28,139,400	3,551,000
Net earnings (\$ 000's)	\$ 30,849	\$ 26,015	\$ 8,919	\$ 7,706	\$ 516
Average realized gold price (\$'s per ounce)	\$ 417	\$ 379	\$ 366	\$ 355	\$ 301
Average realized copper price (\$'s per lb)	\$ 1.33	\$ 0.96	\$ 0.81	\$ 0.74	\$ 0.68
Total cash costs (per ounce) (Note 1)	\$ (435)	\$ (277)	\$ (132)	\$ (112)	\$ (81)

(1) The calculation of total cash costs per ounce of gold for Alumbrera is net of by-product copper sales revenue. If copper production were treated as a co-product, first quarter 2004 average total cash costs at Alumbrera would be \$111 per ounce of gold and \$0.48 per pound of copper.

(2) Includes with the exception of sales, 25% of Alumbrera's total operating results from March 18, 2003 onwards. During the first quarter of 2003, the Company used the equity method to account for its 25% investment in Alumbrera.

Wheaton's share of Alumbrera's first quarter 2004 sales amounted to 63,900 ounces of gold and 40.3 million lbs of copper, compared with 4,700 ounces of gold and 3.6 million lbs of copper in the two weeks following acquisition to March 31, 2003. The 2004 average realized copper price of \$1.33 per lb was significantly higher than the 2003 price of \$0.68 per lb and was the primary reason for the reduction in 2004 total cash costs, which are presented net of by-product copper sales revenue.

No significant cash taxes were paid in the first quarter of 2004.

**Table of Contents****Corporate**

	<b>March 31 2004</b>	<b>March 31 2003</b>
	<b>(In thousands)</b>	
General and administrative expenses	\$(2,441)	\$(905)
Interest and finance fees	(1,255)	(1)
Gain on sale of marketable securities	42	786
Foreign exchange (loss) gain	(534)	912
Share purchase option expense	(985)	(84)
Other	(1,172)	115
	<u>          </u>	<u>          </u>
(Loss) earnings before income taxes	(6,345)	823
Income tax (expense) recovery	180	(467)
	<u>          </u>	<u>          </u>
Corporate net (loss) earnings	\$(6,165)	\$ 356
	<u>          </u>	<u>          </u>

General and administrative expenses in the first quarter of 2004 totaled \$2,441,000 compared with \$905,000 in 2003, reflecting the increased level of corporate activity compared with 2003.

Interest and finance fees were \$1,255,000 in 2004, as a result of the June 24, 2003 debt financing of the acquisition of an additional 12.5% interest in Alubrera. The 2004 foreign exchange loss of \$534,000 resulted from the weakening of Canadian dollar denominated cash deposits against the US dollar during the period, whereas in 2003 the Canadian dollar strengthened against the US dollar and the Company recognized a \$912,000 foreign exchange gain.

Effective January 1, 2004, the Company retroactively adopted the amended recommendations of the CICA Handbook Section 3870, Stock-Based Compensation and other Stock-based Payments, whereby the fair value of all stock options granted are estimated using the Black-Scholes method and are recorded in operations over their vesting periods. In 2003, stock-based awards made to non-employees of \$84,000 were recognized and measured using the fair value based method at the date of grant, whereas for stock options granted to employees and directors, no expense was recorded. The amended recommendations have been applied retroactively from January 1, 2002 in the financial statements, without restatement of prior periods. As a result, as of January 1, 2004, retained earnings decreased by \$16,848,000, share purchase options (a separate component of shareholders' equity) increased by \$14,861,000, share capital increased by \$1,883,000 and contributed surplus increased by \$104,000.

The total compensation expense recognized in the statement of operations for share purchase options granted in the three months ended March 31, 2004 totaled \$985,000. Had the same basis been applied to 2003 share purchase options granted, net earnings for the three months ended March 31, 2003 would have been as follows:

	<b>March 31 2003</b>
	<b>(In thousands, except per share amounts)</b>
Net earnings	\$ 4,064
Additional compensation expense of employees	(1,913)
	<u>          </u>
Pro forma net earnings	\$ 2,151
	<u>          </u>
Pro forma basic and diluted earnings per share	\$ 0.01
	<u>          </u>

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Stock-based compensation expense is determined using an option pricing model assuming no dividends are to be paid, a weighted average volatility of the Company's share price of 50% (2003 - 60%), an annual risk free interest rate of 3% (2003 - 4%) and expected lives of three years (2003 - three years).

No significant cash taxes were paid in Canada in the first quarter of 2004.

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**Table of Contents****Non GAAP measures total cash cost per gold equivalent ounce calculation**

The Company reports total cash costs on a sales basis. In the gold mining industry, this is a common performance measure but does not have any standardized meaning. The following table provides a reconciliation of total cash costs per ounce to the financial statements:

	<b>March 31 2004</b>	<b>March 31 2003</b>
	<b>(In thousands, except per ounce amounts)</b>	
Cost of sales per financial statements	\$ 38,786	\$ 9,510
Alumbrera equity adjustment (Note 1)		(402)
Treatment and refining charges	7,650	598
Non-cash adjustments	(1,216)	
By-product copper sales	(57,763)	
Royalties	2,017	60
	<u>\$ (10,526)</u>	<u>\$ 9,766</u>
Divided by gold equivalent ounces sold	156,500	55,600
<b>Total cash cost per ounce</b>	<b>\$ (67)</b>	<b>\$ 175</b>

- (1) Total cash costs are calculated as if the Company's initial acquisition of a 25% interest in Alumbrera had been accounted for on a proportionately consolidated basis. The consolidated financial statements however present the initial 25% interest using the equity method until the Company increased its interest to 37.5% on June 24, 2003, and thereafter accounted for its interest on a proportionately consolidated basis.

**Liquidity and Capital Resources**

At March 31, 2004 the Company had cash and cash equivalents of \$173,814,000 (December 31, 2003 \$151,878,000) and working capital of \$128,146,000 (December 31, 2003 \$147,484,000).

In the opinion of management, the working capital at March 31, 2004, together with cash flows from operations, are sufficient to support the Company's normal operating requirements on an ongoing basis.

Total assets increased to \$1,039,387,000 at March 31, 2004 from \$891,005,000 at December 31, 2003. Contributing to the growth was the January 9, 2004 acquisition of the Amapari gold project located in northern Brazil for \$25,000,000 in cash, 33,000,000 Wheaton River common shares and 21,500,000 Wheaton River Series B common share purchase warrants. Based upon the trading price of the common shares and warrants at the time of closing, this represents aggregate consideration of approximately \$114,649,000, including \$1,104,000 of acquisition costs. During 2004, the Company is required to make additional cash payments of \$15,200,000 to repay debt.

During the quarter, the Company generated operating cash flows of \$61,848,000, compared with \$9,752,000 during the first quarter of 2003.

During the three months ended March 31, 2004, the Company repaid long-term debt in the amount of \$4,645,000 and invested a total of \$10,148,000 in property, plant and equipment, including expenditures of \$5,224,000 at the Luismin operations, \$1,748,000 at Peak, \$1,483,000 at Alumbrera and \$1,662,000 at Amapari.

As of May 10, 2004, there were 568,220,638 common shares of the Company issued and outstanding. In addition, the Company had 23,936,161 stock options outstanding under its share option plan and 176,660,019 share purchase warrants outstanding.

**Derivative instruments**

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The Company has employed metal, interest rate and Canadian dollar forward and option contracts to manage exposure to fluctuations in metal prices and foreign currency exchange rates.

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Under the terms of the Company's \$50,000,000 bank term loan negotiated in 2003, the Company acquired put options to sell gold at a price of \$300 per ounce during the period from January 2004 to June 2008. At March 31, 2004, the Company held put options to sell 656,280 ounces of gold and the fair value of these options was \$885,000.

During 2003, the Company entered into a gold-indexed interest rate swap transaction, whereby the effective interest rate on the bank term loan varies in relationship to the price of gold. At a minimum gold price of \$300 per ounce or less, the effective interest rate will be approximately 0.4% and at a maximum gold price of \$410 or higher, the effective interest rate will be 9.5%. At March 31, 2004 the fair value of the gold-indexed interest rate swap was \$(2,043,000).

**Long-term debt repayment schedule**

Scheduled minimum repayments of the Company's long-term debt are as follows:

	<u>Corporate</u>	<u>Project</u>	<u>Total</u>
	(In thousands)		
2004	\$ 10,000	\$ 72,985	\$ 82,985
2005	31,943		31,943
2006	15,000		15,000
2007	2,855		2,855
	<u>\$ 59,798</u>	<u>\$ 72,985</u>	<u>\$ 132,783</u>

During May 2004, Alubrera provided to its debt holders irrevocable notice of its intention to repay 100% of the debt during May 2004 out of cash on hand. Accordingly, the Company has recorded its entire share of the remaining debt balance at March 31, 2004 as current.

**Contractual obligations**

Commitments exist at Alubrera, Peak and Amapari for capital expenditures in 2004 of \$12,800,000. The Company rents premises and leases equipment under operating leases that expire over the next nine years. Operating lease expense in the first quarter of 2004 was \$411,000 (2003 - \$514,000). Following is a schedule of future minimum rental and lease payments required:

	<u>(In thousands)</u>
2004	\$ 1,232
2005	858
2006	357
2007	232
2008	194
	<u>2,873</u>
Thereafter	624
Total minimum payments required	<u>\$ 3,497</u>

**Related party transactions**



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In 2001, the Company entered into a financial advisory agreement with Endeavour Financial Corporation ( Endeavour ), a corporation with two directors in common. Under the terms of this agreement, which can be cancelled on 30 days notice, Endeavour provides financial advisory services to the Company and is entitled to a monthly fee of \$10,000 and a success fee to be negotiated based on the value of any acquisitions, dispositions and financings. During the first quarter of 2004, Endeavour was paid consulting and financial advisory fees of \$30,000 (2003 \$673,000).

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In addition, acquisition costs related to the proposed combination with IAMGold include financial advisory fees of \$5 million, payable to Endeavour on successful completion of the combination.

## **OUTLOOK**

On January 9, 2004, the Company acquired the Amapari gold project located in northern Brazil. Construction of an open pit heap leach operation has commenced, and site clearing, access road construction and foundation preparation are underway for the process facilities. Condemnation and final delineation drilling is in process, and further exploration is planned for the second half of 2004. Production is planned to commence during the fourth quarter of 2005.

The Company has planned capital expenditures for the remainder of 2004 of approximately \$47,000,000. Of these, approximately \$20,000,000 will be incurred at Amapari, \$11,000,000 at Peak, and \$16,000,000 at the Luismin operations of which \$5,000,000 relates to Los Filos and \$11,000,000 to San Dimas and San Martin.

A reserve and mine plan review is scheduled to be completed at Alumbreira by July 2004, as current reserves and mine planning are based on metal prices of US\$295 gold and US\$0.80 copper. With new mineralization defined in the 2003 drilling program, there is potential to extend the life of Alumbreira in light of current gold and copper prices.

In 2004, Wheaton expects to produce approximately 540,000 gold equivalent ounces at a cash cost of less than US\$50 per ounce. By 2006, with the Los Filos and Amapari projects in operation, overall production will increase to 900,000 gold equivalent ounces at a cash cost of less than US\$100 per ounce.

On March 30, 2004, the Company announced a proposed combination with IAMGold which is expected to close on or about June 15, 2004. The combination will create one of the world's ten largest gold producers, with 2004 annualized gold production for the combined company of approximately 1,000,000 gold equivalent ounces at a cash cost of less than US\$100 per ounce. By 2006, production will increase by over 30% to 1,300,000 gold equivalent ounces through the development of the Amapari and Los Filos projects and the expansion of IAMGold's Tarkwa mine in Ghana. The new company will have a strong balance sheet with approximately US\$300,000,000 in cash and cash equivalents and gold bullion. Proven and probable reserves will increase to 9,000,000 ounces plus additional measured and indicated resources of 4,400,000 ounces and inferred resources of 10,500,000 ounces. In addition, the company will have a large portfolio of exploration projects in the Americas and West Africa.

*Additional information relating to the Company, including its Annual Information Form, is available on SEDAR at [www.sedar.com](http://www.sedar.com).*

*This Management's Discussion & Analysis contains certain forward-looking statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding future plans and objectives of the Company are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove 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 the Company's expectations are disclosed in Company documents filed from time to time with the Toronto Stock Exchange and other regulatory authorities.*

**Table of Contents****CONSOLIDATED STATEMENTS OF OPERATIONS**

	Note	Three Months Ended June 30		Six Months Ended June 30	
		2004	2003	2004	2003
(US dollars and shares in thousands, except per share amounts Unaudited)					
Sales		\$ 89,268	\$ 28,814	\$ 202,472	\$ 46,071
Cost of sales		35,017	15,242	73,803	24,846
Royalties		777	365	2,794	425
Depreciation and depletion		10,807	3,911	24,043	5,553
Reclamation		253	166	509	234
		<b>46,854</b>	19,684	<b>101,149</b>	31,058
Earnings from mining operations		<b>42,414</b>	9,130	<b>101,323</b>	15,013
Expenses and other income					
General and administrative		2,734	2,307	6,409	4,291
Interest and finance fees		2,361	395	3,939	407
Exploration		790	604	1,424	903
Amortization		870	78	1,819	142
Merger costs written off	4	2,811		2,811	
Other expense (income)	5	1,028	(339)	1,870	(1,913)
		<b>10,594</b>	3,045	<b>18,272</b>	3,830
Earnings before the following		<b>31,820</b>	6,085	<b>83,051</b>	11,183
Equity in earnings of Minera Alumbrrera Ltd.			6,808		7,324
Earnings before income taxes		<b>31,820</b>	12,893	<b>83,051</b>	18,507
Income tax expense		<b>10,700</b>	1,805	<b>28,260</b>	3,355
Net earnings		<b>\$ 21,120</b>	\$ 11,088	<b>\$ 54,791</b>	\$ 15,152
Earnings per share					
Basic		<b>\$ 0.04</b>	\$ 0.03	<b>\$ 0.10</b>	\$ 0.05
Diluted		<b>\$ 0.03</b>	\$ 0.03	<b>\$ 0.08</b>	\$ 0.04
Weighted-average number of shares outstanding					
Basic		<b>568,078</b>	425,937	<b>566,687</b>	336,150
Diluted		<b>653,674</b>	433,253	<b>652,149</b>	343,372

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

**Table of Contents****CONSOLIDATED BALANCE SHEETS**

	Note	June 30 2004	December 31 2003
(US dollars and shares in thousands Unaudited)			
<b>ASSETS</b>			
Current			
Cash and cash equivalents		\$ 103,482	\$ 151,878
Appropriated cash			8,840
Marketable securities	6	32,343	1,142
Accounts receivable		34,864	31,824
Product inventory and stockpiled ore	7	15,818	16,726
Supplies inventory		9,952	10,083
Other		2,954	4,287
		<u>199,413</u>	<u>224,780</u>
Property, plant and equipment	8	719,546	583,911
Stockpiled ore	7	59,427	60,736
Future income taxes		7,131	7,211
Other	9	15,644	14,367
		<u>\$ 1,001,161</u>	<u>\$ 891,005</u>
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities		\$ 27,943	\$ 31,402
Income taxes payable		1,721	1,062
Current portion of long-term debt	10	4,308	41,000
Other		3,512	3,832
		<u>37,484</u>	<u>77,296</u>
Long-term debt	10	61,155	81,423
Future income taxes		171,723	145,730
Provision for reclamation and closure		19,110	19,604
Future employee benefits and other		9,868	10,834
		<u>299,340</u>	<u>334,887</u>
<b>Shareholders Equity</b>			
Share purchase options		16,428	877
Contributed surplus		704	600
Share purchase warrants		16,660	
Share capital			
Common shares			
Authorized: unlimited shares, no par value; Issued and outstanding: 568,363 (December 31, 2003 533,697)		580,535	505,090
Retained earnings		87,494	49,551
		<u>701,821</u>	<u>556,118</u>
		<u>\$ 1,001,161</u>	<u>\$ 891,005</u>

Contingencies and Commitments (Note 13)

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

**Table of Contents****CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY****Six Months Ended June 30, 2004 and Year Ended December 31, 2003**

	Common Shares		Share Purchase Warrants		Share Purchase Options	Contributed Surplus	Retained Earnings (Deficit)	Total
	Shares	Amount	Warrants	Amount				
	(US dollars, shares and warrants in thousands Unaudited)							
At January 1, 2003	190,400	\$ 115,152		\$	\$ 410	\$ 600	\$ (8,108)	\$ 108,054
Share options exercised	6,621	5,431						5,431
Warrants exercised	9,602	5,192						5,192
Shares issued	327,074	402,266						402,266
Share issue costs, net of tax		(22,951)						(22,951)
Fair value of stock options issued to non-employees					467			467
Net earnings							57,659	57,659
At December 31, 2003	533,697	505,090			877	600	49,551	556,118
Cumulative effect of change in accounting policy (Note 2 (a))		1,883			14,861	104	(16,848)	
Share options exercised	1,425	1,456			(395)			1,061
Warrants exercised	241	367						367
Shares and warrants issued on acquisition of Amapari (Note 3)	33,000	71,885	21,516	16,660				88,545
Share issue costs, net of tax		(146)						(146)
Fair value of stock options issued					1,085			1,085
Net earnings							54,791	54,791
At June 30, 2004	568,363	\$ 580,535	21,516	\$ 16,660	\$ 16,428	\$ 704	\$ 87,494	\$ 701,821

Shareholders' Equity (Note 11)

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

**Table of Contents****CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Note	Three Months Ended June 30		Six Months Ended June 30	
		2004	2003	2004	2003
(US dollars in thousands Unaudited)					
<b>Operating Activities</b>					
Net earnings		\$ 21,120	\$ 11,088	\$ 54,791	\$ 15,152
Cash distribution from Minera Alumbreira Ltd			12,610		12,610
Reclamation expenditures		(901)	(430)	(965)	(447)
Items not affecting cash					
Depreciation, depletion and amortization		11,677	3,989	25,862	5,695
Provision for reclamation		253	166	509	234
Gain on sale of marketable securities		(56)	12	(98)	(774)
Equity in earnings of Minera Alumbreira Ltd			(6,808)		(7,324)
Future employee benefits		(407)		(441)	
Future income taxes		9,670	1,605	27,222	3,133
Share purchase option expense		100	209	1,085	293
Other		389	(153)	(655)	(70)
Change in non-cash working capital	12	(2,904)	(1,298)	(6,521)	2,240
Cash generated by operating activities		<u>38,941</u>	<u>20,990</u>	<u>100,789</u>	<u>30,742</u>
<b>Financing Activities</b>					
Long-term debt		(67,515)	75,000	(72,160)	75,000
Common shares issued		700	5,261	1,428	223,473
Common share issue costs			(420)	(146)	(15,934)
Debt issue costs		(1,072)	(3,668)	(1,072)	(3,668)
Deferred gold put options			(5,786)		(5,786)
Bank loans			(302)		
Cash (applied to) generated by financing activities		<u>(67,887)</u>	<u>70,085</u>	<u>(71,950)</u>	<u>273,085</u>
<b>Investing Activities</b>					
Marketable securities		(31,194)	521	(31,110)	1,833
Property, plant and equipment		(18,097)	(8,952)	(28,245)	(10,993)
Appropriated cash		8,840		8,840	
Acquisition of Mineração Pedra Branco do Amapari Ltda, net of cash acquired	3			(25,785)	
Acquisition of Minera Alumbreira Ltd, net of cash acquired			(44,001)		(224,356)
Acquisition of Peak Gold Mines Pty Ltd, net of cash acquired			(105)		(34,169)
Other		(935)	(3,938)	(935)	(3,938)
Cash applied to investing activities		<u>(41,386)</u>	<u>(56,475)</u>	<u>(77,235)</u>	<u>(271,623)</u>
(Decrease) increase in cash and cash equivalents		<u>(70,332)</u>	<u>34,600</u>	<u>(48,396)</u>	<u>32,204</u>
Cash and cash equivalents, beginning of period		<u>173,814</u>	<u>20,540</u>	<u>151,878</u>	<u>22,936</u>

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Cash and cash equivalents, end of period	<b>\$ 103,482</b>	\$ 55,140	<b>\$ 103,482</b>	\$ 55,140
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Supplemental cash flow information (Note 12)

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

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**Table of Contents****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Six Months Ended June 30, 2004****(US dollars Unaudited)****1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS**

Wheaton River Minerals Ltd (Wheaton or the Company) is engaged in gold mining and related activities including exploration, extraction, processing, refining and reclamation. The Company has mining operations in Mexico, Argentina and Australia, project development activities in Mexico and Brazil, and ongoing exploration activities in Mexico, Brazil and Australia. The Company is in the process of reclaiming the Golden Bear Mine in Canada, which ceased commercial production in 2001.

On January 9, 2004, the Company acquired the Amapari gold project in northern Brazil (Note 3).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information and they follow the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended December 31, 2003 except as noted below. These unaudited interim consolidated financial statements do not include all the information and note disclosures required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the most recent annual audited consolidated financial statements and the notes below.

**(a) Stock-based compensation**

Effective January 1, 2004, the Company adopted the amended recommendations of the CICA Handbook Section 3870, *Stock-based Compensation and Other Stock-based Payments*. Under the amended standards of this Section, the fair value of all stock-based awards granted are estimated using the Black-Scholes model and are recorded in operations over their vesting periods. The compensation cost related to stock options granted after January 1, 2004 is recorded in operations.

Previously, the Company provided note disclosure of pro forma net earnings and pro forma earnings per share as if the fair value based method had been used to account for share purchase options granted to employees, directors and officers after January 1, 2002. The amended recommendations have been applied retroactively from January 1, 2002 without restatement of prior periods. As a result, as of January 1, 2004, retained earnings decreased by \$16,848,000, share purchase options (a separate component of shareholders' equity) increased by \$14,861,000, share capital increased by \$1,883,000 and contributed surplus increased by \$104,000.

The total compensation expense recognized in the statement of operations for share purchase options granted in the three months ended June 30, 2004 amounted to \$100,000 (six months ended June 30, 2004 \$1,085,000). Had the same basis been applied to 2003 share purchase options granted, net earnings would have been as follows:

	<b>Three Months Ended June 30, 2003</b>	<b>Six Months Ended June 30, 2003</b>
	<b>(In thousands, except per share amounts)</b>	
Net earnings	\$ 11,088	\$ 15,152
Additional compensation expense of employees	(7,144)	(9,057)
Pro forma net earnings	<u>\$ 3,944</u>	<u>\$ 6,095</u>
Pro forma basic and diluted earnings per share	<u>\$ 0.01</u>	<u>\$ 0.02</u>



**Table of Contents****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****Six Months Ended June 30, 2004****(US dollars Unaudited)**

Stock-based compensation expense is determined using an option pricing model assuming no dividends are to be paid, a weighted average volatility of the Company's share price of 50% (2003 60%), an annual risk free interest rate of 3% (2003 4%) and expected lives of three years (2003 three years).

**(b) Derivative instruments**

The Company has employed metal, interest rate and Canadian dollar forward and option contracts to manage exposure to fluctuations in metal prices and foreign currency exchange rates. For derivative contracts that have been designated as effective hedges and where the documentation standards as described by Accounting Guideline 13, Hedging Relationships (AcG-13) have been met, gains or losses are recognized in sales when the hedged production is sold. For derivative contracts that have not been designated as hedges or do not meet the documentation standards under AcG-13, gains or losses arising from the changes in their fair value subsequent to January 1, 2004 are recorded in operations.

**(c) Basis of presentation**

These consolidated financial statements include the accounts of the Company and its subsidiaries. Principal subsidiaries and investments at June 30, 2004 are listed below:

<b>Subsidiary</b>	<b>Location</b>	<b>Ownership Interest</b>	<b>Status</b>	<b>Operations and Development Projects Owned</b>
Luismin SA de CV ( Luismin )	Mexico	100%	Consolidated	San Dimas, San Martin and Nukay mines and Los Filos gold development project
Peak Gold Mines Pty Ltd ( Peak )	Australia	100%	Consolidated	Peak mine
Mineração Pedra Branco do Amapari Ltda ( Amapari )	Brazil	100%	Consolidated	Amapari gold development project
Minera Alumbreira Ltd ( Alumbreira )	Argentina	37.5%	Proportionately consolidated	Alumbreira mine

**(d) Investment in Minera Alumbreira Ltd**

On March 18, 2003 the Company acquired a 25% indirect interest in Alumbreira which was accounted for using the equity method and the Company's share of earnings of Alumbreira have been included in the earnings of the Company since that date.

On June 24, 2003 the Company acquired an additional 12.5% indirect interest in Alumbreira. As a result of this acquisition, the Company now has joint control over Alumbreira and therefore has proportionately consolidated its 37.5% share of the financial statements of Alumbreira from June 24, 2003 onward.

**(e) Comparative amounts**

Certain comparative amounts have been reclassified to conform to presentation adopted in 2004.

**3. ACQUISITION OF AMAPARI GOLD DEVELOPMENT PROJECT**

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On January 9, 2004 the Company acquired a 100% interest in the Amapari gold development project in Brazil for total consideration of \$114,649,000 including acquisition costs. Of the purchase price, \$25,000,000

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**Table of Contents****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****Six Months Ended June 30, 2004****(US dollars Unaudited)**

was paid in cash and \$88,545,000 by way of 33 million Wheaton common shares and 21.5 million Series B common share purchase warrants.

The acquisition of Amapari has been accounted for using the purchase method. The preliminary allocation of the purchase price is summarized in the table below.

	<b>(In thousands)</b>
Purchase price:	
Cash paid	\$ 25,000
Shares and share purchase warrants issued	88,545
Acquisition costs	1,104
	<u>\$ 114,649</u>
Net assets acquired:	
Cash	\$ 319
Non-cash working capital	(2,368)
Property, plant and equipment	131,898
Debt acquired (Note 10 (v))	(15,200)
	<u>\$ 114,649</u>

**4. MERGER COSTS WRITTEN OFF**

On March 30, 2004, Wheaton and IAMGold Corporation ( IAMGold ) announced that their boards of directors had unanimously agreed to combine the companies under the name Axiom Gold Corporation, subject to shareholder approvals and certain other conditions. On July 6, 2004, IAMGold did not receive the necessary shareholder approvals to effect the proposed combination and Wheaton terminated the agreement with IAMGold regarding the combination (Note 13 (a)). As a result, the Company has written off \$2,811,000 of related costs.

**5. OTHER (EXPENSE) INCOME**

	<b>Three Months Ended June 30</b>		<b>Six Months Ended June 30</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>(In thousands)</b>			
Interest income	\$ 563	\$ 266	\$ 1,212	\$ 721
Gain on sale of marketable securities	56	(12)	98	774
Foreign exchange (loss) gain	(1,344)	643	(1,745)	1,195
Share purchase option expense	(100)	(209)	(1,085)	(293)
Other	(203)	(349)	(350)	(484)
	<u>\$ (1,028)</u>	<u>\$ 339</u>	<u>\$ (1,870)</u>	<u>\$ 1,913</u>

6. MARKETABLE SECURITIES

	June 30 2004	December 31 2003
	(In thousands)	
Marketable securities at market value	<b>\$34,818</b>	\$1,702

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**Table of Contents****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Six Months Ended June 30, 2004

(US dollars Unaudited)

In July 2004, the Company sold marketable securities with a cost of approximately \$31.1 million for proceeds of approximately \$32.0 million.

**7. PRODUCT INVENTORY AND STOCKPILED ORE**

	June 30 2004	December 31 2003
	(In thousands)	
Stockpiled ore	\$ 60,625	\$ 62,174
Work in process	5,081	2,891
Finished goods	9,539	12,397
	<u>75,245</u>	<u>77,462</u>
Less: non-current stockpiled ore	59,427	60,736
	<u>\$ 15,818</u>	<u>\$ 16,726</u>

Non-current stockpiled ore is primarily comprised of lower grade ore at Alumbra, which will be processed later in the mine life. This inventory is valued at the lower of cost and net realizable value.

**8. PROPERTY, PLANT AND EQUIPMENT**

	June 30, 2004			December 31, 2003		
	Cost	Accumulated Depletion	Net	Cost	Accumulated Depletion	Net
	(In thousands)					
Mineral properties						
Luismin mines, Mexico	\$ 125,843	\$ (9,482)	\$ 116,361	\$ 120,736	\$ (6,070)	\$ 114,666
Peak mine, Australia	28,902	(4,582)	24,320	25,672	(2,518)	23,154
Alumbra mine, Argentina	27,142	(4,030)	23,112	27,142	(2,091)	25,051
	<u>181,887</u>	<u>(18,094)</u>	<u>163,793</u>	<u>173,550</u>	<u>(10,679)</u>	<u>162,871</u>
Plant and equipment						
Luismin mines, Mexico	46,847	(4,795)	42,052	42,519	(3,334)	39,185
Peak mine, Australia	19,276	(2,955)	16,321	17,726	(1,736)	15,990
Alumbra mine, Argentina	248,911	(34,475)	214,436	246,559	(20,553)	226,006
Corporate, Canada	475	(288)	187	456	(261)	195
	<u>315,509</u>	<u>(42,513)</u>	<u>272,996</u>	<u>307,260</u>	<u>(25,884)</u>	<u>281,376</u>
Properties under development						
Los Filos project, Mexico	96,289		96,289	93,691		93,691

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El Limón project, Mexico.	<b>42,161</b>		<b>42,161</b>	42,161		42,161
Other projects, Mexico.	<b>5,065</b>		<b>5,065</b>	3,667		3,667
Amapari project, Brazil	<b>139,242</b>		<b>139,242</b>	145		145
	<u>282,757</u>	<u>        </u>	<u>282,757</u>	<u>139,664</u>	<u>        </u>	<u>139,664</u>
	<b>\$ 780,153</b>	<b>\$ (60,607)</b>	<b>\$ 719,546</b>	\$ 620,474	\$ (36,563)	\$ 583,911
	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

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**Table of Contents****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****Six Months Ended June 30, 2004****(US dollars Unaudited)*****Sale of Metates property***

Effective February 25, 2004, the Company sold its 50% interest in the Metates property in Mexico to American Gold Capital Corporation ( American Gold ), a company listed on the TSX Venture Exchange. The Company received 5,000,000 shares of American Gold as consideration, 4,500,000 of which are held in escrow to be released over the period to February 2007. The Company has not recorded a gain on this disposition. Gains on the sale of the shares will be recorded in income when the shares are sold.

**9. OTHER NON-CURRENT ASSETS**

	Note	June 30 2004	December 31 2003
(In thousands)			
Deferred gold put options	10(i)	\$ 5,063	\$ 5,786
Deferred debt issue costs	10(ii)	3,920	3,497
Other		6,661	5,084
		<u>\$ 15,644</u>	<u>\$ 14,367</u>

**10. LONG-TERM DEBT**

	June 30 2004	December 31 2003
(In thousands)		
Corporate debt		
Revolving working capital facility <sup>(i)</sup>	\$ 61,155	\$
Term loan <sup>(i)</sup>		45,000
	<u>61,155</u>	<u>45,000</u>
Total bank indebtedness <sup>(ii)</sup>	61,155	45,000
Promissory note <sup>(iii)</sup>	4,308	19,443
	<u>65,463</u>	<u>64,443</u>
Non-recourse project debt		
Alumbrera (Wheaton s 37.5% share <sup>(iv)</sup> )		57,980
	<u>65,463</u>	<u>122,423</u>
Less: current portion	4,308	41,000
	<u>\$ 61,155</u>	<u>\$ 81,423</u>

(i) During 2003 the Company entered into a \$75,000,000 loan facility which consisted of a \$50,000,000 term loan bearing interest at LIBOR plus 2.75% and a \$25,000,000 revolving working capital facility bearing interest at LIBOR plus 3%. During June 2004, the Company amended the facility such that the full \$75,000,000 is a revolving working capital facility. The amended facility bears interest at LIBOR plus

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1.625% to 2.25% depending on covenant ratios, has no net repayment terms, and matures in June 2007.

Under the terms of the loan agreement, during 2003 the Company acquired options to sell 700,000 ounces of gold at a price of \$300 per ounce during the period January 2004 to June 2008. The cost of \$5,786,000 was deferred and is amortized against sales as the options expire or are exercised. An amount of \$723,000 has been amortized to June 30, 2004 (December 31, 2003 \$nil). The fair value of the 612,528 ounces of unexpired put options at June 30, 2004 was \$1,250,000. During 2003, the Company entered into a gold-indexed interest rate swap transaction which had a fair value at June 30, 2004, of minus \$1,060,000.

- (ii) The bank indebtedness is secured by corporate guarantees of Luismin and Amapari. Debt issue costs of \$5,314,000 have been deferred and are amortized to earnings over the term of the debt. An amount of \$1,394,000 has been amortized to June 30, 2004 (December 31, 2003 \$745,000).

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**Table of Contents****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****Six Months Ended June 30, 2004****(US dollars Unaudited)**

- (iii) The promissory note is due to Rio Algom, bears interest at LIBOR plus 2% and has a maturity date of May 30, 2005. The note is secured by the Company's 12.5% indirect interest in Alubrera acquired during June 2003 from Rio Algom. Principal repayments are comprised of 75% of any distributions received from Alubrera, relating to the 12.5% interest acquired from Rio Algom. The promissory note is redeemable prior to maturity without penalty.
- (iv) The Alubrera project debt was incurred in 1997 to finance the construction and operation of the Alubrera Mine. During May 2004 Alubrera repaid the outstanding debt out of cash on hand.
- (v) Amapari project debt due to Anglogold Brasil Ltda was acquired in January 2004 and was repaid in June 2004.
- (vi) The Company has an Aus\$5,000,000 (\$3,444,000), unsecured, revolving working capital facility for its Peak mine operations of which \$nil was drawn down at June 30, 2004. The loan bears interest related to the Australian Treasury Bill rate plus 1.5% per annum.
- (vii) Scheduled minimum repayments of the Company's long-term debt are as follows:

	<b>(In thousands)</b>
2005	\$ 4,308
2006	
2007	61,155
	<u>\$65,463</u>

**11. SHAREHOLDERS EQUITY**

In January 2004, the Company issued 33 million common shares and 21.5 million Series B warrants as partial consideration for the acquisition of Amapari (Note 3).

**(a) Warrants**

	<b>Warrants Outstanding</b>	<b>Weighted Average Exercise Price (Cdn\$)</b>
At January 1, 2003	64,549,997	\$1.52
Issued in connection with issuance of shares	100,359,522	2.27
Exercised	(9,601,400)	0.76
	<u>155,308,119</u>	<u>2.05</u>
At December 31, 2003	155,308,119	2.05
Issued in connection with acquisition of Amapari (Note 3)	21,516,000	3.10
Exercised	(241,600)	2.03
	<u>176,582,519</u>	<u>2.18</u>
At June 30, 2004	<u>176,582,519</u>	<u>2.18</u>

The following table summarizes information about the warrants outstanding at June 30, 2004:

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Description	Expiry Date	Warrants Outstanding	Exercise Price (Cdn\$)
Common share purchase warrants	May 30, 2007	54,889,747	\$ 1.65
Series A share purchase warrants	May 30, 2007	57,392,748	1.65
Series B share purchase warrants	August 25, 2008	64,300,024	3.10
		<u>176,582,519</u>	

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**Table of Contents**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**Six Months Ended June 30, 2004**

(US dollars Unaudited)

***(b) Share purchase options***

	<b>Options Outstanding</b>	<b>Weighted Average Exercise Price (Cdn\$)</b>
At January 1, 2003	8,258,890	\$0.79
Granted	22,965,000	2.20
Exercised	(6,620,694)	1.09
Forfeited	(132,333)	1.24
At December 31, 2003	24,470,863	2.03
Granted	905,000	3.75
Exercised	(1,424,702)	0.99
At June 30, 2004	23,951,161	2.16

**12. SUPPLEMENTAL CASH FLOW INFORMATION**

	<b>Three Months Ended June 30</b>		<b>Six Months Ended June 30</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
(In thousands)				
Change in non-cash working capital				
Accounts receivable	<b>\$ (1,690)</b>	\$ (1,533)	<b>\$ (2,988)</b>	\$ 1,293
Product inventory and stockpiled ore	<b>397</b>	(3,418)	<b>2,217</b>	(2,898)
Supplies inventory	<b>220</b>	(656)	<b>131</b>	(901)
Accounts payable and accrued liabilities	<b>(1,956)</b>	5,823	<b>(3,570)</b>	6,464
Income taxes payable	<b>863</b>	204	<b>622</b>	107
Other	<b>(738)</b>	(1,718)	<b>(2,933)</b>	(1,825)
	<b>\$ (2,904)</b>	\$ (1,298)	<b>\$ (6,521)</b>	\$ 2,240
<hr/>				
	<b>Three Months Ended June 30</b>		<b>Six Months Ended June 30</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
Non-cash financing and investing activities				
Shares and share purchase warrants issued on acquisition of Amapari (Note 3)	<b>\$</b>	<b>\$</b>	<b>\$88,545</b>	<b>\$</b>
Promissory note issued (Note 10 (iii))	<b>31</b>	25,000	<b>31</b>	142

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Marketable securities received on sale of property, plant  
and equipment

Operating activities included the following cash payments

Interest paid	<b>\$2,223</b>	\$ 31	<b>\$ 3,911</b>	\$ 31
Income taxes paid	<b>466</b>	150	<b>1,047</b>	212

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**Table of Contents****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****Six Months Ended June 30, 2004****(US dollars Unaudited)****13. CONTINGENCIES AND COMMITMENTS***(a) Contingencies*

Under the terms of the agreement between Wheaton and IAMGold, which was terminated on July 6, 2004 (Note 4), Wheaton will be entitled to receive a break fee from IAMGold equal to 3% of IAMGold's market capitalization at the time of termination if a takeover bid by Golden Star Resources Ltd is successful and completed on or before April 7, 2005. Based on IAMGold's stock price, the break fee would approximate \$24 million. Further, if a takeover bid of Wheaton by Coeur d'Alene Mines Corporation is successful, Wheaton may be required to pay a break fee to IAMGold equal to 3% of Wheaton's market capitalization at the time of termination. Based on Wheaton's stock price, the break fee would approximate \$49 million. In addition, pursuant to agreements with its financial advisors, the Company will be required to pay advisory fees of \$5,000,000 to both Endeavour Financial Corporation and GMP Securities Ltd should a takeover bid of Wheaton be successful.

*(b) Commitments*

Commitments exist for capital expenditures of \$22,100,000 in 2004 and \$3,100,000 in 2005.

**14. SEGMENTED INFORMATION**

The Company's reportable operating and geographical segments are summarized in the table below.

**Three Months Ended June 30, 2004**

	<b>Mexico</b>	<b>Australia</b>	<b>Argentina</b>	<b>Brazil</b>	<b>Corporate</b>	<b>Total</b>
	<b>(In thousands)</b>					
Sales	\$22,709	\$14,137	\$53,353	\$	\$(931)	<b>\$89,268</b>
Cost of sales	9,039	6,859	19,119			<b>35,017</b>
Depreciation and depletion	2,352	1,641	6,814			<b>10,807</b>
Other	59	493	478			<b>1,030</b>
Earnings from mining operations	11,259	5,144	26,942		(931)	<b>42,414</b>
General and administrative	(1,253)				(1,481)	<b>(2,734)</b>
Interest and finance fees	(15)	(2)	(1,502)		(842)	<b>(2,361)</b>
Other (expenses) income	(1,717)	(1,401)	(1,264)	107	(1,224)	<b>(5,499)</b>
Earnings (loss) before income taxes	\$ 8,274	\$ 3,741	\$24,176	\$ 107	\$(4,478)	<b>\$31,820</b>
Capital asset expenditures	\$ 8,207	\$ 3,337	\$ 869	\$5,682	\$ 2	<b>\$18,097</b>

**Table of Contents****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****Six Months Ended June 30, 2004****(US dollars Unaudited)****Three Months Ended June 30, 2003**

	<b>Mexico</b>	<b>Australia</b>	<b>Argentina</b>	<b>Brazil</b>	<b>Corporate</b>	<b>Total</b>
	<b>(In thousands)</b>					
Sales	\$ 15,103	\$ 9,475	\$ 4,236	\$	\$	\$ 28,814
Cost of sales	7,954	5,650	1,638			15,242
Depreciation and depletion	1,440	1,452	1,019			3,911
Other	64	368	99			531
Earnings from mining operations	5,645	2,005	1,480			9,130
General and administrative	(1,146)				(1,161)	(2,307)
Interest and finance fees	(114)	(31)	(155)		(95)	(395)
Equity in earnings of Alumbreira			6,808			6,808
Other (expenses) income	27	(38)	(42)		(290)	(343)
Earnings (loss) before income taxes	\$ 4,412	\$ 1,936	\$ 8,091	\$	\$ (1,546)	\$ 12,893
Capital asset expenditures	\$ 4,533	\$ 4,419	\$	\$	\$	\$ 8,952

**Six Months Ended June 30, 2004**

	<b>Mexico</b>	<b>Australia</b>	<b>Argentina</b>	<b>Brazil</b>	<b>Corporate</b>	<b>Total</b>
	<b>(In thousands)</b>					
Sales	\$ 46,424	\$ 29,444	\$ 128,465	\$	\$ (1,861)	\$ 202,472
Cost of sales	19,745	15,399	38,659			73,803
Depreciation and depletion	4,899	3,283	15,861			24,043
Other	118	1,025	2,160			3,303
Earnings from mining operations	21,662	9,737	71,785		(1,861)	101,323
General and administrative	(2,487)				(3,922)	(6,409)
Interest and finance fees	(30)	(2)	(2,379)		(1,528)	(3,939)
Other (expenses) income	(1,625)	(1,842)	(1,160)	215	(3,512)	(7,924)
Earnings (loss) before income taxes	\$ 17,520	\$ 7,893	\$ 68,246	\$ 215	\$ (10,823)	\$ 83,051
Capital asset expenditures	\$ 13,431	\$ 5,085	\$ 2,352	\$ 7,344	\$ 33	\$ 28,245
Total assets	\$ 334,074	\$ 53,564	\$ 417,988	\$ 143,246	\$ 52,289	\$ 1,001,161





**Table of Contents****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****Six Months Ended June 30, 2004****(US dollars Unaudited)****Six Months Ended June 30, 2003**

	<b>Mexico</b>	<b>Australia</b>	<b>Argentina</b>	<b>Brazil</b>	<b>Corporate</b>	<b>Total</b>
	<b>(In thousands)</b>					
Sales	\$ 30,756	\$ 11,079	\$ 4,236	\$	\$	\$ 46,071
Cost of sales	15,960	7,248	1,638			24,846
Depreciation and depletion	2,880	1,654	1,019			5,553
Other	134	426	99			659
Earnings from mining operations	11,782	1,751	1,480			15,013
General and administrative	(2,140)				(2,151)	(4,291)
Interest and finance fees	(125)	(31)	(155)		(96)	(407)
Equity in earnings of Alumbreira			7,324			7,324
Other (expenses) income	(575)	(38)	(42)		1,523	868
Earnings (loss) before income taxes	\$ 8,942	\$ 1,682	\$ 8,607	\$	\$ (724)	\$ 18,507
Capital asset expenditures	\$ 6,564	\$ 4,419	\$	\$	\$ 10	\$ 10,993
Total assets (December 31, 2003)	\$ 315,271	\$ 51,429	\$ 422,701	\$	\$ 101,604	\$ 891,005

**15. SUBSEQUENT EVENT**

On July 14, 2004, Wheaton and Chap Mercantile Inc. ( Chap ) announced that Chap had agreed to purchase 100% of the silver produced by Luismin s mining operations for an upfront payment of Cdn\$262 million plus a payment of US\$3.90 per ounce, subject to adjustment.

The upfront payment of Cdn\$262 million is payable as to Cdn\$46 million in cash and 540 million common shares of Chap. As a result, Wheaton will own approximately 75% of the shares of Chap, which will change its name to Silver Wheaton. The closing of the transaction is scheduled to occur on September 9, 2004.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION  
SIX MONTHS ENDED JUNE 30, 2004**

*This Management's Discussion and Analysis should be read in conjunction with the Company's unaudited consolidated financial statements for the six months ended June 30, 2004 and related notes thereto which have been prepared in accordance with Canadian generally accepted accounting principles. In addition, the following should be read in conjunction with the 2003 audited consolidated financial statements, the related annual Management's Discussion and Analysis, and the Annual Information Form/40F on file with the US Securities and Exchange Commission and Canadian provincial securities regulatory authorities. All figures are in United States dollars unless otherwise noted. This Management's Discussion and Analysis has been prepared as of August 6, 2004.*

**SECOND QUARTER HIGHLIGHTS**

**Net earnings of \$21.1 million (\$0.04 per share) for the three months, compared with \$11.1 million (\$0.03 per share) in 2003.**

**Operating cash flows of \$38.9 million for the three months (2003 \$21.0 million).**

**Sales of 148,700 gold equivalent ounces and 32.5 million pounds of copper (2003 112,400 gold equivalent ounces and 28.1 million pounds of copper).**

**Total cash costs of \$19 per gold equivalent ounce (2003 \$90).**

**Cash and cash equivalents at June 30, 2004 of \$103.5 million (December 31, 2003 \$151.9 million), after repaying \$67.5 million of long-term debt during the quarter.**

**Alumbrera mine life extended by 20%, ensuring production until at least 2015.**

**Wheaton announces termination of merger agreement with IAMGold.**

**Wheaton agrees to sell future silver production from Luismin mining operations for an upfront payment of Cdn\$262 million plus a payment of US\$3.90 per ounce.**

**OVERVIEW**

Wheaton River Minerals Ltd. (Wheaton or the Company) is a growth-oriented precious metals mining company with operations in Mexico, Argentina, Brazil and Australia.

During 2002 Wheaton acquired the Luismin gold/silver mines in Mexico, followed by the 2003 acquisition of a 37.5% interest in the world-class Alumbrera gold/copper mine in Argentina and 100% of the Peak gold mine in Australia. In addition, the Company acquired the Los Filos gold project in Mexico and in January, 2004, the Amapari gold project in northern Brazil.

In continuation of this growth strategy, during March 2004, Wheaton and IAMGold Corporation (IAMGold) announced that their boards of directors had agreed to combine the companies under the name Axiom Gold Corporation, subject to shareholder approvals and certain other conditions. On July 6, 2004, IAMGold did not receive the necessary shareholder approvals to effect the proposed combination and Wheaton terminated the agreement with IAMGold regarding the combination. In the event that Golden Star Resources Ltd. completes a take-over bid for the shares of IAMGold on or before April 7, 2005, Wheaton will be entitled to receive a break fee from IAMGold equal to 3% of IAMGold's market capitalization at that time, which would approximate US\$24 million.

During June 2004, Coeur d'Alene Mines Corporation (Coeur) announced that it would be making a tender offer to acquire all of the outstanding shares of Wheaton. To date, Coeur has only made a tender offer to Wheaton's United States shareholders and therefore Wheaton's Board has concluded that they are unable to make a recommendation to all shareholders at this time.

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Wheaton continues to seek opportunities to maximize value for its shareholders and, on July 14, 2004, announced that Chap Mercantile Inc. ( Chap ) had agreed to purchase 100% of the silver produced by Luismin's mining operations for an upfront payment of Cdn\$262 million plus a payment of US\$3.90 per ounce, subject to adjustment.

The upfront payment of Cdn\$262 million is payable as to Cdn\$46 million in cash and 540 million common shares of Chap. As a result, Wheaton will own approximately 75% of the shares of Chap, which will change its name to Silver Wheaton. The closing of the transaction is scheduled to occur on September 9, 2004.

**Summarized Financial Results**

	June 30		March 31		December 31		September 30	
	2004	2003	2004	2003	2003	2002	2003	2002
(Notes 2 and 3)								
<b>Sales</b> (\$000 s)	<b>\$89,268</b>	\$28,814	\$113,204	\$17,257	\$103,420	\$17,938	\$63,142	\$15,840
Gold (ounces)	<b>123,000</b>	92,600	129,700	35,100	136,200	32,300	105,400	25,900
Silver (ounces)	<b>1,654,500</b>	1,500,500	1,612,900	1,561,900	1,475,900	1,672,200	1,515,900	1,445,800
Gold equivalent (ounces) (Note 1)	<b>148,700</b>	112,400	156,500	55,600	156,000	55,600	126,100	47,800
Copper (lbs)	<b>32,499,000</b>	28,139,400	42,879,500	3,551,000	53,731,500		28,296,800	
<b>Net earnings</b> (\$000 s)	<b>\$21,120</b>	\$11,088	\$33,671	\$4,064	\$27,818	\$2,577	\$14,689	\$949
<b>Earnings per share</b>								
Basic	<b>\$0.04</b>	\$0.03	\$0.06	\$0.02	\$0.06	\$0.01	\$0.03	\$0.01
Diluted	<b>\$0.03</b>	\$0.03	\$0.05	\$0.02	\$0.05	\$0.01	\$0.03	\$0.01
<b>Cash flow from operations</b> (\$000 s)	<b>\$38,941</b>	\$20,990	\$61,848	\$9,752	\$64,483	\$5,631	\$31,453	\$(2,663)
Average realized gold price (\$ s per ounce)	<b>\$388</b>	\$353	\$412	\$347	\$385	\$323	\$366	\$331
Average realized silver price (\$ s per ounce)	<b>\$6.09</b>	\$4.61	\$6.78	\$4.64	\$5.29	\$4.51	\$5.00	\$4.60
Average realized copper price (\$ s per lb)	<b>\$1.22</b>	\$0.74	\$1.33	\$0.68	\$0.96	\$	\$0.81	\$
<b>Total cash costs</b> (per gold equivalent ounce) (Note 4)	<b>\$19</b>	\$90	\$(67)	\$175	\$(39)	\$186	\$98	\$182
<b>Cash and cash equivalents</b> (\$000 s)	<b>\$103,482</b>	\$55,140	\$173,814	\$20,540	\$151,878	\$22,936	\$128,037	\$18,953
<b>Total assets</b> (\$000 s)	<b>\$1,001,161</b>	\$618,419	\$1,039,387	\$377,267	\$891,005	\$152,098	\$711,648	\$150,933
<b>Long-term debt</b> (\$000 s)	<b>\$65,463</b>	\$177,342	\$132,783	\$	\$122,423	\$	\$152,342	\$
	<b>\$701,821</b>	\$331,038	\$679,901	\$314,900	\$556,118	\$108,054	\$436,773	\$105,481

**Shareholders**  
**equity(\$000 s)**

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- (1) Gold and silver are accounted for as co-products at the Luismin mines. Silver sales are converted into gold sales using the ratio of the average gold price to the average silver price for the period. For the three months ended June 30, 2004, the equivalency ratio was 65 ounces of silver equals one ounce of gold sold (June 30, 2003 = 76).
- (2) Includes Peak's results from March 18, 2003 onwards.
- (3) Includes, with the exception of sales, 25% of Alumbra's total operating results for the period March 18 to June 23, 2003, and 37.5% of the results for the period June 24, 2003 onwards. Sales include 37.5% of Alumbra's total sales for the period from June 24, 2003 onwards. Prior to June 24, 2003, the Company used the equity method to account for its 25% investment in Alumbra.
- (4) The calculation of total cash costs per ounce for Peak and Alumbra is net of by-product copper sales revenue.

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**Table of Contents****RESULTS OF OPERATIONS****Three Months Ended June 30, 2004**

	<b>Luismin</b>	<b>Peak</b>	<b>Alumbrera</b>	<b>Amapari</b>	<b>Corporate</b>	<b>Total</b>
	<b>(Note 1)</b>	<b>(Note 2)</b>	<b>(Note 4)</b>			
<b>Sales</b> (\$000 s)	\$22,709	\$14,137	\$53,353	\$	\$(931)	\$89,268
Gold (ounces)	33,500	33,000	56,500			123,000
Silver (ounces)	1,654,500					1,654,500
Gold equivalent (ounces) (Note 1)	59,200	33,000	56,500			148,700
Copper (lbs)		1,384,900	31,114,100			32,499,000
<b>Net earnings (loss)</b> (\$000 s)	\$4,636	\$3,132	\$16,923	\$107	\$(3,678)	\$21,120
Average realized gold price (\$ s per ounce)	\$392	\$379	\$388	\$	\$	\$388
Average realized silver price (\$ s per ounce)	\$6.09	\$	\$	\$	\$	\$6.09
Average realized copper price (\$ s per lb)	\$	\$1.28	\$1.21	\$	\$	\$1.22
<b>Total cash costs</b> (per gold equivalent ounce)	\$159	\$172	\$(218)	\$	\$	\$19

**Three Months Ended June 30, 2003**

	<b>Luismin</b>	<b>Peak</b>	<b>Alumbrera</b>	<b>Amapari</b>	<b>Corporate</b>	<b>Total</b>
	<b>(Note 1)</b>	<b>(Note 2)</b>	<b>(Notes 3 and 4)</b>			
<b>Sales</b> (\$000 s)	\$15,103	\$9,475	\$4,236	\$	\$	\$28,814
Gold (ounces)	25,000	26,700	40,900			92,600
Silver (ounces)	1,500,500					1,500,500
Gold equivalent (ounces) (Note 1)	44,800	26,700	40,900			112,400
Copper (lbs)			28,139,400			28,139,400
<b>Net earnings (loss)</b> (\$000 s)	\$2,768	\$1,298	\$7,706	\$	\$(684)	\$11,088
Average realized gold price (\$ s per ounce)	\$350	\$355	\$355	\$	\$	\$353
Average realized silver price (\$ s per ounce)	\$4.61	\$	\$	\$	\$	\$4.61
Average realized copper price (\$ s per lb)	\$	\$	\$0.74	\$	\$	\$0.74
<b>Total cash costs</b> (per gold equivalent ounce)	\$200	\$221	\$(112)	\$	\$	\$90

- (1) Gold and silver are accounted for as co-products at the Luismin mines. Silver sales are converted into gold sales using the ratio of the average gold price to the average silver price for the period. For the three months ended June 30, 2004 the equivalency ratio was 65 ounces of silver equals one ounce of gold sold (June 30, 2003 = 76).
- (2) The calculation of total cash costs per ounce of gold at Peak is net of by-product copper sales revenue.
- (3) Includes, with the exception of sales, 25% of Alumbrera's total operating results for the period March 18 to June 23, 2003, and 37.5% of the results for the period June 24, 2003 onwards. Sales include 37.5% of Alumbrera's total sales for the period from June 24, 2003 onwards. Prior to June 24, 2003, the Company used the equity method to account for its 25% investment in Alumbrera.

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- (4) The calculation of total cash costs per ounce of gold for Alumbra is net of by-product copper sales revenue. If copper production were treated as a co-product, average total cash costs at Alumbra in 2004 would be \$128 per ounce of gold and \$0.60 per pound of copper.

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**Table of Contents****Six Months Ended June 30, 2004**

	<b>Luismin</b>	<b>Peak</b>	<b>Alumbrera</b>	<b>Amapari</b>	<b>Corporate</b>	<b>Total</b>
	<b>(Note 1)</b>	<b>(Note 2)</b>	<b>(Note 4)</b>			
<b>Sales</b> (\$000 s)	\$46,424	\$29,444	\$128,465	\$	\$(1,861)	\$202,472
Gold (ounces)	65,900	66,400	120,400			252,700
Silver (ounces)	3,267,400					3,267,400
Gold equivalent (ounces) (Note 1)	118,400	66,400	120,400			305,200
Copper (lbs)		3,977,000	71,401,400			75,378,400
<b>Net earnings (loss)</b> (\$000 s)	\$10,277	\$6,370	\$47,772	\$215	\$(9,843)	\$54,791
Average realized gold price (\$ s per ounce)	\$401	\$392	\$404	\$	\$	\$400
Average realized silver price (\$ s per ounce)	\$6.43	\$	\$	\$	\$	\$6.43
Average realized copper price (\$ s per lb)	\$	\$1.24	\$1.28	\$	\$	\$1.28
<b>Total cash costs</b> (per gold equivalent ounce)	\$164	\$195	\$(333)	\$	\$	\$(26)

**Six Months Ended June 30, 2003**

	<b>Luismin</b>	<b>Peak</b>	<b>Alumbrera</b>	<b>Amapari</b>	<b>Corporate</b>	<b>Total</b>
	<b>(Note 1)</b>	<b>(Note 2)</b>	<b>Notes 3 and 4)</b>			
<b>Sales</b> (\$000 s)	\$30,756	\$11,079	\$4,236	\$	\$	\$46,071
Gold (ounces)	50,600	31,600	45,500			127,700
Silver (ounces)	3,062,400					3,062,400
Gold equivalent (ounces) (Note 1)	90,900	31,600	45,500			168,000
Copper (lbs)			31,690,400			31,690,400
<b>Net earnings (loss)</b> (\$000 s)	\$6,081	\$1,177	\$8,222	\$	\$(328)	\$15,152
Average realized gold price (\$ s per ounce)	\$352	\$351	\$350	\$	\$	\$351
Average realized silver price (\$ s per ounce)	\$4.63	\$	\$	\$	\$	\$4.63
Average realized copper price (\$ s per lb)	\$	\$	\$0.73	\$	\$	\$0.73
<b>Total cash costs</b> (per gold equivalent ounce)	\$192	\$240	\$(107)	\$	\$	\$119

- (1) Gold and silver are accounted for as co-products at the Luismin mines. Silver sales are converted into gold sales using the ratio of the average gold price to the average silver price for the period. For the three months ended June 30, 2004 the equivalency ratio was 62 ounces of silver equals one ounce of gold sold (June 30, 2003 = 76).
- (2) Peak results include the Company's 100% interest from March 18, 2003 onwards. The calculation of total cash costs per ounce of gold is net of by-product copper sales revenue.
- (3) Includes, with the exception of sales, 25% of Alumbrera's total operating results for the period March 18 to June 23, 2003, and 37.5% of the results for the period June 24, 2003 onwards. Sales include 37.5% of Alumbrera's total sales for the period from June 24, 2003 onwards. Prior to June 24, 2003, the Company used the equity method to account for its 25% investment in Alumbrera.



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- (4) The calculation of total cash costs per ounce of gold for Alumbra is net of by-product copper sales revenue. If copper production were treated as a co-product, average total cash costs at Alumbra in 2004 would be \$119 per ounce of gold and \$0.54 per pound of copper.

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**Table of Contents****OPERATIONAL REVIEW***Luismin Mines*

	June 30 2004	March 31 2004	December 31 2003	September 30 2003	June 30 2003
Ore mined (tonnes)	<b>176,500</b>	180,800	181,800	186,300	184,500
Ore milled (tonnes)	<b>192,600</b>	209,800	176,000	182,800	181,900
Grade					
Gold (grams/ tonne)	<b>5.61</b>	5.19	5.21	5.01	4.54
Silver (grams/ tonne)	<b>302.17</b>	266.00	291.15	285.88	288.92
Recovery					
Gold (%)	<b>95</b>	94	97	97	96
Silver (%)	<b>89</b>	90	90	91	91
Production					
Gold (ounces)	<b>33,300</b>	32,700	28,100	28,300	25,400
Silver (ounces)	<b>1,664,400</b>	1,615,500	1,483,300	1,520,700	1,527,600
Gold equivalent (ounces) (Note 1)	<b>59,600</b>	59,100	48,000	49,200	45,600
Sales (\$ 000 s)	<b>\$22,709</b>	\$23,715	\$18,343	\$17,152	\$15,103
Gold (ounces)	<b>33,500</b>	32,400	28,100	27,600	25,000
Silver (ounces)	<b>1,654,500</b>	1,612,900	1,475,900	1,515,900	1,500,500
Gold equivalent (ounces) (Note 1)	<b>59,200</b>	59,200	47,900	48,300	44,800
Net earnings (\$ 000 s)	<b>\$4,636</b>	\$5,641	\$577	\$4,145	\$2,768
Average realized gold price (\$ s per ounce)	<b>\$392</b>	\$410	\$393	\$366	\$350
Average realized silver price (\$ s per ounce)	<b>\$6.09</b>	\$6.78	\$5.29	\$5.00	\$4.61
Total cash costs (per gold equivalent ounce)	<b>\$159</b>	\$170	\$179	\$180	\$200

(1) Gold and silver are accounted for as co-products at the Luismin mines. Silver sales are converted into gold sales using the ratio of the average gold price to the average silver price for the period. For the three months ended June 30, 2004 the equivalency ratio was 65 ounces of silver equals one ounce of gold sold (June 30, 2003 = 76).

During the second quarter of 2004, the Luismin gold/silver operations in Mexico sold 59,200 gold equivalent ounces, compared with sales of 44,800 gold equivalent ounces in the same period of 2003. This 32% increase was primarily due to increased gold and silver grades processed. In addition, the average realized gold price increased by 12% to \$392 per ounce, as compared with the same quarter in 2003, and the average realized silver price increased by 32%, resulting in increased sales from \$15,103,000 in 2003 to \$22,709,000 in 2004.

Total cash costs were \$159 per gold equivalent ounce in the second quarter of 2004, compared with \$200 during the second quarter of 2003 and \$170 in the first quarter of 2004. The primary reason for this improvement was the increased gold and silver grades processed.

General and administrative expenses for the second quarter of 2004 were \$1,253,000, compared with \$1,146,000 in the same period of 2003 and \$1,234,000 in the first quarter of 2004.

During the second quarter, significant exploration results were achieved at the Luismin mines, including deep and on-strike extensions of the San Dimas central block veins and new discoveries, including the Itzel vein system and the Paula and Nancy veins. At San Martin, Cuerpo 30 has also proved to be more significant in size than expected. These results were achieved by a combination of deep diamond drilling and underground development, and are in the process of being fully quantified.

The Los Filos project is progressing according to plan and a feasibility study is expected to be completed during the fourth quarter of 2004. Contracts have been awarded to international engineering companies and key personnel have been hired. Step-out drilling to the east and north along the host structure has also been successful in defining additional resources. Expenditures of \$2,598,000 during the six months ended June 30, 2004 are according to plan.



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Luismin owns a significant number of exploration properties, several of which are being explored and funded by joint venture partners.

**Peak Mine**

	<b>June 30 2004</b>	<b>March 31 2004</b>	<b>December 31 2003</b>	<b>September 30 2003</b>	<b>June 30 2003</b>
Ore mined (tonnes)	<b>114,000</b>	178,300	219,200	352,700	247,500
Ore milled (tonnes)	<b>164,600</b>	170,800	153,100	157,500	157,200
Grade					
Gold (grams/ tonne)	<b>7.04</b>	6.44	5.93	7.81	6.56
Copper (%)	<b>0.55</b>	0.83	0.54	0.53	0.49
Recovery					
Gold (%)	<b>89</b>	91	88	85	87
Copper (%)	<b>68</b>	82	77	84	67
Production					
Gold (ounces)	<b>32,900</b>	32,100	25,700	33,600	28,900
Copper (lbs)	<b>1,331,300</b>	2,578,900	1,396,800	1,438,100	778,700
Sales (\$ 000 s)	<b>\$14,137</b>	\$15,307	\$10,756	\$14,639	\$9,475
Gold (ounces)	<b>33,000</b>	33,400	26,500	39,200	26,700
Copper (lbs)	<b>1,384,900</b>	2,592,200	1,121,100	1,843,000	
Net earnings (\$ 000 s)	<b>\$3,132</b>	\$3,238	\$2,379	\$1,721	\$1,298
Average realized gold price (\$ s per ounce)	<b>\$379</b>	\$405	\$391	\$365	\$355
Average realized copper price (\$ s per lb)	<b>\$1.28</b>	\$1.29	\$0.90	\$0.80	\$
Total cash costs (per ounce) (Note 1)	<b>\$172</b>	\$217	\$302	\$223	\$221

(1) The calculation of total cash costs per ounce of gold is net of by-product copper sales revenue.

Peak sold 33,000 ounces of gold and 1.4 million lbs of copper during the three months ended June 30, 2004, compared with 26,700 ounces of gold and no copper in 2003. Gold and copper grades increased 7% and 12% respectively, compared with the same period in 2003, due to higher mill feed grades from the Perseverance ore body which was not in production in the second quarter of 2003. Milled tonnes were also higher during the second quarter of 2004 due to mill process improvements and recoveries were higher with improvements in the gravity and flotation circuits. Milling costs were 9% lower due to the mill process improvements and general cost reductions.

Ore mined for the second quarter was 114,000 tonnes, down significantly from previous quarters, due primarily to ceasing production from the New Cobar open pit during the first quarter. Approximately 50,000 tonnes of stockpiled open pit ore were processed through the mill during the second quarter, which reduced the average copper grade as compared with the first quarter, when primarily underground ore was processed. This change in mix also reduced the mill recoveries, as compared with the first quarter, however high gold mill feed grades were maintained.

Total cash costs averaged \$172 per ounce (net of by-product copper sales revenue) during the quarter, compared with \$221 per ounce during the comparative quarter in 2003. Underground mining costs were 35% lower during the quarter due to cost improvements implemented since June 2003. Also, the 2003 costs were not offset by any by-product copper sales revenues, as no copper concentrate was sold during that quarter. Total cash costs also compared favourably with the first quarter costs of \$217 per ounce, reflecting Peak's continued focus on efficiencies, particularly resulting from underground efficiencies, insurance savings and reduced explosives costs.

During the second quarter Peak exploration focused on advanced projects both within the mine corridor and regionally within approximately 100 kilometers of the Peak mine.

Mine corridor exploration focused on the historic Chesney deposit, located 5.5 kilometers north-west of Peak and 600 metres south of the recently approved New Cobar underground mine. Preliminary drill results

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were encouraging and further drilling is planned. Deep exploration drilling also commenced at the historic Great Cobar mine at the northern end of the mine corridor. Drilling is targeting the central and northern lenses of the deposit, which are believed to be the most gold endowed. A data compilation study of the previous exploration undertaken on Great Cobar highlighted that the central lense has never been drill tested. Regional exploration provided several targets of interest which will be followed up during the remainder of the year.

**Alumbra Mine (Wheaton interest 37.5%)**

(Wheaton's share only)	June 30 2004	March 31 2004	December 31 2003	September 30 2003	June 30 2003
					(Note 2)
Ore mined (tonnes)	3,113,700	2,836,900	2,409,000	2,219,300	2,171,700
Ore milled (tonnes)	3,222,200	3,171,400	3,415,000	3,043,100	2,235,400
Grade					
Gold (grams/ tonne)	0.64	0.80	0.94	0.83	0.81
Copper (%)	0.49	0.58	0.69	0.67	0.69
Recovery					
Gold (%)	74	77	74	73	74
Copper (%)	88	91	89	89	89
Production					
Gold (ounces)	49,200	62,800	75,900	59,000	43,300
Copper (lbs)	30,193,700	36,512,700	47,098,200	39,895,700	29,912,800
Sales (\$ 000's)	\$53,353	\$75,112	\$74,320	\$31,351	\$4,236
Gold (ounces)	56,500	63,900	81,600	38,600	40,900
Copper (lbs)	31,114,100	40,287,300	52,610,400	26,453,800	28,139,400
Net earnings (\$ 000's)	\$16,923	\$30,849	\$26,015	\$8,919	\$7,706
Average realized gold price (\$'s per ounce)	\$388	\$417	\$379	\$366	\$355
Average realized copper price (\$'s per lb)	\$1.21	\$1.33	\$0.96	\$0.81	\$0.74
Total cash costs (per ounce) (Note 1)	\$(218)	\$(435)	\$(277)	\$(132)	\$(112)

(1) The calculation of total cash costs per ounce of gold for Alumbra is net of by-product copper sales revenue. If copper production were treated as a co-product, second quarter 2004 average total cash costs at Alumbra would be \$128 per ounce of gold and \$0.60 per pound of copper.

(2) Includes, with the exception of sales, 25% of Alumbra's total operating results for the period April 1 to June 23, 2003, and 37.5% of the results for the period June 24, 2003 onwards. Sales include 37.5% of Alumbra's total sales for the period from June 24, 2003 onwards. Prior to June 24, 2003, the Company used the equity method to account for its 25% investment in Alumbra.

Wheaton's share of Alumbra's second quarter 2004 sales amounted to 56,500 ounces of gold and 31.1 million lbs of copper, compared with 40,900 ounces of gold and 28.1 million lbs of copper during the second quarter of 2003, during most of which Wheaton only held a 25% interest in Alumbra. Gold and copper production during the quarter was according to mine plan, although lower than the last three quarters, due primarily to decreased gold and copper grades. Over the remainder of the year, grades are anticipated to improve. Ore tonnage mined during the second quarter was higher than previous quarters due to a reduced mine stripping ratio.

The second quarter average realized copper price of \$1.21 per lb was significantly higher than the 2003 price of \$0.74 per lb and was the primary reason for the reduction in 2004 total cash costs, which are presented net of by-product copper sales revenue.

Early in the second quarter, Alumbra successfully commissioned the flotation plant expansion which was delivered under budget and within the allocated time frame. The plant is performing to planned levels.

During the quarter, Alumbra announced a 20% increase in the ore reserves which has added 2.5 years to the present mine life and ensured production until mid-2015. This substantial increase in reserves has added 770 million lbs of contained copper and 1.2 million ounces of gold of which Wheaton's share is 37.5%. Further



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intensive in-pit resource definition work will continue with the objective of adding additional ore reserves in the coming year.

**Amapari Project**

The construction and development of the Amapari open pit heap leach project in northern Brazil is progressing on schedule and on budget with the planned commissioning of the project occurring in the latter half of 2005. Major equipment orders have been placed and manufacturing is well underway for crushers, a heap leaching boom stacker and bucket wheel reclaimer. Further design optimization work has been carried out on the plant site and heap leach pad area to minimize earth moving capital costs and also to enhance operating parameters. A major pit infill drilling program is underway to allow the mine schedule to be optimized. The construction crew as of the quarter end has risen to 284 with numbers to increase further with expansion of site construction activities in the third quarter. A further drilling program is underway and continuing through 2004 to better define long-term ore resources and to expand the resource and reserve levels of the Amapari project.

**Corporate**

	Three Months Ended June 30		Six Months Ended June 30	
	2004	2003	2004	2003
	(in thousands)			
General and administrative expenses	\$ (1,481)	\$ (1,161)	\$ (3,922)	\$ (2,151)
Interest and finance fees	(842)	(95)	(1,528)	(96)
Gain on sale of marketable securities	56	(12)	98	774
Merger costs written off	(2,811)		(2,811)	
Share purchase option expense	(100)	(209)	(1,085)	(293)
Other	700	(69)	(1,575)	1,042
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
(Loss) before income taxes	(4,478)	(1,546)	(10,823)	(724)
Income tax recovery	800	862	980	396
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Corporate net loss	\$ (3,678)	\$ (684)	\$ (9,843)	\$ (328)

Increased corporate activity resulted in higher general and administrative expenses during 2004 in comparison with 2003.

Interest and finance fees also increased as compared with 2003, due to the June 24, 2003 debt financing of the acquisition of an additional 12.5% interest in Alumbrera.

Merger costs written off during the second quarter of 2004 represent expenditures incurred for the proposed business combination with IAMGold, announced on March 30, 2004. On July 6, 2004, IAMGold did not receive the necessary shareholder approvals to effect the proposed combination and Wheaton terminated the agreement with IAMGold.

Effective January 1, 2004, the Company retroactively adopted the amended recommendations of the CICA Handbook Section 3870, Stock-Based Compensation and other Stock-based Payments, whereby the fair value of all stock options granted are estimated using the Black-Scholes method and are recorded in operations over their vesting periods. In 2003, stock-based awards made to non-employees were recognized and measured using the fair value based method at the date of grant, whereas for stock options granted to employees and directors, no expense was recorded. The amended recommendations have been applied retroactively from January 1, 2002 in the financial statements, without restatement of prior periods. As a result, as of January 1, 2004, retained earnings decreased by \$16,848,000, share purchase options (a separate component of shareholders' equity) increased by \$14,861,000, share capital increased by \$1,883,000 and contributed surplus increased by \$104,000.

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The total compensation expense recognized in the statement of operations for share purchase options granted in the three months ended June 30, 2004 amounted to \$100,000 (six months ended June 30, 2004 \$1,085,000). Had the same basis been applied to 2003 share purchase options granted, net earnings would have been as follows:

	Three Months Ended June 30, 2003	Six months Ended June 30, 2003
	(in thousands, except per share amounts)	
Net earnings	\$ 11,088	\$ 15,152
Additional compensation expense of employees	(7,144)	(9,057)
Pro forma net earnings	\$ 3,944	\$ 6,095
Pro forma basic and diluted earnings per share	\$ 0.01	\$ 0.02

Stock-based compensation expense is determined using an option pricing model assuming no dividends are to be paid, a weighted average volatility of the Company's share price of 50% (2003 60%), an annual risk free interest rate of 3% (2003 4%) and expected lives of three years (2003 three years).

No significant cash taxes were paid during 2004.

**Non GAAP measures total cash cost per gold equivalent ounce calculation**

The Company reports total cash costs on a sales basis. In the gold mining industry, this is a common performance measure but does not have any standardized meaning. The following table provides a reconciliation of total cash costs per ounce to the financial statements:

	Three Months Ended June 30		Six Months Ended June 30	
	2004	2003	2004	2003
	(in thousands, except per ounce amounts)			
Cost of sales per financial statements	\$ 35,017	\$ 15,242	\$ 73,803	\$ 24,846
Alumbrera equity adjustment (Note 1)		(4,104)		(4,507)
Treatment and refining charges	7,253	1,213	14,903	1,810
Non-cash adjustments	(190)	412	(1,406)	318
By-product copper sales	(40,090)	(2,954)	(97,906)	(2,954)
Royalties	777	365	2,794	425
	\$ 2,767	\$ 10,174	\$ (7,812)	\$ 19,938
Divided by gold equivalent ounces sold	148,700	112,400	305,200	168,000
<b>Total cash costs per ounce</b>	<b>\$ 19</b>	<b>\$ 90</b>	<b>\$ (26)</b>	<b>\$ 119</b>

- (1) Total cash costs are calculated as if the Company's initial acquisition of a 25% interest in Alumbrera had been accounted for on a proportionately consolidated basis. The consolidated financial statements however present the initial 25% interest using the equity method until the Company increased its interest to 37.5% on June 24, 2003, and thereafter accounted for its interest on a proportionately consolidated basis.

**LIQUIDITY AND CAPITAL RESOURCES**



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At June 30, 2004 the Company had cash and cash equivalents of \$103,482,000 (December 31, 2003 \$151,878,000) and working capital of \$161,929,000 (December 31, 2003 \$147,484,000).

In the opinion of management, the working capital at June 30, 2004, together with cash flows from operations, are sufficient to support the Company's normal operating requirements on an ongoing basis.

Total assets increased to \$1,001,161,000 at June 30, 2004 from \$891,005,000 at December 31, 2003. Contributing to the growth was the January 9, 2004 acquisition of the Amapari gold project located in northern Brazil for \$25,000,000 in cash, 33,000,000 Wheaton River common shares and 21,516,000 Wheaton

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River Series B common share purchase warrants. Based upon the trading price of the common shares and warrants at the time of closing, this represents aggregate consideration of approximately \$114,649,000, including \$1,104,000 of acquisition costs.

During the quarter, the Company generated operating cash flows of \$38,941,000, compared with \$20,990,000 during the same period of 2003. For the six months to June 30, 2004, operating cash flows were \$100,789,000, compared with \$30,742,000 in 2003.

During 2003, the Company entered into a \$75,000,000 bank loan facility which consisted of a \$50,000,000 term loan bearing interest at LIBOR plus 2.75% and a \$25,000,000 revolving working capital facility bearing interest at LIBOR plus 3%. During June 2004, the Company amended the facility such that the full \$75,000,000 is a revolving working capital facility. The amended facility bears interest at LIBOR plus 1.625% to 2.25% depending on covenant ratios, has no set repayment terms, and matures in June 2007. The balance of this facility at June 30, 2004 was \$61,155,000 (December 31, 2003 \$45,000,000).

During the quarter, Wheaton repaid long-term debt of \$67,515,000, including its 37.5% share of Alumbreira's non-recourse project debt. As a result, total long-term debt at June 30, 2004 was \$65,463,000, compared with \$122,423,000 at December 31, 2003.

During the quarter, the Company acquired marketable securities with a cost of \$31.1 million, which it disposed of during July 2004 for a gain of approximately \$900,000. During the three months ended June 30, 2004, the Company invested a total of \$18,097,000 in property, plant and equipment, including \$8,207,000 at the Luismin operations, \$3,337,000 at Peak and \$5,682,000 at Amapari.

As of August 6, 2004, there were 569,081,454 common shares of the Company issued and outstanding. In addition, the Company had 23,234,495 stock options outstanding under its share option plan and 176,580,869 share purchase warrants outstanding.

***Derivative instruments***

The Company has employed metal, interest rate and Canadian dollar forward and option contracts to manage exposure to fluctuations in metal prices and foreign currency exchange rates. In 2003, the Company acquired put options to sell gold at a price of \$300 per ounce during the period from January 2004 to June 2008. At June 30, 2004, the Company held put options to sell 612,528 ounces of gold and the fair value of these options was \$1,250,000. During 2003, the Company also entered into a gold-indexed interest rate swap transaction which has a fair value at June 30, 2004 of minus \$1,060,000.

***Commitments***

Commitments exist for capital expenditures in 2004 and 2005 of \$22,100,000 and \$3,100,000 respectively.

***Long-term debt repayment schedule***

Scheduled minimum repayments of the Company's long-term debt are as follows:

	(in thousands)
2005	\$ 4,308
2006	
2007	61,155
	<u>65,463</u>
	<u>\$65,463</u>

***Related party transactions***

In 2001, the Company entered into a financial advisory agreement with Endeavour Financial Corporation ( Endeavour ), a corporation which until July 2004 had two directors in common. Under the terms of this agreement, which can be cancelled on 30 days notice, Endeavour provides financial advisory services to the Company and is entitled to a monthly fee of \$10,000 and a success fee to be negotiated based on the value of



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any acquisitions, dispositions and financings. During the second quarter of 2004, Endeavour was paid consulting and financial advisory fees of \$280,000 (2003 \$1,560,000).

### ***Contingencies***

Under the terms of the agreement between Wheaton and IAMGold, which was terminated on July 6, 2004, Wheaton will be entitled to receive a break fee from IAMGold equal to 3% of IAMGold's market capitalization at the time of termination if a takeover bid by Golden Star Resources Ltd is successful and completed on or before April 7, 2005. Based on IAMGold's present stock price, the break fee would approximate \$24 million. Further, if a takeover bid of Wheaton by Coeur d'Alene Mines Corporation is successful, Wheaton may be required to pay a break fee to IAMGold equal to 3% of Wheaton's market capitalization at the time of termination. Based on Wheaton's stock price, the break fee would approximate \$49 million. In addition, pursuant to agreements with its financial advisors, the Company will be required to pay advisory fees of \$5,000,000 to both Endeavour and GMP Securities Ltd should a takeover bid of Wheaton be successful.

### **OUTLOOK**

The Company has planned capital expenditures for the remainder of 2004 of approximately \$47 million. Of these, approximately \$15 million will be incurred at Amapari, \$9 million at Peak, \$8 million at Alumbraera, and \$15 million at the Luismin operations of which \$7 million relates to Los Filos and \$8 million to San Dimas and San Martin.

As discussed previously, Wheaton has entered into a transaction, scheduled to close on September 9, 2004, whereby Chap Mercantile Inc. has agreed to purchase 100% of the silver produced by Luismin's mining operations for an upfront payment of Cdn\$262 million plus a payment of US\$3.90 per ounce, subject to adjustment.

In 2004, Wheaton expects to produce approximately 540,000 gold equivalent ounces at a cash cost of less than US\$50 per ounce. By 2006, with the Los Filos and Amapari projects in operation, overall production will increase to 900,000 gold equivalent ounces at a cash cost of less than US\$100 per ounce.

*Additional information relating to the Company, including its Annual Information Form, is available on SEDAR at [www.sedar.com](http://www.sedar.com).*

*This Management's Discussion & Analysis contains certain forward-looking statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding future plans and objectives of the Company are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove 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 the Company's expectations are disclosed in Company documents filed from time to time with the Toronto Stock Exchange and other regulatory authorities.*

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**APPENDIX B**

**INFORMATION CONCERNING COEUR D ALENE MINES HOLDINGS COMPANY**

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**Report of Independent Registered Public Accounting Firm**

The Board of Directors

Coeur d Alene Mines Holdings Company:

We have audited the accompanying balance sheet of Coeur d Alene Mines Holdings Company as of July 31, 2004. This balance sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit of a balance sheet includes examining, on a test basis, evidence supporting the amounts and disclosures in that balance sheet. An audit of a balance sheet also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation. We believe that our audit of the balance sheet provides a reasonable basis for our opinion.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Coeur d Alene Mines Holding Company as of July 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

Denver, Colorado

August 18, 2004

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**Table of Contents****COEUR D ALENE MINES HOLDINGS COMPANY****BALANCE SHEET**

	As of July 31, 2004
	(In United States dollars)
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 1.00
	<u>          </u>
Total Current Assets	\$ 1.00
	<u>          </u>
<b>LIABILITIES AND SHAREHOLDER S EQUITY</b>	
Liabilities	\$
Shareholder s Equity	
Common shares, no par value, authorized unlimited, issued and outstanding 1 share	1.00
	<u>          </u>
Total Shareholder s Equity	1.00
	<u>          </u>
	\$ 1.00
	<u>          </u>

The accompanying notes are an integral part of these consolidated balance sheets.

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**COEUR D ALENE MINES HOLDINGS COMPANY**

**NOTES TO BALANCE SHEET**

**July 31, 2004**

**(1) Nature of Business:**

Coeur d Alene Mines Holdings Company was incorporated on June 28, 2004 for the purpose of making an offer to purchase the outstanding common shares in the capital of Wheaton River Minerals Ltd., a corporation incorporated under the laws of the Province of Ontario.

Coeur d Alene Mines Holdings Company is a wholly owned subsidiary of Coeur d Alene Mines Corporation and has no material assets or liabilities and no operating history.

**(2) Basis of Reporting:**

The balance sheet of Coeur d Alene Mines Holdings Company is prepared in accordance with accounting principles generally accepted in the United States of America under the accrual method of accounting.

The presentation of a statement of income, a statement of changes in shareholder s equity and a statement of cash flows is not included as there has been no activity except for the sale of common shares to Coeur d Alene Mines Corporation.

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**APPENDIX C**

**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS OF**

**COEUR D ALENE MINES CORPORATION**

Description of Offer to Purchase	C-2
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Unaudited Pro Forma Condensed Combined Financial Statements	C-4
Notes to Unaudited Pro Forma Condensed Combined Financial Statements	C-7

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**DESCRIPTION OF OFFER TO PURCHASE**

Coeur d'Alene Mines Corporation (Coeur) announced on May 27, 2004 a proposed plan of arrangement with Wheaton River Minerals Ltd. (Wheaton) of Coeur and Wheaton, and requested that Wheaton's board of directors (or its authorized representatives) commence discussions with Coeur regarding the terms of the proposed combination of the two companies. Wheaton's board has refused to engage in such discussion, the Offerors have not had access to the non-public books and records of Wheaton and, although they have no reason to doubt the accuracy or completeness of Wheaton's public filings, the Offerors are not in a position to independently assess or verify the information in Wheaton's publicly filed documents, including its financial statements. On June 29, 2004, Coeur announced it intended to commence an offer to purchase all of the outstanding Wheaton common shares on revised terms.

Pursuant to the offer to purchase, Coeur has offered Wheaton shareholders either:

Cdn\$5.47 in cash, subject to the maximum cash consideration discussed below; or

0.796 shares of New Coeur common stock; or

0.796 Exchangeable Shares.

The maximum aggregate amount of cash that will be paid to Wheaton shareholders under the offer to purchase (referred to as the Tender Cash Maximum) is the product of (i) Cdn\$570 million and (ii) a fraction, the numerator of which is the number of Wheaton common shares properly deposited under the offer to purchase and not withdrawn, and the denominator of which is the number of Wheaton common shares outstanding at the time Wheaton common shares are taken up and paid for under the offer to purchase.

The following unaudited pro forma condensed combined financial statements are provided to present a summary of the results of operations and financial position of the combined company after giving effect to the offer to purchase Wheaton common shares, absent any operational or other changes, had the businesses been combined for the period and at the date indicated.

The unaudited pro forma condensed combined balance sheet gives effect to the Wheaton-Coeur combination as described under Basis of Presentation below including, among other things, the proposed incurrence of \$225.0 million of 2% convertible debt securities due 2024 in connection with the offer to purchase as if such transactions occurred on December 31, 2003. The unaudited pro forma condensed combined income statement gives effect to such transactions as if they occurred on January 1, 2003.

The unaudited pro forma condensed combined financial statements do not reflect any adjustment for the payment of termination fees resulting from the Wheaton-Coeur combination, whether pursuant to the Wheaton/ IAMGold arrangement agreement or the net termination fee agreement between Coeur and Golden Star, as described in RISK FACTORS *If New Coeur acquires Wheaton, Coeur may be required to pay a substantial fee* in the document to which these financial statements are attached.

There may be actions, events or circumstances that could significantly affect the purchase price or purchase price allocations of any combination of Coeur and Wheaton. Also, as mentioned above, Wheaton has thus far refused access to detailed financial information or other non-public information regarding Wheaton. Such information might provide Coeur with information that could impact the purchase price offered by Coeur. Such changes also likely would impact the assumption and pro forma adjustments reflected in the following unaudited pro forma condensed combined financial data.

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**BASIS OF PRESENTATION**

Set forth below is an unaudited pro forma condensed combined balance sheet of Coeur at December 31, 2003 and unaudited pro forma condensed combined income statement for the year ended December 31, 2003. These statements have been prepared based on Coeur's historical financial statements and the historical financial statements publicly filed by Wheaton, in order to assist shareholders in analyzing the potential financial results of a combined company. The unaudited pro forma condensed combined financial statements should be read in conjunction with the historical financial statements of Coeur and Wheaton and related notes incorporated into and forming part of the circular to which these pro forma financial statements and the related are appended.

Coeur's historical information has been derived from historical financial statements and was prepared and presented in accordance with accounting principles generally accepted in the United States ( US GAAP. ) Wheaton's historical financial information (and related reconciliations) is taken exclusively from documents publicly filed or disclosed by Wheaton, and Wheaton has not participated in any manner in the preparation of the following pro forma financial statements. According to Wheaton's public filings, Wheaton's historical financial information is prepared in accordance with accounting principles generally accepted in Canada ( Canadian GAAP, ) and includes a note attached thereto summarizing the differences to US GAAP in its annual filings. To date, the Offerors have not had access to the non-public books and records of Wheaton, and although they have no reason to doubt the accuracy or completeness of Wheaton's public filings, are not in a position to independently assess or verify the information in Wheaton's publicly filed documents, including its financial statements. If Wheaton's historical information or reconciliations contain inaccuracies or omissions, it could have a material effect on the pro forma financial statements derived in part from such Wheaton information.

The unaudited pro forma condensed combined financial statements assume that Coeur and Wheaton will be combined as a result of the offer to purchase and a subsequent acquisition transaction whereby Coeur would acquire all Wheaton common shares not acquired by Coeur pursuant to the offer to purchase.

The historical data of Wheaton for the year ended December 31, 2003 has been derived by Coeur from Wheaton's publicly filed audited financial statements, in which Wheaton states that such financial data is prepared in accordance with Canadian GAAP with a note attached thereto that summarizes the differences to US GAAP.

The pro forma adjustments are based upon available information and assumptions that management of Coeur believes are reasonable. The unaudited pro forma condensed combined financial statements are presented for illustrative purposes only and are based on the estimates and assumptions set forth in the notes accompanying those statements. The companies might have performed differently had they always been combined. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience after the combination.

**Table of Contents****COEUR D ALENE MINES CORPORATION****UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET****December 31, 2003****(Expressed in thousands of United States dollars)**

	<b>Wheaton River Minerals Ltd. As of December 31, 2003</b>	<b>Coeur d Alene Mines Corporation As of December 31, 2003</b>	<b>Purchase Transaction Adjustments (Note 1)</b>	<b>Pro Forma Financing Adjustments (Note 2)</b>	<b>Unaudited Pro Forma Condensed Combined Balance Sheet</b>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 95,824	\$ 62,417	\$ (419,797)(8) (28,025)(9)	\$ 173,903 (A) (9,563)(B) 216,300 (C)	\$ 91,059
Short-term investments		19,265			19,265
Receivables	6,695	8,103			14,798
Ore on leach pad		17,388			17,388
Other current assets	10,347	15,602			25,949
<b>Total current assets</b>	<b>112,866</b>	<b>122,775</b>	<b>(447,822)</b>	<b>380,640</b>	<b>168,459</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>					
Property, plant & equipment, net	55,370	34,678			90,048
Operational mining properties, net	133,106	23,773			156,879
Development properties	139,664	45,246	718,806(4) 339,636(4)		1,243,352
	<b>328,140</b>	<b>103,697</b>	<b>1,058,442</b>		<b>1,490,279</b>
<b>OTHER ASSETS</b>					
Non-current ore on leach pad		14,705			14,705
Restricted investments		8,710			8,710
Debt issuance costs, net		87	(87)(5)	6,097 (A) 8,700 (C)	14,797
Investment in Minera Alumbreira Ltd.	276,914				276,914
Other	21,023	9,493			30,516
<b>Total non-current assets</b>	<b>297,937</b>	<b>32,995</b>	<b>(87)</b>	<b>14,797</b>	<b>345,642</b>
<b>Total assets</b>	<b>\$ 738,943</b>	<b>\$ 259,467</b>	<b>\$ 610,533</b>	<b>\$ 395,437</b>	<b>\$ 2,004,380</b>

See notes to unaudited pro forma condensed combined financial statements.

**Table of Contents****COEUR D ALENE MINES CORPORATION****UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET****December 31, 2003****(Expressed in thousands of United States dollars)**

	Wheaton River Minerals Ltd. As of December 31, 2003	Coeur d Alene Mines Corporation As of December 31, 2003	Purchase Transaction Adjustments (Note 1)	Pro Forma Financing Adjustments (Note 2)	Unaudited Pro Forma Condensed Combined Balance Sheet
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 17,951	\$ 7,772	\$		\$ 25,723
Current portion of debt	14,600	2,367			16,967
Other current liabilities		12,321	1,128 (6)		21,524
			8,075 (10)		
<b>Total current liabilities</b>	<b>32,551</b>	<b>22,460</b>	<b>9,203</b>		<b>64,214</b>
<b>LONG-TERM LIABILITIES</b>					
New debentures				225,000 (C)	225,000
1 1/4% Convertible senior notes due 2024				180,000 (A)	180,000
7 1/4% Convertible subordinated debentures due October 2005		9,563		(9,563)(B)	
Long-term debt	49,843				49,843
Accrued reclamation and closure costs		20,934			20,934
Deferred income taxes			339,636 (4)		339,636
Other long-term liabilities	106,270	9,032			115,302
	156,113	39,529	339,636	395,437	930,715
<b>SHAREHOLDERS EQUITY</b>					
Share purchase options and warrants	877				877
Common stock	505,090	214,195	(214,195)(1)		582,276
			77,186 (2)		
Capital surplus	600	542,900	(542,900)(1)		382,586
			(77,186)(2)		
			870,874 (3)		
			8,095 (7)		
			(419,797)(8)		
Accumulated earnings	43,945	(545,050)	545,050 (1)		43,945
Repurchased and nonvested shares		(13,190)	13,190 (1)		
Unrealized (loss) gain on investments	(233)	(1,377)	1,377 (1)		(233)
<b>Total shareholders equity</b>	<b>550,279</b>	<b>197,478</b>	<b>261,694</b>		<b>1,009,451</b>
<b>Total liabilities and shareholders equity</b>	<b>\$ 738,943</b>	<b>\$ 259,467</b>	<b>\$ 610,533</b>	<b>\$ 395,437</b>	<b>\$ 2,004,380</b>

See notes to unaudited pro forma condensed combined financial statements.

**Table of Contents****COEUR D ALENE MINES CORPORATION****UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT****Year Ended December 31, 2003****(Expressed in thousands of United States dollars, except per share amounts)**

	<b>Wheaton River Minerals Ltd. Year Ended Dec. 31, 2003</b>	<b>Coeur d Alene Mines Corporation Year Ended Dec. 31, 2003</b>	<b>Pro-Forma Financing Adjustments (Note 2)</b>	<b>Unaudited Pro Forma Condensed Combined Income Statement Year Ended Dec. 31, 2003</b>
<b>REVENUES</b>				
Sales of metals	\$ 102,726	\$ 108,522	\$	\$ 211,248
<b>COSTS AND EXPENSES</b>				
Production	58,723	77,861		136,584
Depreciation and depletion	15,822	16,627		32,449
Administrative and general	9,654	12,264		21,918
Exploration		4,947		4,947
Pre-development expense		1,967		1,967
Interest expense	2,399	12,851	4,500 (D)	19,750
Holding costs	1,529	6,393		7,922
Loss (gain) on early retirement of debt		41,564		41,564
Total operating expenses	<u>88,127</u>	<u>174,474</u>	<u>4,500</u>	<u>267,101</u>
<b>OTHER INCOME (EXPENSE)</b>				
Earnings from Minera Alumbraera Ltd.	41,541			41,541
Interest and other	3,923	2,019		5,942
Total other income and expenses	<u>45,464</u>	<u>2,019</u>		<u>47,483</u>
Income (loss) before cumulative effect of change in accounting principle and income taxes	60,063	(63,933)	(4,500)	(8,370)
Income tax (provision) benefit	(8,010)	7	(E)	(8,003)
Income (loss) before cumulative effect of change in accounting principle	52,053	(63,926)	(4,500)	(16,373)
Cumulative effect of change in accounting principle		(2,306)		(2,306)
<b>NET (LOSS) INCOME</b>	<u>\$ 52,053</u>	<u>\$ (66,232)</u>	<u>\$ (4,500)</u>	<u>\$ (18,679)</u>
Earnings per share basic	<u>\$ 0.13</u>	<u>\$ (0.39)</u>		<u>\$ (0.03)</u>
Earnings per share diluted	<u>\$ 0.12</u>	<u>\$ (0.39)</u>		<u>\$ (0.03)</u>
Weighted average basic	<u>412,035</u>	<u>168,186</u>		<u>580,221</u>
Weighted average diluted	<u>439,214</u>	<u>168,186</u>		<u>580,221</u>

See notes to unaudited pro forma condensed combined financial statements.

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**COEUR D ALENE MINES CORPORATION**

**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS**

**Note 1 Pro Forma Purchase Transaction Adjustments.**

For accounting purposes, the acquisition has been treated as an acquisition of Coeur by Wheaton and as a recapitalization of Wheaton (a Reverse Acquisition). The pro forma financial statements contained herein use the purchase method of accounting, with Wheaton treated as the acquiror and Coeur as the acquiree and also assume that the acquisition had been completed on January 1, 2003 (for income statement purposes) and on December 31, 2003 (for balance sheet purposes).

Because the former Wheaton shareholders will hold the majority of the voting stock of the combined company and the board of directors of the combined company will be elected annually by the holders of the combined company's shareholders, Wheaton is deemed to be the accounting acquiror. As a result, Coeur's assets and liabilities must be recorded at their estimated fair values. The purchase price is based upon the share price used in the proposed offer to purchase of \$4.086 multiplied by the outstanding shares of Coeur common stock at December 31, 2003 of 213,136,000, including the fair value of Coeur options and the transaction advisory fee, resulting in a total of approximately \$907.0 million. The share price of \$4.086 is the weighted average closing price of Coeur common stock for a period of two days before and after the announcement of the offer to purchase on June 29, 2004.

For purposes of preparing the unaudited pro forma condensed combined financial statements, management has made certain assumptions. Coeur assets and liabilities, excluding development properties, at December 31, 2003 are assumed to approximate fair value and, as such, the excess of fair value over book value, including the impact of deferred income taxes, has been allocated to development properties. Coeur would first assign the excess purchase price to property, plant and equipment, mineral property and development property. Any excess purchase price not assigned to tangible assets would then be allocated to any identifiable intangible asset and, possibly, goodwill. An independent valuation, when completed, may result in an allocation to the carrying value of Coeur's producing mines. An increase in the value of those properties would result in an increase in depreciation and depletion in the unaudited pro forma condensed combined income statement. A \$50 million increase in the assigned values of those properties would result in an approximate increase to depreciation and depletion of \$15 million per year. Additionally, management has assumed that the Wheaton shareholders would elect the maximum cash consideration. Based on the number of issued and outstanding Wheaton common shares on May 27, 2004, if all Wheaton shareholders elected to receive cash for their Wheaton common shares, Wheaton shareholders would receive Cdn\$1.00 per Wheaton common share in cash and either 0.650 shares of New Coeur common stock or 0.650 Exchangeable Shares (for shareholders who affirmatively elect to receive Exchangeable Shares if there is proration). If less than all Wheaton shareholders elect the cash option, Wheaton shareholders will receive up to Cdn\$5.47 per Wheaton common share in cash (subject to proration based on the Tender Cash Maximum) plus, if proration occurs, a number of shares of New Coeur common stock or Exchangeable Shares.

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The following represents the preliminary allocation of purchase price if the transaction had occurred on December 31, 2003:

**Purchase Price Allocation**  
**Coeur d Alene Wheaton River Transaction**

	(In Thousand \$)
Coeur stock in purchase transaction (213,135,975 shares at \$4.086)	\$ 870,874
Coeur options fair market value at December 31, 2003	8,095
Transaction advisory fee	28,025
	\$ 906,994
	\$ 906,994
Cash	\$ 62,417
Investments	27,975
Other current assets	11,170
Inventories	44,628
Property, plant and equipment	34,678
Operational mining property	23,773
Development property	1,103,688
Other long-term assets	9,493
	1,317,822
	1,317,822
Less:	
Current liabilities	31,663
Accrued reclamation	20,934
Deferred taxes	339,636
7 1/4% Convertible subordinated debentures due october 2005	9,563
Other long-term liabilities	9,032
	410,828
	410,828
Net assets	\$ 906,994
	\$ 906,994

The unaudited pro forma condensed combined financial statements include the following adjustments:

(1) To eliminate the components of Coeur's historical shareholders' equity accounts.

(2) To reflect 582,276,000 shares of Coeur common stock, par value \$1.00 per share, issued and outstanding after the acquisition of Wheaton, based on 213,136,000 shares of Coeur issued and outstanding and an estimated 369,140,000 shares of Coeur to be issued to Wheaton shareholders, based on the estimated outstanding Wheaton common shares of 567,907,000 multiplied by .65, the exchange rate assumed in the pro forma financial statements.

(3) To record additional equity for issuance of 213,136,000 shares of Coeur, using the five day average share price surrounding the announcement date of June 29, 2004 of \$4.086.

(4) To adjust the fair value of Coeur's property, plant and equipment and mining properties to estimated fair value. The excess of the fair value over the carrying value of the assets was allocated to development properties. In addition, deferred income taxes are recognized for the difference between the revised carrying amounts of Coeur's assets and their associated tax bases which will not change as a result of the combination.

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This allocation is preliminary and is subject to change due to several factors including: changes in the fair values of Coeur's assets and liabilities up to the closing date of the transaction; the actual merger costs incurred, the number of Coeur's shares, stock options, warrants and restricted stock outstanding at the closing date; valuations of assets and liabilities that may be required which have not been completed as of the date of these adjustments. These changes will not be known until after the closing date of the transaction.

Additionally, the allocated value to Coeur's long-lived assets will be subject to assessments of recoverability under the various provisions under US GAAP and, while there has been no current determination regarding impairment, these assessments could result in write downs of carrying values in future periods.

- (5) To reflect the fair value of deferred debt issuance costs of Coeur.
- (6) To reflect the fair value of forward Gold Sales as of December 31, 2003.
- (7) To reflect the fair value of outstanding options of Coeur executives and directors as of December 31, 2003.
- (8) Maximum distribution of the cash election offered to Wheaton shareholders.
- (9) Transaction advisory fees to be incurred by Coeur as a result of the Wheaton-Coeur combination.
- (10) Estimated costs to be incurred by Coeur as a result of the Wheaton-Coeur combination.

**Primarily consisting of:**

Note fees	\$ 1,725
Legal fees	4,000
Other	2,350
	<u>          </u>
	\$8,075
	<u>          </u>

**Note 2 Pro Forma Financing Adjustments.**

The unaudited pro forma condensed combined financial statements include the following transactions completed by Coeur subsequent to the December 31, 2003 balance sheet and transactions that Coeur will complete during the closing of the offer to purchase:

- (A) Coeur issued \$180 million of 1 1/4% Convertible Senior Notes due January 2024, net of offering costs of \$6.1 million.
- (B) Coeur retired the remaining \$9.6 million of the 7 1/4% Convertible Subordinated Debentures Due October 2005.
- (C) Issuance of \$225.0 million of convertible debt securities to finance, in part, a portion of the Wheaton-Coeur combination, net of approximately \$8.7 million offering costs. Does not give effect to the exercise of the \$50.0 million option.
- (D) Incremental interest cost on the issuance of convertible debt securities in the amount of \$225.0 million at 2% for the respective periods. Does not give effect to the exercise of the \$50.0 million option.
- (E) No entry has been made for taxes since US losses from Coeur cannot offset Wheaton's earnings.

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**APPENDIX D**

**INFORMATION CONCERNING WHEATON RIVER MINERALS LTD.**

Set forth below is certain additional information regarding Wheaton, which is excerpted from Wheaton's Annual Report on Form 40-F, filed with the SEC on May 18, 2004.

Wheaton is engaged in the acquisition, exploration and operation of precious metal properties. The Company continues to investigate and negotiate the acquisition of additional producing precious metal mining properties or interests in such properties. There is no assurance that any such investigations or negotiations will result in the completion of an acquisition.

**Principal Products**

The Company's principal product is gold. As a result of the Luismin, Alumbreira and Peak acquisitions, in addition to gold, the Company also produces silver and copper. There is a worldwide gold, silver and copper market into which the Company can sell and, as a result, the Company will not be dependent on a particular purchaser with regard to the sale of the gold, silver and copper which it produces.

**Competitive Conditions**

The precious metal mineral exploration and mining business is a competitive business. The Company competes with numerous other companies and individuals in the search for and the acquisition of attractive precious metal mineral properties. The ability of the Company to acquire precious metal mineral properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for precious metal development or mineral exploration.

**Operations**

*Raw Materials*

The Company has gold and silver mineral reserves at Luismin's mining properties located in Mexico, gold and copper mineral reserves at the Peak Mine in Australia and the Alumbreira Mine in Argentina, and gold mineral reserves at the Amapari Project in Brazil.

*Environmental Protection Requirements*

The Golden Bear Mine was closed in 2001. The Company commenced reclamation activities at the Golden Bear Mine site in 2000 and, aside from some longer term monitoring, will complete such activities in 2004. Reclamation is anticipated to consist of activities such as the removal of plant and equipment, re-vegetation and closure of the access road. The remaining reclamation costs at the Golden Bear Mine site as at December 31, 2003 were estimated to be approximately \$1,315,000. Funding will be provided from a reclamation deposit and cash held by the government under a safekeeping agreement totalling \$1,060,000, sale of mine site equipment with a carrying value of \$230,000 and from working capital.

MAL, in its capacity as the operator of the Alumbreira Mine, is responsible for compliance with the commitments made in the main environmental permit for the Alumbreira Mine and the cost of reclamation and closure. MAL is committed to stabilizing tailings and waste rock against potential acid generation and water pollution and, to this end, is conducting progressive rehabilitation on the tailings storage facility and waste rock dumps. Other activities include contaminated land remediation, removal and stabilization of potentially acid generating road base material, securing pit safety and closure of infrastructure. Ongoing rehabilitation is recognized as part of routine operations and associated costs are included in the project's financial plan. Testing is being completed in order to generate information regarding the potential for acid generation from waste materials, and initial testing of capping materials has been completed. Progressive rehabilitation commenced in 2002. MAL makes provisions for reclamation and closure in its life-of-mine plans and financial statements, however, MAL is not required to post a bond in connection with its reclamation and closure obligations and no cash provisions are being made. MAL's closure planning is an

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ongoing process that is refined as operations plans are revised and operational and monitoring data are evaluated. Closure costs for the Alumbra Mine are revised on an annual basis.

PGM has a responsibility under Australian law to reclaim the environmental impacts of historic mining as well as current mining activities on its leases. Ten sites of historic mining and exploration activities and four locations of current and proposed mining activities requiring rehabilitation have been identified. Reclamation, particularly of the historic areas on the PGM tenements, has been on-going in recent years, and revegetation trials have been initiated. Reclamation work at the historic sites has included backfilling and fencing shafts, donation and relocation of historic equipment, reshaping waste rock and tailings areas to control stormwater runoff and erosion, and removing rubbish. PGM estimated the future cost for closure to be \$5.875 million as at December 31, 2003. PGM has a bank guarantee in favour of the Minister of Mineral Resources (New South Wales) in an amount of \$4.576 million.

### ***Employees***

As of May 7, 2004, the Company had 12 full-time employees working in its Vancouver office, approximately 1,155 workers at the Luismin operations in Mexico and 210 workers at the Peak Mine in Australia. Luismin workers include 700 contractors, 455 hourly unionized workers and 200 salaried employees. Peak workers include 126 employees and 84 contractors.

As of March 2004, the Amapari Project had 16 workers in the Rio de Janeiro Office and 80 workers at the project site in Amapá State, Northern Brazil (including 51 contractors), totalling 96 workers.

### ***Foreign Operations Risks***

The Company currently owns the San Dimas, San Martin and Nukay mining operations in Mexico, 37.5% of the Alumbra Mine in Argentina and the Peak Mine in Australia. In addition, the Company owns the Amapari Project in Brazil, the Los Filos Project in Mexico and 21.2% of the El Limón exploration project in Mexico. Any changes in regulations or shifts in political attitudes in such foreign countries are beyond the control of the Company and may adversely affect its business. Future development and operations may be affected in varying degrees by such factors as government regulations (or changes thereto) with respect to the restrictions on production, export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use, land claims of local people and mine safety. The effect of these factors cannot be accurately predicted. See *General Development of the Business Risks of the Business Foreign Operations* and *General Development of the Business Risks of the Business Foreign Subsidiaries*.

## **Technical Information**

### ***JORC Code Definitions***

The estimated ore reserves and mineral resources for the Alumbra Mine, the Peak Mine and the Amapari Project have been calculated in accordance with the current (1999) version of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (the *JORC Code*), the Australian worldwide standards. The *JORC Code* has been accepted for current disclosure rules in Canada under the Canadian Securities Administrators National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101). The following definitions are reproduced from the *JORC Code*:

The term *Mineral Resource* means a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

The term *Inferred Mineral Resource* means that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence

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and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

The term *Indicated Mineral Resource* means that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

The term *Measured Mineral Resource* means that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It 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. The locations are spaced closely enough to confirm geological and/or grade continuity.

The term *Ore Reserve* means the economically mineable part of a Measured or Indicated Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

The term *Probable Ore Reserve* means the economically mineable part of an Indicated, and in some circumstances Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

The term *Proved Ore Reserve* means the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

The foregoing definitions of Ore Reserves and Mineral Resources as set forth in the JORC Code have been reconciled to the definitions set forth in *CIM Standards on Mineral Resources and Reserves Definitions and Guidelines* prepared by the CIM Standing Committee on Reserve Definitions and approved by the CIM Council of the Canadian Institute of Mining, Metallurgy and Petroleum in August 2000 (the *CIM Standards* ) which were adopted by NI 43-101. If the Ore Reserves and Mineral Resources for the Alumbra Mine and the Peak Mine were estimated in accordance with the definitions in the CIM Standards, there would be no substantive difference in such Ore Reserves and Mineral Resources.

***CIM Standard Definitions***

The estimated mineral reserves and mineral resources for the Luismin Mines and the Los Filos Project have been calculated in accordance with the CIM Standards. The following definitions are reproduced from the CIM Standards:

The term *Mineral Resource* means a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological

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evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

The term *Inferred Mineral Resource* means that 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 estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

The term *Indicated Mineral Resource* means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

The term *Measured Mineral Resource* means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, 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.

The term *Mineral Reserve* means the economically mineable part of a Measured or Indicated Mineral 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. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

The term *Probable Mineral Reserve* means the economically mineable part of an Indicated Mineral Resource and, in some circumstances, a Measured Mineral 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.

The term *Proven Mineral Reserve* means the economically mineable part of a Measured Mineral 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 is justified.

### **Cautionary Note to United States Shareholders Concerning Estimates of Measured, Indicated and Inferred Resources**

This section uses the terms Measured, Indicated and Inferred Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission (the SEC) does not recognize them.

Inferred Mineral 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 Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.**

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*Average Total Cash Costs*

Average total cash costs figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is the accepted standard of reporting cash costs of production in North America. Adoption of the standard is voluntary and the cost measures presented herein may not be comparable to other similarly titled measures of other companies. Costs include mine site operating costs such as mining, processing, administration, royalties and production taxes, but are exclusive of amortization, reclamation, capital, development and exploration costs. These costs are then divided by ounces sold to arrive at the total cash costs of sales. The measure, along with sales, is considered to be a key indicator of a company's ability to generate operating earnings and cash flow from its mining operations. This data is furnished to provide additional information and is a non-GAAP measure. It should not be considered in isolation as a substitute for measures of performance prepared in accordance with GAAP and is not necessarily indicative of operating costs presented under GAAP.

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**Table of Contents****Summary of Ore Reserves/Mineral Reserves and Mineral Resources***Ore Reserves/Mineral Reserves*

The following table sets forth the estimated Ore Reserves/ Mineral Reserves for the Alumbreira Mine, the Peak Mine and the Luismin properties as at December 31, 2003 and the Amapari Project as at January 9, 2004:

**Proved/Proven and Probable Ore/Mineral Reserves(1)**

Deposit	Category	Grade				Contained Metal			
		Tonnes (000s)	Gold (grams per tonne)	Silver (grams per tonne)	Copper (%)	Gold (ounces) (000s)	Silver (ounces) (000s)	Gold Equivalent Ounces(6) (000s)	Copper (tonnes)
Alumbreira Mine(2) (Wheaton's 37.5% interest)	Proved	115,500	0.57		0.50	2,117		2,117	577,500
	Probable	8,630	0.49		0.47	136		136	40,540
	<b>Proved + Probable</b>	<b>124,130</b>	<b>0.56</b>		<b>0.50</b>	<b>2,253</b>		<b>2,253</b>	<b>618,040</b>
Peak Mine(3)	Proved	570	3.82		0.53	70		70	3,010
	Probable	1,780	7.33		0.54	419		419	9,530
	<b>Proved + Probable</b>	<b>2,350</b>	<b>6.48</b>		<b>0.53</b>	<b>489</b>		<b>489</b>	<b>12,540</b>
Luismin(4) San Dimas	Proven	880	5.16	414		145	11,670	322	
	Probable	1,360	5.16	412		226	18,060	500	
	<b>Proved + Probable</b>	<b>2,240</b>	<b>5.16</b>	<b>413</b>		<b>371</b>	<b>29,730</b>	<b>822</b>	
Luismin(4) San Martin with San Pedrito	Proven	530	3.75	64		64	1,090	76	
	Probable	500	3.37	120		54	1,940	76	
	<b>Proved + Probable</b>	<b>1,040</b>	<b>3.56</b>			<b>119</b>	<b>3,030</b>	<b>152</b>	
Luismin(4) Nukay	Proven	880	3.94			111		111	
	Probable	720	4.09			95		95	
	<b>Proved + Probable</b>	<b>1,600</b>	<b>4.01</b>			<b>206</b>		<b>206</b>	
Amapari(5)	Proven	3,350	2.15			232		232	
	Probable	11,430	3.15			1,159		1,159	
	<b>Proved + Probable</b>	<b>14,780</b>	<b>2.93</b>			<b>1,390</b>		<b>1,390</b>	
<b>Total</b>	<b>Proved/Proven</b>					<b>2,739</b>	<b>12,760</b>	<b>2,928</b>	<b>580,510</b>
	<b>Probable</b>					<b>2,089</b>	<b>20,000</b>	<b>2,384</b>	<b>50,060</b>
	<b>Proved/Proven + Probable</b>					<b>4,828</b>	<b>32,750</b>	<b>5,312</b>	<b>630,580</b>



- (1) All Mineral Reserves have been calculated as of December 31, 2003, other than the Mineral Reserves with respect to the Amapari Project which are as at January 9, 2004, in accordance with the CIM Standards or the JORC Code. The JORC Code has been accepted for current disclosure rules in Canada under NI 43-101.
- (2) The Mineral Reserves for the Alumbra Mine set out in the table above have been estimated by C. R. Van Order, P.Eng. at Minera Alumbra Limited who is a competent person under the JORC Code. The Mineral Reserves are classified as proved and probable, and are based on the JORC Code. See Narrative Description of the Business Alumbra Mine, Argentina Ore Reserves and Mineral Resources for further details.

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- (3) The Mineral Reserves for the Peak Mine set out in the table above have been estimated by Robert Cooper at Peak Gold Mines Pty Ltd. who is a competent person under the JORC Code. The Mineral Reserves are classified as proved and probable, and are based on the JORC Code. See Narrative Description of the Business Peak Mine, Australia Ore Reserves and Mineral Resources for further details.
- (4) The Mineral Reserves for the Luismin Mines set out in the table above have been estimated by Randy V.J. Smallwood, P.Eng. at Wheaton and David R. Budinski, P.Geo. at Orcan Mineral Consultants who are each qualified persons under NI 43-101. The Mineral Reserves are classified as proven and probable, and are based on the CIM Standards. See Narrative Description of the Business Luismin Mines, Mexico Mineral Reserves and Mineral Resources for further details.
- (5) The Mineral Reserves for the Amapari Project set out in the table above have been estimated by Harry Burgess, P.Eng. at Micon International Limited and D.W. Hooley, B.Sc.(Eng.) at Micon International Limited who are each competent persons under the JORC Code. The Mineral Reserves are classified as proved and probable, and are based on the JORC Code. The Amapari acquisition was completed on January 9, 2004. See Narrative Description of the Business Amapari Project, Brazil Mineral Reserves and Mineral Resources for further details.
- (6) Gold equivalent ounces are gold ounces plus silver ounces converted to gold using commodity prices of \$350 per ounce of gold and \$5.50 per ounce of silver, and appropriate process recovery rates for each operation.

***Mineral Resources***

**Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources**

This section uses the terms Measured, Indicated and Inferred Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the SEC does not recognize them. Inferred Mineral 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 Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.**

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The following table sets forth the estimated Mineral Resources for the Peak Mine and the Luismin properties as at December 31, 2003 and the Amapari Project as at January 9, 2004:

**Measured, Indicated and Inferred Mineral Resources(1)(7)****(excluding Proved/Proven and Probable Mineral Reserves)**

Deposit	Category	Tonnes (000s)	Grade			Contained Metal			Copper (tonnes)
			Gold (grams per tonne)	Silver (grams per tonne)	Copper (%)	Gold (ounces) (000s)	Silver (ounces) (000s)	Gold Equivalent Ounces(8) (000s)	
Peak Mine(2)	Measured	560	2.33		1.22	42		42	6,840
	Indicated	480	5.38		0.67	83		83	3,200
	Measured + Indicated	1,040	3.73		0.96	125		125	10,040
Luismin(3) San Dimas	Inferred	3,200	8.4		1.2	870		870	37,760
	Measured								
	Indicated								
Measured + Indicated									
Luismin(3) San Martin	Inferred	12,900	3.3	317		1,380	131,800	3,380	
	Measured								
	Indicated								
Measured + Indicated									
Luismin(3) Nukay	Inferred	2,100	2.7	127		190	8,700	280	
	Measured								
	Indicated	2,260	4.87			354		354	
Measured + Indicated	2,260	4.87			354		354		
Luismin(4) Los Filos	Inferred	2,260	2.5			210		210	
	Measured	8,250	1.64			435		435	
	Indicated	30,480	1.37			1,343		1,343	
Measured + Indicated	38,730	1.43			1,778		1,778		
Amapari(5)	Inferred	11,600	1.4			500		500	
	Measured	2,040	0.86			56		56	
	Indicated	4,520	1.69			245		245	
Measured + Indicated	6,560	1.43			301		301		
El Limón(6) (Wheaton River s 21.2% interest)	Inferred	7,500	4.1			980		980	
	Measured								
	Indicated								
Measured + Indicated									

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		█	█	█	█	█	█
	Inferred	4,200	3.1		420		420
<b>Total</b>	<b>Measured</b>				<b>533</b>		<b>533</b>
	<b>Indicated</b>				<b>2,025</b>		<b>2,025</b>
					█	█	█
	<b>Measured + Indicated</b>				<b>2,558</b>		<b>2,558</b>
					█	█	█
	<b>Inferred</b>				<b>4,560</b>	<b>140,500</b>	<b>6,650</b>
					█	█	█

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- (1) All Mineral Resources have been calculated as of December 31, 2003, other than the Mineral Resources with respect to the Amapari Project which are as of January 9, 2004, in accordance with the CIM Standards or the JORC Code.
- (2) The Mineral Resources for the Peak Mine set out in the table above have been estimated by R. Berthelsen and Dave Keough at Peak Gold Mines Pty Ltd. who are each competent persons under the JORC Code. The Mineral Resources are classified as measured, indicated and inferred, and are based on the JORC Code. See Narrative Description of the Business Peak Mine, Australia Ore Reserves and Mineral Resources for further details.
- (3) The Mineral Resources for the Luismin Mines (San Dimas, San Martin and Nukay) set out in the table above have been estimated by Randy V.J. Smallwood, P.Eng. at Wheaton, and David R. Budinski, P.Geo. at Orcan Mineral Consultants, who are each qualified persons under NI 43-101. The Mineral Resources are classified as indicated and inferred, and are based on the CIM Standards. See Narrative Description of the Business Luismin Mines, Mexico Mineral Reserves and Mineral Resources for further details.
- (4) The Mineral Resources for the Los Filos Project set out in the table above have been estimated by Gary Giroux, P.Eng. at Micon International Limited, who is a qualified person under NI 43-101. The Mineral Resources are classified as measured, indicated and inferred, and are based on the CIM Standards. See Narrative Description of the Business Luismin Mines, Mexico Mineral Reserves and Mineral Resources for further details.
- (5) The Mineral Resources for the Amapari Project set out in the table above have been estimated by Ken Grace, P.Eng. at Micon International Limited who is a competent person under the JORC Code. The Mineral Resources are classified as measured, indicated and inferred, and are based on the JORC Code. The Amapari acquisition was completed on January 9, 2004. See Narrative Description of the Business Amapari Project, Brazil Mineral Reserves and Mineral Resources for further details.
- (6) The Mineral Resources for the El Limón deposits set out in the table above have been estimated by James N. Grey, P.Geo. and Al N. Samis, P.Geo., both at Teck Cominco who are qualified persons under NI 43-101. The Mineral Resources are classified as inferred, and are based on the CIM Standards.
- (7) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.
- (8) Gold equivalent ounces are gold ounces plus silver ounces converted to gold using commodity prices of \$350 per ounce of gold and \$5.50 per ounce of silver, and appropriate process recovery rates for each operation.

**Alumbrera Mine, Argentina**

*Property Description and Location*

The Alumbrera Mine consists of the following five facilities, with support offices located in Tucumán, Catamarca City, Rosario and Buenos Aires:

an open pit mine, processing facilities and central administration offices at Alumbrera, Catamarca;

a 316-kilometre concentrate slurry pipeline through Catamarca and Tucumán Provinces;

a 202-kilometre, 220 kilovolt power line from the project's substation at El Bracho, Tucumán;

a filter plant and rail loading facilities at Cruz del Norte, Tucumán; and

a port, handling facilities and train maintenance facilities at San Martin near Rosario, Santa Fé.

The open pit mine is located on a 600 hectare mining lease at Alumbrera, near Belen in northwestern Argentina, 1,100 kilometres northwest of Buenos Aires. The mining lease encompasses all mineralized areas of the deposit. Immediate mine infrastructure and other mine facilities cover an additional permitted surface area of 5,200 hectares. The mine is located in a valley west of the easternmost range of the Andes at an elevation of 2,600 metres above sea level.



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The Alumbra Mine processes ore through conventional crushing, grinding, sulphide flotation and gravity gold circuits. Concentrate slurry from the processing facilities is pumped 316 kilometres to a filter plant at Cruz del Norte. Concentrates from the filter plant are shipped 830 kilometres by rail from Cruz del Norte, Tucumán to Puerto Alumbra. The port is located in San Martín, Rosario in the Province of Santa Fé. The port operation and maintenance facilities are contained within a 12 hectare lease which includes a rail-switching yard with approximately 8,200 metres of rail. Port facilities include a rail car unloading building and 50,000 tonne storage shed.

All mining prospects in the Farallón Negro district, the region including Alumbra, are enclosed by a 344 square kilometre national mineral reserve and are owned and administrated by Yacimientos Mineros de Agua de Dionisio ( YMAD ), a quasi-government mining company. MAL has the right to exploit the Alumbra Mine pursuant to an agreement between MAL and YMAD (the UTE Agreement ) signed in April 1994, as amended. The UTE Agreement defines the working relationship between the parties, including royalty obligations, and requires that ownership of certain of the infrastructure revert to YMAD after completion of operations.

### *Royalties*

MAL is required to pay a 3% royalty (the Boca Mina Royalty ) to the provincial government of Catamarca. The royalty is calculated on the value of mineral substances at the mine mouth after certain allowable deductions. Allowable deductions include all processing and transportation costs, but exclude mining costs and all depreciation. MAL commenced payments of the Boca Mina Royalty in 1998.

Under the terms of the UTE Agreement, MAL is also obliged to pay a royalty to YMAD equal to 20% of net proceeds after capital recovery to begin in the fiscal year following the one in which positive net proceeds are realized. Prior to this occurring, MAL is obligated to pay YMAD each fiscal year, beginning after the second full fiscal year following the commencement of commercial production and ending the year in which MAL begins to pay the net proceeds royalty, an advance royalty equal to (i) if net income is less than \$1,000,000, 5% of net income; or (ii) if net income is more than \$1,000,000, the greater of 5% of net income and \$1,000,000 only after the original investment has been repaid, which has not occurred to date under the UTE Agreement methodology for this calculation.

### *Accessibility, Climate, Local Resources, Infrastructure and Physiography*

Alumbra is about 1,100 kilometres northwest of Buenos Aires and six hours by paved and dirt roads from the airport at San Miguel de Tucumán. Located in Hualfin District, Belen Department, Catamarca Province, the deposit is 95 kilometres northeast of the town of Belen and approximately 50 road-kilometres northwest of Andalgalà. The project is served by air and all-weather roads. MAL has scheduled flights and road transport to and from Tucumán and Catamarca and the mine site. On average, more than 2,100 people are transported by road and more than 2,500 people are transported by air every month.

The climate is arid to semi-arid with topography and vegetation similar to the Arizona-Sonora desert. The Alumbra Mine is near the boundary between the Sierras Pampeanas and Puna physiographic provinces and the area is sparsely populated. Average mean temperature is 17 to 18 degrees Celsius and average minimum and maximum temperatures range between 8 and 10 degrees Celsius and 22 and 27 degrees Celsius. Temperatures can be as low as minus 10 degrees Celsius in the winter and as high as 40 degrees Celsius in the summer. Average mean rainfall is 160 millimetres, occurring predominantly during the months of December through March. Light snows can occur in the winter.

Mine site infrastructure includes offices, a warehouse, a laboratory, a medical centre, a permanent camp and workshops. Site facilities include two accommodation camps, catering, medical and indoor and open-air recreation facilities. The mine's main water supply originates from a bore field, Campo Arenal, and is delivered to the mine site through a 30-kilometre pipeline. The mine maintains a 1.7 million cubic metre water reservoir. A 202-kilometre long 220-kilovolt power line provides electrical power to the mine site from a substation at El Bracho, Tucumán. The power line, with 530 transmission towers, was constructed to provide access to the national power grid.

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Topographically, (prior to commencement of mining) the deposit at the Alumbreira Mine was a bowl-shaped, ellipsoidal depression oriented northeast-southwest surrounded by ridges formed mostly by andesitic breccia of the Farallón Negro volcanics. The floor of the bowl covers an area of 2.5 square kilometres. It is characterized by altered yellowish and reddish rocks that are the oxidized and weathered surface rind of hydrothermally altered and mineralized zones that were easily weathered in the recent geologic past, thereby forming the bowl.

### ***History***

The Alumbreira area has been known for its veins of copper and gold deposits and alum since at least the 19th century. Small-scale mining activity took place at the end of the 19th century and during the early 20th century at the southern edges of the present mine area. In 1950, the Alto la Alumbreira veins were sampled by the government for copper and gold. In 1963, a mapping and geochemical survey defining a deposit of disseminated/scattered copper was conducted. In 1969, YMAD carried out a thorough geological geochemical prospecting program and completed four short drill holes.

From 1973 to 1976, the government carried out a geophysical study (induced polarization and magnetism) and commenced a drilling program. Drilling was completed over several years with 6,000 metres drilled from 1974 to 1976. YMAD carried out resource mapping and evaluation from available drill holes. From 1975 to 1982, there was intermittent drilling to complete a total of 18,970 metres and 71 drill holes for the period 1968 to 1981.

From 1985 to 1988, YMAD investigated open pit mining and heap leaching of ore from the central gold-rich oxidized zone. An additional 1,283 metres of drilling, averaging 50 metres per hole, was completed. Feasibility studies were prepared in 1986 and 1988.

From 1992 to 1993, another feasibility study was conducted. Geological exploration activity included geotechnical investigations, a core relogging program and a diamond drilling program, mineralogical assessments and a complete reinterpretation of the deposit geology. A geology and metal grade block model of the deposit was generated.

In October 1994, MAL completed a 20-hole, 8,000-metre diamond drillhole program. Drilling was concentrated in the southern flank of the orebody and within the area to be mined during the first five years of the open pit life. In 1995, MAL commenced mining activities in the mine area. In August 1997, project commissioning commenced with the processing of the first ore from the mine. In December 1999, the mine achieved production and performance tests under terms of project financing.

MEB negotiated an interest in the project from YMAD in 1990, establishing MAL as the entity to exploit the deposit in 1993. MIM purchased a 50% interest in MAL in 1994. MEB, with a 50% remaining interest in MAL, was subsequently acquired by Rio Algom Ltd. and North Ltd. in 1995. RTP acquired North Ltd. in August 2000. Billiton acquired Rio Algom Ltd. in October 2000. BHP and Billiton merged during 2001 to form BHP Billiton. In 2003 Wheaton acquired the RTP 25% indirect interest in Alumbreira together with 50% of BHP Billiton's indirect interest in Alumbreira. Also in 2003, MIM was acquired by Xstrata. As a result, Xstrata holds a 50% interest in, and are the operators of, the Alumbreira Mine. Wheaton holds a 37.5% interest and a third party holds a 12.5% interest.

### ***Geological Setting***

#### ***Regional Geology***

Alumbreira was emplaced in the late Miocene Farallón Negro Capillitas volcanic flow and breccia complex, situated in the Sierra de Capillitas. This high-potassium calc-alkaline shoshonitic to banakitic volcanism is the easternmost expression of subduction related volcanism which appears to have developed in block-faulted areas on Palaeozoic crystalline basement along the Andean Cordillera in the late Miocene. The Farallón Negro complex lies near the boundary of nearly flat and 30-degree east dipping segments of the subducting Nazca Plate, a discontinuity expressed by the east-west boundary between the Puna and Sierras



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Pampeanas provinces, by a 50-kilometre right-lateral offset in the Andes crest and by the east-west trend of Neogene volcanoes of the Ojos de Salado chain west of Alumbra and the Farallón Negro centre.

Alumbra and its host stratovolcano lie between two northeast-trending lineaments, the Hualfin and Aconquija, which may have localized volcanism and mineralization in tension fractures between them. The volcanism was controlled by sinistral pull-apart tectonics along a major northwest trending lineament. The Farallón Negro volcanic and intrusive complex was a stratovolcano formerly up to 6 kilometres high and approximately 16 kilometres in diameter, which evolved from more mafic pyroxene andesites to more hornblende and biotite bearing andesites and dacites. Volcanism was followed by the emplacement of the mineralization-related dacite porphyries. The location of the dacite porphyries coincides with the eruptive centres of the former andesite-dacite stratovolcano, whose roots they intruded.

### *Deposit Geology*

The Alumbra alkalic dacite porphyries were intruded about 8 million years ago into the roots of the Farallón Negro volcano. The intrusion-generated large-scale hydrothermal circulation resulted in alteration and mineralization of the porphyry itself and its volcanic host rocks. Subsequent erosion has exposed the upper part of the volcano and its porphyry system to a level that is favourable for mining.

The Farallón Negro host rocks are about 90% autobrecciated flows in a thick-bedded sequence of fragment-poor to fragment-crowded weakly to strongly porphyritic potassic andesite. The remaining 10% is comprised of lithic and non-porphyritic flow units.

The primary mineralized rocks of Alumbra consist of a series of porphyritic intrusions. A total of seven distinctive porphyritic intrusions have been recognised, which form stocks (earliest units) and dyke-like bodies (youngest units) that extend to the outer edge of the deposit with some of the dykes forming a radial pattern around the central stocks. Geochemically the dacites are typical for subduction-related potassic igneous rocks (shoshonites) from mature continental arc settings.

### *Exploration*

The mining rights to the Alumbra Mine are limited to a 2,000 metre by 3,000 metre rectangle (600 hectares in size) approximately centred on the open pit mine. This area, referred to as the contract area, is slightly larger than the ultimate pit rim dimensions. No exploration is conducted by MAL outside of the contract area.

Because of the very limited area of mineral rights involved and the dominance of the area by the open pit mine, further exploration work will be limited.

### *Mineralization*

The mineralogy of the primary (unweathered) ore consists of chalcopyrite ( $\pm$  bornite), native gold and pyrite. Gold occurs mainly in chalcopyrite. Gold values correlate closely with copper values in primary mineralization and ratios are very consistent through the deposit.

Ore grades correlate with lithology. The highest copper-gold grades are associated with intense potassic (quartz-magnetite) alteration of two of the earliest mineralized porphyritic intrusions and in adjacent biotized or potassium feldspar altered andesites. Younger porphyries are less mineralized or barren. The majority of the copper is primary and occurs as chalcopyrite in disseminated grains and in veinlets. Copper and gold are positively correlated with gold occurring in association with early pyrite-chalcopyrite-magnetite as free gold grains in the 10 to 50 micron range. The economic-grade sulphide mineralization extends upward almost to surface.

The upper portion of the orebody has been subject to weathering and can be sub-divided into two distinct zones, an upper, thin, leached zone, and a lower sulphide enriched zone. The leached zone contains oxide and carbonate copper minerals, including soluble species. Gold values appear largely unaffected by leaching. The sulphide-enriched zone is complex and contains chalcocite, covellite, native copper and chalcopyrite in varying

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proportions. The intensity of chalcocite decreases with depth and is absent in fresh (primary) ore. Leaching and oxidation near the surface generally does not extend to deeper than 30 metres.

### ***Drilling***

The Alumbra Mine has been worked on by at least four different companies with numerous drilling campaigns since YMAD commenced work in 1969. Both reverse circulation and diamond drilling has been performed, however, the database is composed predominantly of diamond core data. The diamond drill programs were completed using both N-sized core ( NQ ) and H-sized core ( HQ ) longyear Q-series drilling systems (47.6 millimetres and 63.5 millimetres core diameter, respectively).

270 holes were drilled on a nominal 50 metre by 50 metre pattern over the entire deposit. However, due to shorter lengths on some holes, this density decreases somewhat at the deepest pit elevations. All holes were drilled on N75°/N255° oriented sections, with dips varying between vertical and minus 60°. This orientation was chosen so as to best outline faults in the dominant fault strike direction, many of which have material post-mineralization movement or control the intrusion of the host porphyry and mineralizing fluids.

After the 1998-99 resource definition drilling program it became apparent that it was necessary to drill a few more holes to increase data density at the deeper elevations of the pit. This was required in order to improve geological controls on the model and upgrade some of the indicated resources to the measured category based on the models used to estimate mineral resources and Kriging variances seen during grade interpolation. An additional 14 holes were drilled to fill in areas of low confidence. There is no known requirement for further drilling of the existing resource.

### ***Sampling and Analysis***

Exploration samples are sawn (core) or split (reverse circulation) and sent to ALS Chemex ( ALS ) in Mendoza for further preparation and analysis, following which the assay results were reported by ALS.

Exploration samples were analysed for gold using a 50 gram fire assay with a flame AAS finish after nitric acid/aqua regia digestion of the bead. This method has a detection limit of 0.01 parts per million and is suitable for the low gold grades seen at Alumbra. Samples were analysed for copper and silver using an aqua regia mixed-acid digestion and elemental determination by flame AAS. The detection limit for copper and silver by this method are 100 parts per million and 1.0 parts per million, respectively.

Minor element analyses have been routinely carried out on approximately 10% of samples to determine base line quantities of potentially toxic metals available to be released into the environment. Samples were randomly selected and analyzed for antimony, arsenic, bismuth, cadmium, lead, mercury, molybdenum, selenium, tellurium and zinc. Additional sampling was conducted in areas identified to have lead and zinc bearing veins.

Sulphur and sulphate analyses were also conducted in order to estimate the amount of pyrite within the deposit.

### ***Drill Core Samples***

During logging, the MAL geologist selects the portions of each hole to be sampled based primarily on mineralization. Using visual inspection, the location of the 0.15% copper boundary would be estimated and sampling would commence approximately 50 metres before this estimated position. Samples were selected on three-metre intervals regardless of lithologic contacts and geological variation in the core. Once selected, the core to be sampled was sawn in half with a diamond saw and one half of the core retained. All sampling and core storage took place at the core logging facility.

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### *Reverse Circulation Samples*

Reverse circulation samples were collected in the field at the drill rig over 3-metre intervals after being split in the ratio 3:1 at the sampler. The smaller sample was sent for analysis and the larger fraction retained on site for the duration of the drill program and then discarded.

### *Sample Quality*

The program set up to monitor the quality of the assay database consisted of the following procedures:

the use of internal standards by the laboratory;

the use of MAL submitted standard samples with each sample batch;

regular re-analysis of pulps by the laboratory;

re-analysis of pulps as requested by MAL;

check analysis of randomly selected pulps by a second laboratory; and

1/4 core re-sampling of selected sample intervals mixed with each batch.

Data validation protocols are built into the date-entry system used by MAL to prevent hole-depth, over-lapping logging/sampling intervals or hole-name validation errors.

### *Security of Samples*

MAL's core logging and storage facility is located in the administration and warehouse building cluster beside the concentrator. These facilities are secure from entry by non-MAL personnel. Exploration samples are shipped from this location using scheduled mine delivery trucks.

### *Ore Reserves and Mineral Resources*

Ore Reserves and Mineral Resources are estimated using the JORC Code. See [Technical Information](#) [JORC Code Definitions](#) for JORC Code definitions.

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The following table sets forth the estimated Ore Reserves for 100% of the Alubrera Mine as at December 31, 2003 (37.5% of which represents Wheaton's interest):

**Proved and Probable Ore Reserves (1)(2)(3)(4)**

Material	Category	Tonnes	Grade		Contained Metal	
			Gold (grams per tonne)	Copper (%)	Gold (ounces)	Copper (tonnes)
In-Situ	Proved	200,000,000	0.65	0.58	4,186,000	1,151,000
	Probable	23,000,000	0.49	0.47	362,000	108,000
	<b>Total</b>	<b>223,000,000</b>	<b>0.66</b>	<b>0.57</b>	<b>4,548,000</b>	<b>1,259,000</b>
Stockpiles	Proved	108,000,000	0.42	0.36	1,458,000	389,000
	Probable					
	<b>Total</b>	<b>108,000,000</b>	<b>0.42</b>	<b>0.36</b>	<b>1,458,000</b>	<b>389,000</b>
<b>Total</b>	<b>Proved</b>	<b>308,000,000</b>	<b>0.57</b>	<b>0.50</b>	<b>5,644,000</b>	<b>1,540,000</b>
	<b>Probable</b>	<b>23,000,000</b>	<b>0.49</b>	<b>0.47</b>	<b>362,000</b>	<b>108,000</b>
	<b>Total</b>	<b>331,000,000</b>	<b>0.56</b>	<b>0.50</b>	<b>6,006,000</b>	<b>1,648,000</b>

- (1) The Ore Reserves for the Alubrera Mine set out in the table above have been estimated by C. R. Van Order, P.Eng. at MAL who is a competent person under the JORC Code. The Ore Reserves are classified as Proved and Probable, and are based on the JORC Code.
- (2) The Proved Ore Reserve includes 108 million tonnes at 0.36% copper, 0.42 grams of gold per tonne of medium and low grade material stockpiled for future treatment.
- (3) Ore Reserves are based on a life-of-mine production schedule generated from pit optimisation studies on the new resource block model and are reported on the basis of a recoverable payable copper equivalent cut-off grade of 0.32%, with the equivalent grade taking into account copper and gold grades, prices, metallurgical recoveries and realisation costs. The recoverable payable copper equivalent cut-off grade of 0.32% represents in-situ copper and gold grades generally in the range of 0.15% copper, 0.26 grams of gold per tonne to 0.25% copper, 0.11 grams of gold per tonne.
- (4) Primary sulphide mineralization comprises disseminated, vein and fracture controlled chalcopyrite in altered dacite and andesite host rocks, with chalcocite and covellite in the enriched zone.  
There are currently no Mineral Resources to report for the Alubrera Mine.

**Mineral Processing and Metallurgical Testing**

The economic mineralogy of the primary, unweathered ore consists of chalcopyrite, native gold and pyrite in a simple textural relationship. Chalcopyrite occurs in disseminated grains and in veinlets; copper and gold are positively correlated, with the gold occurring as free grains or, more usually, as inclusions within the chalcopyrite. As a classic porphyry copper-gold deposit, it is expected that the ore should respond to conventional sulphide flotation for recovery of gold bearing copper concentrate.

There is a wide range of metallurgical testing and operating experience available and planned in support of strategic planning and development.

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The feasibility study metallurgical testing confirmed the amenability of the orebody to conventional copper porphyry processing. Although the programme was possibly not as systematic in establishing the metallurgical response of the orebody as has been the case on other similar projects, Micon considers that the testing adequately addressed all the expected issues and generated appropriate criteria for process design. These criteria have been generally confirmed by operating experience to date.

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MAL decided in 2001 to install a third grinding line and a pebble crushing circuit in order to meet the objective of maintaining concentrate production at lower ore grades over the life-of-mine. MAL has increased the capacity of the rougher flotation circuit which is scheduled to be commissioned in 2004.

### ***Mining Operations***

Standard truck and shovel mining techniques operations are employed in the open pit mine, utilizing 42 cubic metre shovels and 220 tonne haul trucks to move both ore and waste. Mining is carried out on 17-metre benches, with 2-metre sub-drill, which suit the size of the equipment necessary for the production rate.

Current mineral reserves have a low waste to ore ratio of an average of 1.77:1 for the 2003 life-of-mine plan. Operation of the mine is carried out at an elevated cut-off grade, which is reduced over the mine life to the economic cut-off grade. This practice requires that some ore be stockpiled for later processing.

The mining rate in 2003 marginally exceeded 300,000 tonnes per day for a total of approximately 110 million tonnes of material mined, comprised of approximately 31 million tonnes of ore and 79 million tonnes of waste. The total material mined is planned to increase to an average of 342,000 tonnes per day, approximately 125 million tonnes per annum, for 2004 to 2006.

MAL employs approximately 1,000 permanent staff and 600 contractors, of whom approximately 500 staff and 200 contractors work in the mining department. Argentina is a highly unionized country with industry-based unions and very prescriptive labour agreements. The current labour agreement was renegotiated in 2003 and is in effect for a four year period.

### ***Milling Operations***

The original plant uses a conventional porphyry copper flotation circuit with proven, large scale equipment. The plant produces two products, a copper flotation concentrate containing the major gold credit and doré bullion from gravity recovery of coarser free gold. The original design capacity was 80,000 tonnes per day with a utilisation of 94%. Provision was made for expansion to 100,000 tonnes per day by the addition of a third grinding line, in order to maintain metal production as the ore grade decreases.

MAL has increased the capacity of the original plant to approximately 100,000 tonnes per day by the addition of the third grinding circuit, albeit using smaller equipment than that already installed. The expansion also included a pebble crushing circuit to handle critical size material from the semi-autogenous grinding ( SAG ) mills, of which about 1 to 1.5 million tonnes, at 0.4% copper, already had been accumulated. The planned utilization for 2004 is 93%, increasing to 94% in 2007.

MAL expects that the ball mills will become the limit to throughput with the expanded circuit, particularly on softer ore. Although the cleaner flotation circuit is a constraint to feed metal, this will not be a problem except on the softest, high grade ore, as lower ore grade will compensate for the increased throughput. MAL has not identified any other areas that require expansion, although it acknowledges that increased utilisation in most areas is required.

The mined ore is crushed in a 1,540 millimetre by 2,770 millimetre gyratory crusher. The crushed ore is conveyed 1.7 kilometres to an 80,000 tonne live capacity stockpile. The ore is drawn from the stockpile by apron feeders to conveyors feeding three parallel grinding circuits. The two original grinding lines each consist of an 11 metre diameter, 5.14 metre long SAG mill and two 6.1 metre diameter, 9.34 metre long ball mills operating in closed circuit with hydrocyclones. The third grinding line, which was commissioned in August 2002, consists of a 8.53 metre diameter, 4.27 metre long SAG mill and a 5.03 metre diameter 8.84 metre long ball mill, both of which are reconditioned second-hand units. It has been the practice to remove and stockpile the minus 35 millimetre critical size pebbles from the SAG mill discharge when processing harder ores with lower throughput rate. A circuit was commissioned in August 2002 for crushing the stockpiled pebbles and the newly generated pebbles, as required. The pebbles are conveyed via a surge bin to a crusher operating in open circuit and the crushed pebbles will be conveyed via a surge bin to each of the three SAG mill feed conveyors.

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SAG and ball mill discharge is pumped to a cluster of hydrocyclones, one cluster for each ball mill. Hydrocyclone underflow discharges to the ball mill feed, with a minor proportion diverted via two centrifugal gravity concentrators for each cluster, for removal of coarser free gold. Hydrocyclone overflow at 80% passing 150 microns gravitates to the flotation circuit. The gravity concentrate is transferred to the secure gold room for further cleaning and smelting with fluxes to bullion.

After conditioning with reagents, the hydrocyclone overflow passes to the rougher flotation circuit consisting of 32 100 cubic metre mechanical flotation cells. MAL is presently expanding flotation capacity to allow further ore residence time, thus improving recoveries in difficult ore types. This expansion is expected to be commissioned in May 2004. Rougher concentrate is reground in one or two 5.0 metre diameter, 7.32 metre long ball mills operating in closed circuit with hydrocyclones, and centrifugal gravity concentrators for further free gold recovery. The reground rougher concentrate passes to the cleaner flotation section, consisting of 14 pneumatic flotation cells arranged for two stages of cleaning and a cleaner scavenger, all in closed circuit. The concentrate from the second stage cleaner is the final product and the tailings from the cleaner scavenger are now recirculated to the rougher circuit, although as commissioned these cells operated in open circuit producing final tailings.

Final concentrate is thickened to 63% solids in two 30 metre diameter thickeners and for storage in surge tanks before being pumped via a 316 kilometre long, 175 millimetre diameter pipeline to MAL's filter plant near Tucumán. Positive displacement pumps at the mine site and two booster stations elevate the concentrate to a high point from where it flows by gravity 150 kilometres to the filter plant. At the filter plant, the concentrate is stored in surge tanks and thickened prior to three 120 cubic metre continuous belt filter presses, which reduce the moisture content to 7.5%. The filters discharge to a storage building, where a front-end loader reclaims the filter cake for rail transport 830 kilometres to the port near Rosario.

Tailings from the process plant flow by gravity pipeline for 8.5 kilometre to an engineered, centreline dam constructed across the Vis Vis canyon. Distribution is effected by spigotting along the upstream face of the dam. Supernatant water is pumped back to the process plant and seepage is collected downstream of the dam and pumped back. The dam is raised using waste rock with a core of selected material and remains a significant capital cost throughout the life of the mine. MAL retains Knight Piesold as its consultant for tailings dam management and construction quality control.

### ***Markets and Contracts***

MAL's objective has been to sell 90% to 95% of its concentrate production through frame contracts, with the balance for sale into the spot market. This has reduced the annual average treatment and refining charges and provided short-term flexibility of production, sales and revenue.

However, with the recent reduction in TC/RC rates, MAL's strategy has changed to one of fulfilling the requirements of the frame contracts while directing any non-committed production to spot sales. In this way, the project is able to utilize the market conditions to their optimum advantage. Marketing is managed by MAL and Xstrata copper marketing personnel.

### ***Environmental Considerations***

#### ***Permitting***

The main environmental permit is the original Environmental Impact Report (EIR), which was prepared to 1988 World Bank guidelines and was approved in 1997 as part of the project approval process. Under the terms of the UTE Agreement, MAL is responsible for compliance with the commitments made in the EIR and the cost of reclamation and closure. There are currently no significant areas of non-compliance. The EIR must be updated bi-annually as two separate reports for approval by the Tucumán and Catamarca provincial authorities. Micon understands that the 2001 EIR update was received and accepted by the provincial authorities. Other statutory environmental controls are the water license associated with the fresh water supply from Campo Arenal (Catamarca) and the filter plant discharge license (Tucumán).

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In addition to the direct statutory controls, the UTE Agreement and its requirement for consultation with YMAD on strategic issues, including closure, impact on environmental management.

Third party auditors are utilized to review key environment areas such as tailings storage facility design, construction and management. Through Xstrata and the other shareholders, MAL conducts regular audits of its environment programs to ensure that corporate, community and statutory standards have been adequately identified and are being adhered to.

*Compliance*

Under the terms of the UTE Agreement, commitments made in the EIR reside with MAL. In response to these commitments, MAL currently is implementing a revised environmental management system. Various initiatives have been taken and are ongoing to ensure compliance, which is demonstrated by routine monitoring of air and water quality against background levels.

Of particular significance is the commitment to zero discharge, which is implemented by intercepting and pumping back surface and near surface groundwater downstream of the tailings storage facility. Despite design considerations, a seepage plume has developed in the natural groundwater downstream of the facility, albeit currently well within MAL's concession, due to the area's complex structural geology. A series of pump back wells have been established to capture the seepage, which contains dissolved calcium and sulphate. The pump back wells will be augmented over the life of the mine in order to contain the plume within the concession and monitoring wells will be provided for the Vis Vis river. Based on the latest ground water model, the pump back system will need to be operated for several years after mine closure.

The other potentially significant environmental risk lies with the concentrate pipeline. This pipeline crosses areas of mountainous terrain, significant rivers, high rainfall and active agriculture. Any rupture of the pipeline poses an environmental risk from spillage of concentrate. Subsequently, control structures and river crossing protection have been, and continue to be, installed in order to minimize the risk of breakage and spillage, a program of geotechnical inspection