

AUDITORS' REPORT

To the Shareholders of Moydow Mines International Inc.

We have audited the consolidated balance sheets of Moydow Mines International Inc. as at December 31, 2002 and 2001 and the consolidated statements of operations and deficit and cash flows for the years then ended. 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. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Accountants

March 26, 2003

Management's Responsibility for Financial Reporting

The annual report and financial statements have been prepared by management who, where necessary, have made informed judgements and estimates of the outcome of events and transactions, with due consideration given to materiality. Management acknowledges its responsibility for fairness, integrity and objectivity of all information contained in the annual report, including the financial statements.

As a means of fulfilling its responsibility, management relies on the Company's system of internal control. This system has been established to ensure, within reasonable limits, that the assets are safeguarded, transactions are properly recorded and executed in accordance with management's authorization and that accounting records provide a solid foundation from which to prepare the financial statements.

The Board of Directors carries out its responsibility for the financial statements principally through its Audit Committee consisting solely of non-management directors. This committee meets periodically, reviews the scope of the external audit, the adequacy of the system of internal control and the appropriateness of the financial reporting and then makes its recommendations to the Board. Based on those recommendations, the Board of Directors approves the financial statements.

Brian Kiernan
Chief Executive Officer
March 26, 2003

MOYDOW MINES INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEETS
(expressed in United States dollars, unless otherwise stated)
As at December 31

	2002	2001
Assets		
Current assets		
Cash and cash equivalents (Note 3)	\$1,072,837	\$1,933,038
Accounts receivable and prepaid expenses	36,620	33,320
Total current assets	1,109,457	1,966,358
Mineral properties (Note 3)	4,384,057	4,384,518
Other assets (Note 4)	40,426	71,234
Total assets	<u>\$5,533,940</u>	<u>\$6,422,110</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	193,799	295,560
Total liabilities	<u>\$193,799</u>	<u>\$295,560</u>
Shareholders' equity		
Capital stock (Note 5)	15,466,233	15,165,390
Deficit	(10,126,092)	(9,038,840)
Total shareholders' equity	<u>5,340,141</u>	<u>6,126,550</u>
Total liabilities and shareholders' equity	<u>\$5,533,940</u>	<u>\$6,422,110</u>

Nature of operations (Note 1)

Commitments (Note 3)

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Approved by the Board

“Brian Kiernan”

Brian Kiernan (Director)

“Sylvester P. Boland”

Sylvester P. Boland (Director)

MOYDOW MINES INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(expressed in United States dollars, unless otherwise stated)
For the years ended December 31

	2002	2001
Consolidated statements of operations		
Revenues		
Operator's fees	\$54,623	-
Advisory services	13,062	-
	<u>67,685</u>	<u>-</u>
Expenses		
General and administrative expenses (Note 6)	608,570	\$565,998
Write down of mineral properties	557,533	52,622
Amortization of plant and equipment	11,000	10,905
Foreign exchange loss	10,704	23,699
	<u>1,187,807</u>	<u>653,224</u>
Other income and expenses		
Loss on sale of other assets, net of impairments	(1,064)	(22,135)
Interest income	33,934	106,066
	<u>32,870</u>	<u>83,931</u>
Net loss for the year	<u>\$(1,087,252)</u>	<u>\$(569,293)</u>
Consolidated statements of deficit		
Deficit, beginning of year	(9,038,840)	(8,469,547)
Net loss for the year	(1,087,252)	(569,293)
Deficit, end of year	<u>\$(10,126,092)</u>	<u>\$(9,038,840)</u>
Basic and diluted loss per common share (Note 2)	\$ (0.04)	\$ (0.02)
Weighted average number of common shares outstanding (Note 2)	27,359,904	27,026,514

The accompanying notes to the consolidated financial statements are an integral part of these statements.

MOYDOW MINES INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(expressed in United States dollars, unless otherwise stated)
For the years ended December 31

	2002	2001
Operating activities		
Net loss for the year	\$(1,087,252)	\$(569,293)
Adjustments for non-cash items:		
Write down of mineral properties	557,533	52,622
Amortization of plant and equipment	11,000	10,905
Loss on sale of other assets	1,064	22,135
	<u>(517,655)</u>	<u>(483,631)</u>
Changes in non-cash working capital:		
Accounts receivable and prepaid expenses	(3,300)	29,308
Accounts payable and accrued liabilities	(101,761)	49,848
	<u>(105,061)</u>	<u>79,156</u>
Cash flow used in operating activities	<u>(622,716)</u>	<u>(404,475)</u>
Investing activities		
Exploration of mineral properties	(538,328)	(1,027,503)
Proceeds from sale of investments and other assets	-	3,481
Cash flow used in investing activities	<u>(538,328)</u>	<u>(1,024,022)</u>
Financing activities		
Proceeds from issue of flow through share capital, net of issue cost	300,843	-
Cash flow from financing activities	<u>300,843</u>	<u>-</u>
Decrease in cash and cash equivalents	(860,201)	(1,428,497)
Cash and cash equivalents at beginning of year	<u>1,933,038</u>	<u>3,361,535</u>
Cash and cash equivalents at end of year	<u>\$1,072,837</u>	<u>\$1,933,038</u>
Supplemental cash flow information:		
Restricted cash from flow through financing (Note 2)	\$153,291	-
Interest paid	-	-
Income taxes paid	-	-

The accompanying notes to the consolidated financial statements are an integral part of these statements.

MOYDOW MINES INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(expressed in United States dollars, unless otherwise stated)

1 NATURE OF OPERATIONS

Moydow Mines International Inc. (“Moydow Mines” or “the Company”) is engaged in the acquisition and exploration of gold properties, principally in West Africa. The Company has been active in Ghana since 1992 and has operating offices in Ireland, Ghana and Canada. At December 31, 2002, the Company’s principal asset is a 50% interest in the Ntoroso gold property in Ghana (see Note 3). Moydow Mines’ common shares are listed on the Toronto Stock Exchange.

The Company is exploring its mineral properties and as at December 31, 2002, had not determined the existence of economically recoverable reserves (see Note 3). The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable mineral reserves, the preservation of the Company’s interest in the underlying mineral claims, the ability to obtain necessary financing, obtain government approval and attain profitable production, or alternatively, upon the Company’s ability to profitably dispose of its interest.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and consolidation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of the Company, its subsidiaries and a proportionate share of the Company’s interests in joint ventures. Interests in associated companies, which are not controlled but over which the Company has the ability to exercise significant influence, are accounted for using the equity method. All significant inter-company accounts and transactions have been eliminated.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates are recoverability of mineral property deferred costs and impairment of investments. Financial results as determined by actual events could differ materially from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments that are readily convertible to known amounts of cash and have maturities of three months or less at acquisition.

Investments

Investments in companies where the Company has the ability to exercise significant influence over the operating, financing and investing activities of the Company are accounted for using the equity method, whereby the cost of the investment is adjusted for the Company’s share of post-acquisition earnings or losses. Investments in shares of other companies are carried at cost less any provision for impairment in value.

Plant and equipment

Plant and equipment are stated at cost less accumulated amortization. Amortization is provided using the straight-line method at rates sufficient to amortize costs over the estimated useful lives of the assets, which range between four and six years. Amortization of equipment used in exploration activities has been included in exploration expenditures.

MOYDOW MINES INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(expressed in United States dollars, unless otherwise stated)

Mineral properties

Acquisition costs of mineral properties, together with direct exploration and development expenses incurred thereon, are deferred and capitalized on a property by property basis. Upon reaching commercial production, these capitalized costs are transferred from exploration properties to producing properties on the consolidated balance sheets and are amortized into operations using the unit-of-production method over the estimated useful life of the estimated related ore reserves.

In the event that the long-term expectation is that the net carrying amount of these capitalized exploration costs will not be recovered, the carrying amount is written down accordingly and the write-down amount charged to operations. Such would be indicated where:

Producing properties:

- The carrying amounts of the capitalized costs exceed the related estimated undiscounted net cash flows of proven reserves;

Exploration properties:

- Exploration activities have ceased;
- Exploration results are not promising such that exploration will not be planned for the foreseeable future;
- Lease ownership rights expire; or
- Insufficient funding is available to complete the exploration program.

The amount shown for mineral properties represents costs incurred to date net of recoveries from options or joint venture participants and write-downs, and does not necessarily reflect present or future values.

Translation of foreign currency

The financial statements are presented in United States dollars unless otherwise indicated. Transactions denominated in foreign currencies are translated into United States dollars at the rate prevailing at the time of the transactions.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the period-end rate of exchange. Exchange gains and losses arising on translation or settlement of foreign currency denominated monetary items are included in the determination of income (loss) for the period.

Loss per common share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year, including contingently issuable shares which are included when the conditions necessary for issuance have been met, but excluding contingently returnable shares until all conditions necessary for their release from escrow have been satisfied. Diluted earnings per share are calculated in a manner similar to basic earnings per share, except the weighted average shares outstanding are increased to include potential common shares from the assumed exercise of options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants and on the as if converted method for convertible securities.

Financial instruments

As at December 31, 2002 and 2001, the carrying values of the Company's cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short term to maturity of these financial instruments. The fair value of the Company's investments is disclosed in Note 4.

MOYDOW MINES INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (expressed in United States dollars, unless otherwise stated)

Stock option plan

The Company has a stock option plan (the "Plan"), which has been approved by shareholders, that allows the Company to grant up to four million stock options to officers, directors, employees and consultants. Under the Plan, options are non-assignable and may be granted for a term not exceeding 10 years. The number of common shares that may be reserved for issuance to any one person pursuant to options must not exceed 5% of the outstanding common shares. The exercise price of an option may not be lower than the closing price of the common shares on the Toronto Stock Exchange on the business day immediately preceding the date the options are granted. Effective January 1, 2002, the Company prospectively adopted the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") regarding stock-based compensation. Since the company did not issue any stock based compensation in 2002, the new recommendations have had no effect on the consolidated balance sheet, or the net result of the Company.

Income taxes

The provision for future income taxes is based on the asset and liability method. Future income taxes arise from the recognition of the tax consequences of temporary differences by applying statutory tax rates applicable to future years to differences between the financial statements carrying amounts and the tax bases of certain assets and liabilities. The Company records a valuation allowance against any portion of those future income tax assets that it believes will, more likely than not, fail to be realized.

3 MINERAL PROPERTIES

The Company, either directly or under certain joint ventures, has obligations to expend various amounts on its mineral properties and projects in order to keep its property rights in good standing. All agreements are in the normal course of business. Mineral exploration projects in West Africa and North America are described below and are recorded with carrying values as follows:

	<i>West Africa Ntoroso</i>	<i>West Africa Kanyankaw</i>	<i>Other West Africa</i>	<i>North America</i>	<i>Other Projects</i>	<i>Total</i>
Balance – Dec. 31, 2000	\$1,813,964	\$1,329,288	\$244,422	-	-	\$3,387,674
Costs	602,590	18,634	290,734	\$84,886	\$52,622	1,049,466
Write down	-	-	-	-	(52,622)	(52,622)
Balance – Dec. 31, 2001	2,416,554	1,347,922	535,156	84,886	-	4,384,518
Costs	224,664	17,472	20,273	264,499	30,164	557,072
Write down	-	-	(396,639)	(130,730)	(30,164)	(557,533)
Balance – Dec. 31, 2002	\$2,641,218	\$1,365,394	\$158,790	\$218,655	-	\$4,384,057

MOYDOW MINES INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(expressed in United States dollars, unless otherwise stated)

West Africa

Ntoroso Gold Project, Ghana

The Company holds a 50% joint venture interest in Rank Mining Company Limited (“Rank”). Rank holds a thirty year mining lease on the Ntoroso property in the Yamfo-Sefwi gold belt in Ghana. Under the terms of the Rank Farm-In Shareholders Agreement (“the RFS Agreement”) with LaSource SAS, now Newmont LaSource SAS (“LaSource”), LaSource agreed to invest \$2,500,000 in Rank to fund exploration and development activities in respect of the Ntoroso licence area to earn a 40% interest in Rank. The RFS Agreement provided LaSource with the right to earn up to a 50% interest in Rank by funding a further \$4 million of exploration expenditures. As at December 31, 2002, LaSource had advanced a total of \$6,935,114 (2001 - \$6,827,636) under the RFS Agreement, and it has earned a 50% interest in Rank. Moydow and LaSource are now funding the Ntoroso Gold project on an equal basis.

Subsequent to December 31, 2002, the Company has agreed to sell its interest in the Ntoroso property. See Note 9.

Kanyankaw Project, Ghana

The Company holds a joint venture interest in the Kanyankaw gold property in Ghana with Antubia Resources Limited (“Antubia”), a subsidiary of Glencar Mining plc. Antubia earned a 50% interest in the property in 1995. The Company and Antubia entered into an agreement on January 25, 2000, that splits the property into two licenses. Application for the property split was approved by the Ghanaian Minerals Commission. Pursuant to this agreement, the Company holds the licence for the eastern half of the property which contains the old gold workings at Kanyankaw (the “Kanyankaw East Property”) and Antubia holds the licence to the western half which contains the old workings at Asheba (the “Kanyankaw West Property”). Pursuant to the agreement, each party has the right to back-in and acquire an interest in the other party’s property (40% in the case of the Kanyankaw East Property and 44% in the case of the Kanyankaw West Property). In order to exercise a back-in right, the option holder must have performed a minimum of 5,000 metres of drilling on the option holder’s property. The payment is calculated by multiplying the number of metres of drilling completed by the option issuer by a figure ranging between US\$50 and US\$100 (depending on the overall number of drill holes completed by the option issuer).

Other West Africa

Hwidem Project, Ghana

The Company was granted a years prospecting licence on August 18, 2002, by the Minister for Energy and Mines in Ghana. The licence area covers 24.7 square kilometres and it adjoins the Kanyase-Ntoroso area currently under lease to Rank Mining Company Limited. The committed minimum exploration expenditures on the licence is \$523,000 of which \$158,790 had been spent at December 31, 2002. If gold mineralization does not exist in sufficient quantities in the area to warrant completion of the work program, the Company is not liable for any shortfall on the committed minimum exploration expenditures.

Yamfo Project, Ghana

The Company did not renew its prospecting licence in August 2002, as gold mineralization did not exist in sufficient quantities in the area to warrant completion of the work program and accordingly wrote off its investment in the amount of \$82,709.

N’godiarala Project, Mali

The Company has two years remaining on its exploration permit on the N’godiarala licence in southern Mali. The Company considered it prudent to write off its investment of \$313,930 as this property does not merit any further work. The permit expires December 30, 2004.

MOYDOW MINES INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(expressed in United States dollars, unless otherwise stated)

North America

Newfoundland

During 2002, the Company acquired 654 claims in the Botwood Basin in central Newfoundland and incurred expenditures of \$218,655. Property acquisition and exploration costs relating to this project were financed through the issue of 687,500 flow through shares. At December 31, 2002, \$153,291 of the closing cash and cash equivalents balance has to be spent on Canadian exploration expenses prior to December 31, 2003.

Nevada

The Company explored three unpatented mining claim groups in Elko County, Nevada: the Donegal-Kilkenny group, Tipperary group and Neponset group. The Company considered it prudent to write off its investment of \$130,730 due to a dispute with one of the property owners.

Other Projects

During 2002, the Company incurred and wrote-off costs of \$30,164 (2001 - \$52,622) relating to other exploration projects which will not be pursued.

4 OTHER ASSETS

	2002	2001
Plant and equipment at cost	\$157,623	\$157,623
Accumulated amortization	(131,772)	(101,909)
	<hr/>	<hr/>
Net book value	25,851	55,714
Investments at cost (quoted market value - \$29,061 (2001 - \$15,970))	14,575	15,520
	<hr/>	<hr/>
	\$40,426	\$71,234

MOYDOW MINES INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (expressed in United States dollars, unless otherwise stated)

5 CAPITAL STOCK

Authorized

The Company has an unlimited number of common shares which may be issued.

Issued common shares	Number Of Shares	Amount
Balance – December 31, 2000 and 2001	27,026,514	\$15,165,390
Issue of flow through shares on July 11, 2002	<u>687,500</u>	<u>300,843</u>
Balance – December 31, 2002	<u>27,714,014</u>	<u>\$15,466,233</u>

On July 11, 2002, the Company issued 687,500 flow-through common shares at a price of Cdn \$0.80 per share together with agents' warrants equivalent to 10% of the number of flow through shares issued. Each whole warrant allows the holder to purchase one common share at Cdn \$0.80 per share until July 11, 2004.

Stock Options and Warrants

Movements in stock options and warrants of the Company are set out in the tables below:

Stock Options	Number	Weighted Average Exercise Price
Balance – December 31, 2000 and 2001	3,431,667	Cdn \$1.39
Cancelled or expired	<u>(59,167)</u>	Cdn \$2.17
Balance – December 31, 2002	<u>3,372,500</u>	Cdn \$1.38

MOYDOW MINES INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (expressed in United States dollars, unless otherwise stated)

The options are exercisable as follows:

Number Exercisable and Outstanding	Exercise Price	Expiry Date
1,100,000	Cdn \$1.00	February 5, 2004
792,500	Cdn \$1.15	September 24, 2004
1,255,000	Cdn \$1.70	January 14, 2005
<u>225,000</u>	Cdn \$2.25	January 14, 2005
<u>3,372,500</u>		

Warrants	Number
Balance – December 31, 2000	2,011,518
Cancelled or expired	(1,944,851)
	<hr/>
Balance – December 31, 2001	66,667
Cancelled or expired	(66,667)
Issued warrants- July 11, 2002	68,750
	<hr/>
Balance – December 31, 2002	<u>68,750</u>

The warrants exercisable at December 31, 2002 and the exercise price per share are as follows:

Number	Exercise price	Expiry date
68,750	Cdn \$0.80	July 11, 2004

The estimated fair value at the issue date of the warrants issued as part of the July 11, 2002 financing was Cdn\$21,200 (Cdn\$0.308 per warrant). The fair value of each warrant was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions at the measurement date.

Risk free interest rate	3.75%
Expected life	2 years
Estimated volatility at the market	97%
Dividend yield	Nil

6 RELATED PARTY TRANSACTIONS

Related party transactions relate primarily to the payment of fees under contracts for services with companies in which the major shareholder is a significant shareholder and director of the Company. The Company was charged a total of \$194,498 during 2002 (2001 - \$204,781). Included in accounts payable and accrued liabilities at December 31, 2002 is \$21,870 (2001 - \$47,607) payable to these related parties for such services.

MOYDOW MINES INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(expressed in United States dollars, unless otherwise stated)

The Company's primary legal counsel is with a firm in which a director of the Company is a partner. The Company was charged \$40,286 during 2002 (2001 - \$21,657) for legal services provided by this firm. Included in accounts payable and accrued liabilities as at December 31, 2002 is \$1,236 (2001 - nil) with respect to such services.

During 2001, fees of \$15,234 were paid to three non-executive directors in respect of consulting work performed for the Company.

The remuneration of executive directors comprises all of the fees, salaries, other benefits and emoluments paid to executive directors under employment contracts and consulting agreements. The remuneration of the executive directors is fixed by the Compensation Committee, which is comprised solely of non-executive directors of the Company. The Company was charged \$199,486 during 2002 (2001 - \$171,029) pursuant to such agreements with three executive directors. Included in accounts payable and accrued liabilities as at December 31, 2002 is \$12,024 (2001 - \$99,872) with respect to such remuneration.

During 2001 a consulting contract with an officer, who continues as a director, was terminated and compensation paid of \$39,972.

7 INCOME TAX

At December 31, 2002, the Company had Canadian tax pools of approximately Cdn\$2,300,000 and operating losses of approximately Cdn \$4,000,000, and United States operating losses of approximately \$930,000. The Canadian tax pools are without expiry, the Canadian operating losses expire at various dates to 2009 and the United States operating losses expire at various dates to 2012. The majority of these pools and losses are successored as a result of the reverse takeover of Westley Mines International Inc in 1998.

The Company has not recognized the potential tax benefits of the tax pools except to the extent of future tax liabilities, because it does not consider them more likely than not ever to be realized.

8 SEGMENTED DISCLOSURES

The Company has one reportable operating segment, being exploration of mineral properties in geographic areas disclosed in Note 3.

9 SUBSEQUENT EVENTS

(a) Subsequent to December 31, 2002, the Company signed a letter of intent to sell its interest in the Ntoroso Property to Newmont Mining Corporation, its 50/50 joint venture partner in the property. The proceeds to Moydow for its interest in Ntoroso will be \$20 million, of which Moydow will have the option of receiving up to \$2 million in cash and the balance in Newmont shares. The number of Newmont shares to be received will be determined based upon the average price of the shares during the three business days prior to closing but will not exceed \$25.50 or be less than \$24.50 per share. In addition, Moydow will receive a 2% net smelter return royalty in respect of all gold and silver production from the Ntoroso property in excess of 1.2 million ounces. It is anticipated that the sale of Ntoroso will be completed as soon as possible and in any event within 120 days from the date of signing of the letter of intent which was March 24, 2003, subject to TSX approval, appropriate due diligence and other regulatory and corporate approvals.

(b) Subsequent to December 31, 2002, the Company signed an agreement with Cornerstone Capital Resources Inc. ("Cornerstone"). The Company has the option to acquire a 51% right to a group of claims located in south-central Newfoundland. The Company is required to incur exploration expenditures on these claims of not less than Cdn\$800,000 on or before February 2007 in order to earn a 51% interest in these properties. In addition, the Company is required to make cash payments to Cornerstone totaling

MOYDOW MINES INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(expressed in United States dollars, unless otherwise stated)

Cdn\$80,000 over a period of four years. On signing the agreement, the Company issued 10,000 Moydow Mines International shares and granted warrants for the purchase of 200,000 common shares at a price of Cdn\$0.90 per share to Cornerstone. The warrants expire on February 28, 2005. When the Company has earned its 51% interest, it has an exclusive option to acquire an additional 29% interest in the claims by incurring exploration costs of Cdn\$1,200,000.