

# **ANNUAL INFORMATION FORM**

**Dated November 14, 2003**

## **CANGOLD LIMITED**

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**Financial Year Ended June 30, 2003**

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## **Corporate Structure**

### **Incorporation of the Company**

CANGOLD LIMITED (the “Company”) was incorporated under the Company Act (British Columbia) on December 20, 1983 under the name Redfox Minerals Ltd. On December 30, 1983 the Company changed its name to Red Fox Minerals Ltd. On September 6, 1996 the Company changed its name to Earth King Resources Inc. and consolidated its common shares on the basis of one new share for every three old shares. On March 17, 1997 the Company was continued under the Business Corporations Act (Yukon) under the name West African Gold Corp. On April 27, 1999 the Company changed its name to First Au Strategies Corp. and further consolidated its common shares on the basis of one new share for every 12 old shares. On June 4, 2003 the Company changed its name to CANGOLD LIMITED.

The head office of the Company is located at Suite 2100, 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3. The registered and records offices of the Company are located at 200 - 204 Lambert Street, Whitehorse, Yukon, Y1A 3T2.

The Company is a reporting issuer in British Columbia, Alberta and Ontario.

### **Subsidiaries**

The Company has no subsidiaries.

## **General Development of the Business**

### **History**

During the last three completed financial years the Company refocused its activities on the acquisition, exploration and development of mineral resource properties. The Company’s stated mission is to create shareholder value through the acquisition and development of high quality exploration projects. The primary focus is precious metals and the geographic focus is Canada.

### **Dispositions**

During the financial year ended June 30, 2003 the Company relinquished its option to acquire the Nickleby Lake Property. The Company issued 25,000 common shares to the Optionor as compensation in connection with the termination.

Subsequent to June 30, 2003 the Company relinquished its option to acquire the Leg Lake Property and paid to the Optionor \$3000 restaking costs for claims which had lapsed during the Company’s option.

The Company has also allowed the Jim Lake Property claims to lapse.

### **Trends**

The Company’s business is the exploration for and development of precious metals deposits, principally gold and silver, so the price of these commodities has a direct impact on the Company’s prospects for success and its ability to raise capital. The recent trend for the price of gold and silver has been upward. Management is optimistic that the current upward trend will continue for the foreseeable future. However, history has shown that there can be no such assurances.

## Recent Financings

Since July 1, 2002, the commencement of the Company's last completed financial year, the Company has concluded financings yielding gross proceeds of \$3,014,700. See "Management's Discussion and Analysis – Liquidity and Capital Resources".

## Description of the Company's Business and Properties

### General

The Company is classified as an Exploration/Development company. The Company's business is the acquisition, exploration and development of mineral resource properties which have a potential for success based on the recommendations of the Company's technical director and professional advisors and the assessment of the Company's Board of Directors. The properties in which the Company currently has interests are described hereunder. The principal properties are the Casummit Lake Property (incorporating the Argosy Mine) and the Thorn Property.

### Casummit Lake Property

#### Terms of Acquisition

Under an option agreement dated October 31, 2001 with Wolfden Resources Inc. ("Wolfden") the Company has acquired an undivided 51% interest in the Argosy Mine Property comprised in the Casummit Lake Property. Wolfden was the owner of a 100% interest in the property, subject to a 2% net smelter return royalty. In earning its interest, the Company paid Wolfden a total of \$40,000, issued to Wolfden 200,000 common shares and incurred cumulative exploration expenditures on the property in excess of \$650,000 prior to October 31, 2003.

On exercise of the option by the Company, the parties formed a joint venture for the further exploration and development of the property. The initial undivided participating interests of the parties are: the Company as to 51%, and Wolfden as to 49%. Under the joint venture the Company is the operator and proposes programs. If a party fails to contribute, its interest is diluted proportionately until it reaches 10%, when the joint venture will terminate, 100% of the participating interest will vest in the contributing party and the defaulting party's interest will be converted automatically into a 1% net smelter return royalty, which may be purchased by the continuing party at any time for \$250,000.

Wolfden is at arm's length to the Company and the purchase price was arrived at by negotiation between the parties.

The Casummit Lake property consists of the 51 claim units comprising the Argosy Mine property and an additional 50 claim units staked by the Company contiguous to the 51 claim units.

#### Property Summary

The Company obtained a technical report on the Argosy Mine Property (the "Argosy Technical Report") prepared in compliance with the guidelines of National Instrument 43-101 by John R. Burns, P. Geol. The Argosy Technical Report is dated September 9, 2001. The text of the report is accessible at the website [www.sedar.com](http://www.sedar.com). The Appendices referred to in the Technical Report may be inspected in a hard copy of the report at the Company's office at Suite 2100, 1177 West Hastings Street, Vancouver, British Columbia during normal business hours. The following summary is extracted from the Argosy Technical Report.

The Argosy Mine Property is located in the Red Lake Mining Division, Northwestern Ontario. The Property consists of a block of 21 contiguous patented claims totalling approximately 410 hectares (which encompass a past

producing gold mine, [i.e., no longer in production]) and a block of 23 contiguous patented claims and one unpatented (seven unit) claim totalling approximately 490 hectares. The entire property consists of 51 claim units.

The property is accessible by airplane from Red Lake, Ontario which is situated approximately 110 kilometres west-southwest from the Property. Hydro lines were extended onto the property to service mining operations about 60 years ago, but the line has since been decommissioned. Currently, hydro lines run along the South Bay Mine Road approximately 55 kilometres to the southwest. The South Bay Mine Road is an all-weather gravel road running northeast from Ear Falls on Provincial Highway #105. Lumbering activities by Avenor presently extend north of South Bay Mine Road into the Shabumeni Lake area approximately 30 kilometres southwest of the property.

The property is underlain by a synclinal structure of east-trending greywacke, quartzite, slate, iron formation, and pyroclastics which are in contact with mafic volcanics (pillow basalts) to the north and intermediate volcanics to the south. Quartz veins mineralized with sulphides and gold occur in north-south trending fractures dipping westward between 30° and 85° (generally <50°).

Gold was discovered on the property in 1929. Mine site development and limited production began the same year. The early years of production were fraught with difficulties and ownership of the property changed hands several times. New Jason Mines Ltd. eventually became owners of the property in 1948 and the vast majority of production occurred between 1948 and 1952. The mine closed in 1952 after producing 101,875 ounces of gold and minor amounts of silver from 276,573 tons of ore at an average grade of 0.37 opt Au. The developed ore reserves had been exhausted at the time of closure.

The property lay dormant until 1974 when Casummit Lake Mine Ltd. optioned the property, who in turn optioned it to Bonnacord Explorations Ltd. Bonnacord conducted a five hole diamond drilling program totaling 1,606 feet on the No. 5 vein. The results were not encouraging. In 1975, Grand Bay Exploration took over ownership of the property and completed a diamond drilling program in 1978. The drilling program was reasonably successful and in the early 1980's, Noranda Exploration Company Ltd. optioned the property from Grand Bay Exploration and completed a 12 hole diamond drill program totalling 1188 metres. While the drilling programs by Noranda and Grand Bay Exploration did intersect significant gold values, the property has not seen any exploration since 1986.

Within five kilometres of the property (to the north, east, and southeast), several gold occurrences have been discovered, two of which have seen a very limited amount of production. The largest of these gold occurrences has a diamond drill inferred resource of 700,000 tons at an average grade of 0.20 opt Au hosted by a chert breccia.

In total, four styles of gold mineralization have been identified on the property and adjacent properties. These include: (i) gold in smoky blue-gray quartz veins hosted by metasediments, (ii) gold in quartz veins hosted by chert breccia encompassed by a broad alteration zone consisting of silification, iron carbonatization, and sericitization, (iii) gold hosted by sulphidized iron formation and pyritized metavolcanics adjacent to the iron formation, and (iv) quartz veins in intermediate volcanics (quartz porphyry).

Gold production from the property came from both quartz veins hosted by metasediments, and quartz veins hosted by intermediate volcanics (quartz porphyry). The property is also host to iron formation which presents potential exploration targets.

The property, having hosted a past producing gold mine, and being underlain by similar geological formations which hold gold mineralization on adjacent properties, presents itself as a very good target for gold exploration. While it is possible that there may be significant gold mineralization below the existing mine workings (~900 foot vertical), the strength of the property lies not only in the fact that the quartz veins which were mined in the past extend beyond the lower working levels of the mine, but in the potential for this property to host gold mineralization in areas which have seen very limited exploration in the past.

## Recent Exploration Activities

On November 7, 2002 the Company announced that Phase 1 drilling at the Argosy Gold Mine on the Casummit Lake Property had intersected high grade gold in the Number 8, Number 11, Number 3 and Number 2 vein zones. The Phase 1 diamond drill program consisted of nine holes to test the depth potential of two historically mined zones and also several unmined veins on the Property. A single drill hole tested the unmined No.8 Vein, which returned an intersection of 12.02g/t (0.35opt) Au across 1.29m. The highlight of the program was hole AMW-02-07, drilled to test the down-dip extension of the No.2 Vein Zone (mined in the 1930's). This hole intersected the No.5 Vein as expected, and also the No.3 and No.2 Veins deeper than any previous work on the Property, where they remain open in all directions. Highlights include 14.67g/t across 1.7m in the No.3 Vein (preliminary assay reported as 10.64g/t over 1.2m), and 11.75g/t across 1.55m in the No.2 Vein. The following table provides a summary of results from the Phase I drill program:

Hole No.	Zone	Grid Co-ord	Dip	Azim. (Grid)	Intersection (m)	Intersection meters (ft)	Au Grade g/t (oz/ton)
AMW-02-01	No. 11 No. 8 Incl. No. 1	3348N-4728E	70	083	66.00-66.30	0.3 (1.0)	1.27 (0.04)*
					284.59-287.00	2.41 (7.9)	8.22 (0.24)*
					285.71-287.00	1.29 (4.2)	12.02 (0.35)*
					409.23-409.52	0.29 (1.0)	3.61 (0.11)
AMW-02-02	No. 11	3348N-4728E	47.5	083	70.73-71.48	0.75 (2.5)	9.11 (0.27)*
AMW-02-03	No. 11	3394N-4687E	60	090	61.84-62.23	0.39 (1.3)	2.18 (0.06)*
AMW-02-04	No. 11	3394N-4687E	81	090	65.63-65.93	0.30 (1.0)	9.27 (0.27)*
AMW-02-05	No. 11	3417N-4720E	47	090	47.40-47.85	0.45 (1.5)	2.53 (0.07)
AMW-02-06	No. 11	3417N-4720E	73	090			NSV
AMW-02-07	No. 3 Incl. No. 2 New	3632N-4533E	83	086	183.80-185.50	1.7 (5.6)	9.10 (0.27)* <sup>+</sup>
					184.30-185.50	1.2 (3.9)	10.64 (0.31)* <sup>++</sup>
					338.40-339.95	1.55 (5.1)	11.75 (0.34)*
					356.70-357.40	0.7 (2.3)	14.39 (0.42)
AMW-02-08	No. 3	3801N-4661E	90	090	56.30-57.40	1.1 (3.6)	8.12 (0.24)*
AMW-02-09	No. 3	3801N-4661E	60	090	40.20-40.60	0.4 (1.3)	1.91 (0.06)

\* Visible Gold in intersection

Assays by Accurassay Laboratories, Thunder Bay, Ontario

<sup>+</sup> Re-assayed and re-reported on December 2, 2002 as 14.67g/t Au over 1.7m.

<sup>++</sup> Re-assayed as 17.69g/t Au over 1.2m.

The Company's management expressed its pleasure at the results of the drill program, as it was successful in proving that high grade gold mineralization does indeed extend below the old mine workings and that there is potential to develop a significant resource on veins that were not mined in the past. In addition, the intersection of a previously unknown zone below the No. 2 vein, assaying 14.39g/t over 0.7 meters is considered very encouraging as it underscores the potential for the discovery of new zones at depth.

The 2002 Argosy drill program was carried out under the direction of Michel Dumoulin, P.Geo., a Qualified Person within the meaning of National Instrument 43-101. Mr. Dumoulin has reviewed the exploration results above. Core was split, with half sent to Accurassay Laboratories in Thunder Bay for preparation and analysis and half left on site for future reference.

For the full texts of the announcement referred to above, see the Company's news releases dated November 7, 2002 and December 2, 2002, which are accessible at the Company's website at [www.cangold.ca](http://www.cangold.ca) or the SEDAR website at [www.sedar.com](http://www.sedar.com).

On August 5, 2003 the Company announced that a recently completed diamond drill program at the Argosy Gold Mine had further proven the continuity of the gold mineralization and returned some significant intersections, including 75.54g/t over 0.34 meters, 32.44g/t over 0.48 meters, 17.27g/t over 1.60 meters, and 9.86g/t over 2.98 meters, all in different zones. The program was designed as a follow-up to the 2002 drilling in testing the up-dip and depth extension of previously mined zones as well as the continuity of parallel veins.

The summer 2003 program comprised 2,379 meters in 8 holes, including hole AM03-01, which was abandoned at a downhole depth of 83.8m (275 feet). Of the seven subsequent holes, two were beneath the lowermost stope of the “P” Vein, two below the Number 1 Vein and three up-dip on the “P” Vein. Holes AM03-02, 03 and 04 also intersected the Number 8 Vein and holes AM03-03 and 04 intersected the Number 11 Vein. As an added bonus, a new zone was discovered in hole AM03-05 at the contact between porphyry and basalt (herein called the Contact Zone) and contained a 20cm quartz vein with significant visible gold. This intersection returned an assay of 32.44g/t over 0.48 meters. Further down the same hole, the target P Zone contained a high-grade quartz vein assaying 75.54g/t Au over 0.34 meters. Some of the higher assays from the drilling program are tabulated below:

Hole Number	Target Zone	Host Rock	From (m)	To (m)	Length (m)	Au Grade (g/t)
AM03-01A	P Zone	Greywacke	368.30	371.28	2.98	9.86
AM03-02	Number 8 Zone	Greywacke	251.58	252.00	0.42	8.03
	P Zone	Greywacke	352.54	354.34	1.80	5.09
AM03-03	Number 11 Zone	Greywacke	25.30	27.93	2.63	10.83
	Including	“	25.83	27.43	1.60	17.27
	Number 8 Zone	Argillite	228.37	228.88	0.51	9.19
	Number 1 Zone	Argillite	401.00	402.42	1.42	3.66
AM03-04	Number 11 Zone	Greywacke	26.42	28.14	1.72	6.75
	Including	“	26.42	27.03	0.61	12.28
	Number 8 Zone	Argillite	221.89	222.38	0.49	3.35
	Number 1 Zone	Argillite	387.09	391.67	3.29	2.00
AM03-05	Contact Zone	Basalt	99.60	101.00	1.40	11.28
	Including	“	99.60	100.08	0.48	32.44
	P Zone	Porphyry	170.68	172.21	1.53	16.82
	Including	“	171.28	171.62	0.34	75.54

Holes AM03-01A and 02, in intersecting the P Zone below the old workings, have extended the mineralization in this zone by 100 meters down-dip, to a vertical depth of 340 meters. Similarly, holes AM03-03 and 04 have extended the Number 1 Zone 175 meters down-dip to a vertical depth of 385 meters. Intersections on the Number 8 Zone in this program have increased the known extent of this vein zone to at least 165 meters of strike length and over 100 meters down-dip. All zones remain open to depth and along strike to the south.

All core samples were analyzed by Accurassay Laboratories in Thunder Bay, one of only two commercial Canadian assay laboratories accredited by the Standards Council of Canada to ISO/IEC 17025 guidelines for Gold analysis. Mr. Robert A. Archer, P.Geo., the Company’s in-house Qualified Person under the meaning of National Instrument 43-101, has reviewed all assay data and is responsible for planning and interpretation of the program.

For the full text of the announcement referred to above, see the Company’s news release dated August 5, 2003, which is accessible at the Company’s website at [www.cangold.ca](http://www.cangold.ca) or the SEDAR website at [www.sedar.com](http://www.sedar.com).

On October 7, 2003 the Company announced that a diamond drill program had commenced to test the continuity of the high-grade mineralization it previously intersected.

## Thorn Property

### Terms of Acquisition

Under an option agreement dated March 1, 2002 with Rimfire Minerals Corporation (“Rimfire”), the Company acquired an option to acquire an undivided 51% interest in the Thorn Property, subject to a net smelter return royalty of 2% on one of the claims comprising the property and 3.5% on the remaining 11 claims. In order to earn its interest the Company must pay Rimfire \$190,000 in staged payments over three years (the “earn-in” period”), issue to Rimfire 250,000 of the Company’s common shares in stages, and incur cumulative exploration expenditures on the property of \$1,200,000 by March 1, 2005.

The staged payments are comprised of \$15,000 on TSX Venture Exchange acceptance of the agreement (paid), \$25,000 on or before March 1, 2003 (paid), \$50,000 on or before March 1, 2004 and \$100,000 on or before March 1, 2005. The staged share issuances are comprised of 100,000 common shares on Exchange acceptance of the agreement (issued), 50,000 common shares on or before March 1, 2003 (issued), 50,000 common shares on or before March 1, 2004 and 50,000 common shares on or before March 1, 2005. The cumulative exploration expenditure is at least \$300,000 by March 1, 2003, at least \$700,000, including the prior year's expenditure by March 1, 2004, and at least \$1,200,000, including the 2002 and 2003 expenditures, by March 1, 2005. Rimfire will be the operator for the project until earn-in by the Company.

The Company has the right to let the option lapse by failing to pay any or all of the payments or expenditures referred to above. The Company may accelerate any such payments and expenditures in which case the same shall be credited to payments and expenditures in the subsequent years.

Rimfire is currently earning a 100% interest in the property, subject to a net smelter return royalty of 2% on one of the claims and 3.5% on three of the claims. If the Company wishes to exercise the option, Rimfire must first exercise its underlying option and the parties will then participate in a joint venture for the further exploration and development of the property, with the initial participating interests being the Company as to 51% and Rimfire as to 49%. Under the joint venture the Company will be the operator as long as it retains a greater than 50% interest in the property. The operator has the right to propose programs. If the operator fails to do so, the non-operator may propose a program. If a party fails to contribute, its interest is diluted proportionately. On dilution of a party's interest in the joint venture to 10% or less, the joint venture will terminate, 100% of the participating interest will vest in the continuing party and the defaulting party will be converted automatically into a 1% net smelter return royalty, which may be purchased at any time by the continuing party for \$1,500,000.

Rimfire is at arm's length to the Company and the purchase price was arrived at by negotiation between the parties.

#### Property Summary

The Company obtained a technical report on the Thorn Property (the "Thorn Technical Report") prepared in compliance with the guidelines of National Instrument 43-101 by James J. Lehtinen, P.Geo. The Thorn Technical Report is accessible at the SEDAR website [www.sedar.com](http://www.sedar.com). Figures referred to in the Thorn Technical Report may be inspected in a hard copy of the report at the Company's office at 2100 – 1177 West Hastings Street, Vancouver, British Columbia during normal business hours. The following summary is extracted from the Thorn Technical Report.

The Thorn property consists of 207 claim units covering approximately 52 km<sup>2</sup> (staking in May, 2003 has enlarged the property to 394 units, or 9,850 hectares (98.5 km<sup>2</sup>)) of mountainous terrain in northwestern British Columbia, 130 kilometres southeast of Atlin. Access to the property is currently by helicopter and float-plane, with the nearest road 50 kilometres to the southeast. Rimfire has an option to acquire 100% interest in the property.

The Thorn property has been sporadically explored since the early 1960's. Rimfire optioned the core of the property in March 2000, recognizing strong similarities in alteration, vein mineralogy, structure and areal extent to the 6.3 million ounce El Indio high-sulphidation epithermal gold-copper deposit in Chile. Later (that) year, Rimfire flew a 384 line-kilometre airborne geophysical survey, staked 135 claim units and carried out geological and geochemical fieldwork.

The Thorn high-sulphidation system is hosted by feldspar-quartz-biotite porphyry of the Late Cretaceous Thorn Stock, which intrudes Upper Triassic Stuhini Group volcanics and is flanked to the northeast by coeval subaerial volcanics. The stock measures 1,500 x 3,500 metres, elongated along a major northwesterly-trending structure marked by a nine kilometre magnetic low. The stock was not the "causative" intrusion for the high-sulphidation system, but formed a brittle, relatively unreactive lithology which allowed development of dilational fractures and migration of the acidic, high-sulphidation fluids. All known high-sulphidation mineralization is hosted within the Thorn Stock; other styles predominate elsewhere on the property. In the high-sulphidation system, individual veins

and vein swarms are enveloped by 10-100 metre wide zones of intense sericite-clay-pyrite alteration, which weather to form vivid yellow jarosite gossans. These zones are flanked by narrower bands of weak clay-sericite-chlorite alteration within pervasively chloritized porphyry. Veining dominantly strikes 060°-100° and dips steeply to the south.

Three types of high-sulphidation veining are present: (a) massive pyrite-enargite-tetrahedrite (MP, Catto veins); (b) quartz-pyrite-enargite-tetrahedrite with silver sulphosalts (Tamdhu, I, L, F zones); and, (c) low sulphide/sulphosalt quartz breccias (B Zone). All three types host significant gold, silver and copper grades, but the second type is generally the richest, with the best sample assaying 22.1 g/tonne Au and 2400 g/tonne Ag.

The soil geochemical survey revealed highly anomalous values from several areas on the Thorn Grid. Anomaly 1, measuring 250 x 300 metres, returned up to 116 ppm Ag, 733 ppb Au, 7219 ppm As and 7643 ppm Pb from soil samples in an area with no record of previous mapping or prospecting. Twenty silt samples were taken in 2000, all of which exceeded the region's 90th percentile in at least four elements of interest. Several highly anomalous creeks drain known mineralization; another four have yet to be explained.

The airborne survey revealed a resistivity low which encompasses the intensely altered portion of the Thorn Stock and most of the known high-sulphidation veins. However, approximately two-thirds of the resistivity low extends north over a till-covered area which is not amenable to surface geological and geochemical exploration. The survey also showed 26 weak EM conductors within the Thorn Stock, mainly covered but in the vicinity of strong sericite-clay-pyrite alteration; these are thought to represent undiscovered sulphide-sulphosalt veins.

The Thorn high-sulphidation epithermal veining is currently the most attractive exploration target on the Thorn property, but three other styles of mineralization deserve further work: (a) arsenopyrite-bearing veins near the Thorn Stock contact, including the G Zone, which assayed 57.4 g/tonne Au across 2.0 metres; (b) porphyry Cu-Mo-Au mineralization, such as the Cirque Zone and potentially at depth below the Thorn high-sulphidation system; and (c) poorly understood mineralization within the 400 x 2,000 metre Outlaw multi-element soil geochemical anomaly, located five kilometres to the southeast of the Thorn high-sulphidation system.

Compilation of historical data and results from the 2000 program suggests that the geological setting of the Thorn property is strongly analogous to the El Indio high sulphidation epithermal deposit.

The Thorn Technical Report concludes as follows:

The Thorn Property is fairly remote, located approximately 50 kilometres from the nearest access road in an area of heavy vegetation and difficult terrain. However, it has demonstrated excellent potential to host high-grade silver-gold-copper mineralization similar to that of the 6.3 million ounce El Indio gold-copper deposit in Chile. Given the size and exceptional unit value of the target deposit, the Thorn Property unquestionably warrants the expenditures which will be required to fully test its potential.

#### Recent Exploration Activities

In 2002 the Company financed an exploration program on the Thorn property, which was operated by partner Rimfire. Dr. Peter Lewis, a respected structural geologist, was hired to conduct a structural analysis of the main area of mineralization on the Thorn Property. From a site visit carried out in June-July 2002, he determined that most of the known high-sulphidation veins in the Thorn Stock were contained along a 'structural corridor' with at least 1,500 metres of strike length and 100-200 metres in width. Limited prospecting at the same time, and within this structural zone, resulted in the discovery of a boulder of massive sulphide that returned assays of 6,149 g/t silver, 3.48 g/t gold, 43.0% lead, 16.1% antimony, 3.5% zinc, and 1.1% arsenic. The boulder is located within a soil geochemical anomaly measuring some 300 metres in diameter and is believed to be of local origin.

Follow-up prospecting was conducted in October 2002 coincident with a seven-hole diamond drilling program totaling 498 metres. The primary objective of this program, conducted by Equity Engineering under contract to Rimfire, was to test the continuity of gold-silver-copper mineralization below several of the surface showings.

The results from the prospecting and diamond drilling program were announced by the Company on December 5, 2002. The initial seven-hole, 500 meter drill program tested three showings over a 1.2 kilometer trend, including the newly discovered Oban Breccia Zone. Three shallow holes totaling 234 meters were collared at the Oban Breccia to test surface mineralization. All three holes intersected breccia with hole THN02-11 ending in 28 meters of pyritic breccia with traces of sphalerite, galena and sulphosalts yielding elevated silver, gold, lead and zinc values.

A total of four holes were drilled to test the I Zone and Tamdhu Zone. All four holes intersected the target structures, confirming the continuity of vein mineralization. Holes THN02-09 and -10 targeted the I Zone, which is a fault/vein system up to 10 meters in width. Intersections are 20 meters and 40 meters, respectively, downdip from surface exposures where quartz-pyrite-tetrahedrite veining assayed 760 g/t (22.2 oz/ton) Ag and 9.3 g/t Au over 0.7 meters. Hole THN02-09 intersected 2.3 meters of 99 g/t (2.9 oz/ton) Ag and 3.5 g/t Au within the 7-meter I Zone fault. Hole THN02-10 cut 1.50 meters of 70.7 g/t (2.1 oz/ton) Ag and 1.4 g/t Au within the same zone. Holes THN02-12 and -13 targeted the Tamdhu fault/vein system where a 2.1 meter sample of surface mineralization assayed 320 g/t (9.4 oz/ton) Ag, 4.2 g/t Au and 0.34% Cu and THN02-13 cut 1.65 meters of 454 g/t (13.3 oz/ton) Ag, 3.05 g/t Au and 3.65% Cu. Intersections are 12 meters and 32 meters, respectively, downdip from surface exposures of the Tamdhu Vein.

The exploration program was carried out under the direction of Henry Awmack, P.Eng., a Qualified Person within the meaning of National Instrument 43-101. Mr. Awmack has reviewed the exploration results. Core was split, with half sent to Acme Analytical Labs in Vancouver and the other half stored for reference on the property. A quality control program was implemented in the field, using standard and duplicate sampling procedures.

For the full text of the announcement referred to above, see the joint news release of the Company and Rimfire dated December 5, 2002, which is available at the Company's website at [www.cangold.ca](http://www.cangold.ca) or the SEDAR website at [www.sedar.com](http://www.sedar.com).

On October 27, 2003 the Company announced discovery of a wide silver-gold zone at the Thorn Property. Results from one hole of an eight hole, 874.5 m (2869 feet) program at the Oban Breccia zone have been received. Hole THN03-19 (total depth 79.3 m) collared in mineralization, intersecting 38.6 meters of 1.22 g/t gold and 103.2 g/t silver from 6.1 to 44.7 meters. A higher grade core of mineralization was intersected between 6.1 meters and 20.1 meters, yielding 14.0 meters of 1.97 g/t gold, 190.0 g/t silver, 1.33% lead and 0.77% zinc. This core zone is characterized by 15% semi-massive sulphide minerals in the breccia matrix, consisting of pyrite with lesser sphalerite and boulangerite (lead-antimony sulphosalt).

On November 12, 2003 the Company released the results of the 2003 drilling program. The wide silver-gold zone discovered in hole THN03-19 (released October 27, 2003) was confirmed and expanded along strike and down dip by four additional holes.

The program consisted of eight holes, totaling 874.5 m (2869 feet), designed to test the core of a very strong, 100 metre x 300 metre multi-element soil geochemical anomaly adjacent to a few small mineralized outcrops. As seen in drill core, the mineralization occurs as a core of higher grade material, roughly 20-25 metres wide within a lower grade envelope, which appears to have an overall width of about 60 metres and dips 65-75° to the southwest.

The mineralized zone was intersected 20 and 95 metres down dip of THN03-19 in holes THN03-21 and 22, respectively. THN03-21 was drilled at -45° to the northeast, cutting 40.7 metres of 118.8 g/t Ag and 0.83 g/t Au, including 25.2 metres of 173.1 g/t Ag and 1.2 g/t Au. THN03-22 was a vertical hole drilled from the same location, intersecting an initial 30.6 metres of lower grade material prior to cutting 110.1 g/t Ag and 0.68 g/t Au over the final 77.8 metres of the hole. This zone includes two higher grade intersections separated by a 21 metre lower grade interval. The upper interval assayed 159.4 g/t Ag and 0.84 g/t Au over 19.6 metres, while the lower zone assayed 264.9 g/t Ag and 1.72 g/t Au over 7.1 metres. Hole TH03-20 was drilled from the same collar location as TH03-19 but in the opposite direction. It appears to have skirted the edge of the mineralized zone in a down-dip direction, intersecting 53.3 metres of 65.6 g/t Ag and 0.31 g/t Au. Hole THN03-23 was collared 25

metres northwest of holes THN03-21 and 22 to test the strike extension in this direction. The continuity of the zone was confirmed by cutting 62.1 metres of 69.2 g/t Ag and 0.32 g/t Au including an 11.1 metre zone of 206.1 g/t Ag and 0.34 g/t Au. Holes THN03-16 (collared 85 metres north of THN03-23) and THN03-17, -18 (collared 170 metres northwest of THN03-23) intersected weakly mineralized zones with elevated silver, gold, lead and zinc.

Significant Intersections:

Hole	From (m)	To (m)	Width (m)	Gold (g/t)	Silver (g/t)	Silver Equiv. (g/t)*	Lead (%)	Zinc (%)
THN03-19 <sup>1</sup>	6.1	44.7	38.6	1.22	103.2	188.0	0.6	0.7
including	6.1	20.1	14.0	1.97	190.0	328.0	1.3	0.8
THN03-20	3.1	56.4	53.3	0.31	65.6	87.2	0.1	0.2
including	3.1	14.1	11.0	0.63	101.0	145.4	0.2	0.1
THN03-21	4.8	45.5	40.7	0.83	118.8	176.6	0.9	1.0
including	20.3	45.5	25.2	1.20	173.1	257.2	1.5	1.5
THN03-22	9.6	40.2	30.6	0.16	61.6	72.7	0.1	0.3
and <sup>2</sup>	60.9	138.7	77.8	0.68	110.1	158.1	0.6	1.7
including	74.0	93.6	19.6	0.83	159.4	217.9	0.6	1.3
and	114.6	121.7	7.1	1.72	264.9	385.4	2.2	4.0
THN03-23	13.9	76.0	62.1	0.32	69.2	91.7	0.2	0.6
including	18.0	29.1	11.1	0.34	206.1	229.5	0.5	0.2

\*a ratio of 70 g/t silver = 1 g/t gold was used in the equivalence calculations

<sup>1</sup>previously announced

<sup>2</sup>hole ended in mineralization

Mineralization is hosted by a heterolithic breccia with a matrix consisting of black rock flour and ~5% pyrite with lesser sphalerite and boulangerite (lead-antimony sulphosalt). Higher grade silver-gold-lead-zinc mineralization is typically associated with zones of increased (~15%) sulphide/sulphosalt content, commonly forming rims on breccia fragments.

Mark Baknes, M.Sc., P.Geo., is the Qualified Person for the project, as defined by NI 43-101. All samples were analyzed by ALS/Chemex Labs, of North Vancouver, BC.

For the full texts of the announcement referred to above, see the joint news releases of the Company and Rimfire dated October 27, 2003 and November 12, 2003, which are available at the Company's website at [www.cangold.ca](http://www.cangold.ca) or the SEDAR website at [www.sedar.com](http://www.sedar.com).

#### Other Properties

The Company also owns the following grass-roots exploration prospect:

#### Birch Lake Property

During the financial year ended June 30, 2002 the Company acquired, by staking, 240 claim units in the Red Lake Mining Division, Northwestern Ontario, which are collectively designated as the "Birch Lake Property". The Birch Lake Property covers 14 kilometers of strike length on a major, northwesterly-trending deformation zone that is known to be associated with gold mineralization and may extend into the Company's Casummit Lake Property three kilometers to the west. A reconnaissance mapping, sampling and prospecting program was conducted on the southeastern portion of this property in October 2003. Results are pending.

## **Risk Factors**

### **Financing Risks**

The Company has limited financial resources and has no assurances that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in a delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

### **Speculative Nature of the Mineral Industry**

The mineral industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself. The market price of precious metals and other minerals is volatile and cannot be controlled. If the price of base or precious metals should drop significantly, the economic prospects of operations in which the Company has an interest could be significantly reduced or rendered uneconomic. There is no assurance that the Company's mineral exploration and development activities will be successful.

### **Exploration and Mining Risks**

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. None of the Company's properties contains a known body of commercial ore. Unusual or unexpected formations, formation pressures, fire, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company has relied on and may continue to rely upon consultants and others for exploration and development expertise. The economics of developing gold, copper, platinum group and other mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

### **Operating Hazards and Risks**

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has an interest will be subject to all the hazards and risks normally incidental to exploration, development and production of base, precious and other metals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. The nature of these risks is such that liabilities could exceed policy limits, in which even the Company could incur significant costs that could have a materially adverse effect upon its financial condition.

### **Uninsured Risks**

The Company's operations may involve the use of dangerous and hazardous substances. While extensive measures are taken to prevent discharges of pollutants in the ground water and the environment, and it is anticipated that the Company will maintain appropriate insurance for liability and property damage in connection with its business, the Company may become subject to liability for hazards that cannot be insured against or which the Company may elect not to insure itself against due to high premium costs or other reasons. Should such liabilities arise, they could reduce or eliminate the profitability of the Company resulting in a decline in the value of the securities of the Company. In the course of exploration, development and production of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding

and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

#### No Assurance of Titles

The acquisition of title to mineral projects is a very detailed and time consuming process. Although the Company has taken every precaution to ensure that legal title to its projects is properly documented in the name of the Company, there can be no assurance of title to any property interest acquired by the Company or that such title will ultimately be secured. Such property interests may be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

#### Permits and Licenses

The operations of the Company require licenses and permits from various governmental authorities. The Company believes that it presently holds or will obtain all necessary licenses and permits required to carry on with activities which it is currently conducting under applicable laws and regulations in respect of the properties and the Company believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licenses and permits that may be required to commence construction or operation of mining facilities at properties under exploration or development or to maintain continued operations at economically justifiable costs.

### Selected Financial Information

#### Last 3 Financial Years

The following table sets forth selected financial information for the Company for, and as of the end of, each of the last three financial years ended June 30. This financial information is derived from the audited financial statements of the Company which are accessible at the SEDAR website, [www.sedar.com](http://www.sedar.com).

	Years ended June 30 (audited)		
	2003	2002	2001
	\$	\$	\$
Revenue	--	--	--
Net Income (Loss)	(745,120)	(454,021)	160,936 <sup>(1)</sup>
Total Assets	1,679,490	305,316	219,208
Net Income (Loss) per Share <sup>(2)</sup>	(0.06)	(0.08)	0.07
Total long term Debt	--	--	--
Exploration Expenditures	1,080,737	208,046	--
Working Capital (Deficiency)	269,117	(132,335)	144,739
Shareholders Equity	1,432,006	86,135	157,806

Notes:

(1) After recovery of items totaling \$346,017.

(2) During the year ended June 30, 2002, the Company adopted the recommendations of section 3500 of the CICA Handbook *Earnings per Share* with retroactive restatement for fiscal 2001. As a result of excluding shares held in escrow, the basic earnings per share for fiscal 2001 changed from the previously reported \$0.06 to \$0.07. There was no effect on the previously reported diluted income per share for fiscal 2001 resulting from the exclusion of the escrow shares in the calculation of the diluted weighted average number of shares. The diluted loss per share for fiscal 2002 and 2003 is not disclosed as it is anti-dilutive in effect.

#### Dividend Policy

The Company has not, since incorporation, paid any dividends on any of its shares. The Company has no present intention of paying dividends even if it were legally entitled to do so, as it anticipates that the cash resources of the Company will be used in furthering the Company's business. Payment of dividends in the future is dependent

upon the earnings and financial condition of the Company and other factors which the directors may deem appropriate at that time. However, except as provided by law, the Company is not limited in its ability to pay dividends on its shares.

## **Management's Discussion and Analysis**

The following discussion should be read in conjunction with the Company's financial statements for the financial years ended June 30, 2003 and 2002 and related Notes included therein. As well, the Management Discussion and Analysis relating to the financial statements of the Company for the period ended June 30, 2003 which forms a part of Schedule C to the Company's BC Form 51-901F Quarterly Report and Year End Report for the quarter ended June 30, 2003 and which is accessible at the SEDAR website [www.sedar.com](http://www.sedar.com) is incorporated herein by reference and forms part of this Annual Information Form.

### **General**

At the financial year ended June 30, 2001 the Company had no mineral property interests. The Company was designated an Inactive issuer by the Canadian Venture Exchange (now the TSX Venture Exchange) (the "Exchange") effective May 26, 2000 and remained so as at June 30, 2001. During the financial year ended June 30, 2002 the Company acquired the mineral property interests described under "Description of the Company's Business and Properties" as part of its reactivation plan. On October 31, 2001 the Exchange removed the Company's Inactive designation.

The Company is in the process of exploring and developing mineral properties. It has not yet been determined whether the Company's properties contain ore reserves that are economically recoverable. The Company capitalizes the acquisition cost of the properties and defers exploration and development expenditures directly related to specific properties until such time as the extent of mineralization has been determined and the mineral properties are developed, the Company's mineral rights are allowed to lapse, exploration is discontinued or the Company determines that the deferred costs are in excess of the estimated recoverable amount. Mineral property acquisition costs include the cash consideration paid and the fair value of common shares issued, based on the trading price of the shares on the date of the agreement to issue the shares. As at the financial year ended June 30, 2003 the amount shown for mineral properties was \$1,146,820 (June 30, 2002 - \$208,046) which represents costs incurred to date and does not necessarily reflect present or future values. The recoverability of these amounts is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development, confirmation of the Company's interest in the underlying mineral claims and leases and upon future profitable production from or the proceeds from the disposition of its mineral properties.

The Company reported a net loss of \$745,120 (\$0.06 per share) for the year ended June 30, 2003 compared to a net loss of \$454,021 (\$0.08 per share) for the year ended June 30, 2002. General and administrative expenses increased by \$176,619 to \$635,989 for the year ended June 30, 2003 from \$459,370 for the year ended June 30, 2002. The Company used cash for operations of \$672,858 in 2003 and \$373,559 in 2002. The Company had working capital of \$269,117 at June 30, 2003 compared with a deficit of \$1,589,431 at June 30, 2002.

### **Quarterly Information**

The following tables set out selected quarterly financial information of the Company derived from the Company's unaudited quarterly reports:

	3 months ended September 30, 2001 \$	6 months ended December 31, 2001 \$	9 months ended March 31, 2002 \$	12 months ended June 30, 2002 \$
Revenue	--	--	--	--
Net Income (Loss)	(70,087)	(174,039)	(303,136)	(454,021) <sup>(1)</sup>
Income (Loss) per Share	(0.01)	(0.03)	(0.06)	(0.08)

Note:

(1) After recovery of items totaling \$5,349.

	3 months ended September 30, 2002 \$	6 months ended December 31, 2002 \$	9 months ended March 31, 2003 \$	12 months ended June 30, 2003 \$
(a) Revenue	--	--	--	--
(b) Net Income (Loss)	(107,972)	(235,160)	(496,820)	(745,120)
(c) Income (Loss) per Share	(0.02)	(0.03)	(0.06)	(0.06)

### Liquidity and Capital Resources

As at June 30, 2003, the Company had working capital of \$269,117 compared with a working capital deficit of \$132,335 as at June 30, 2002.

The Company also had a cash balance of \$350,648 at June 30, 2003 (2002 - \$34,711).

The Company must make option payments totalling \$170,000, issue 150,000 shares and incur exploration expenditures totalling \$1,175,400 over the next four years in order to fulfill its obligations pursuant to various option agreements on its current mineral properties.

On October 28, 2002, the Company closed a financing pursuant to a short form offering document to raise gross proceeds of \$515,700 on the issuance of 1,602,500 flow-through units and 976,000 non-flow through units. Each flow-through unit consists of one flow-through common share and one transferable Series E share purchase warrant. Each non flow-through unit consists of one common share and two transferable Series E share purchase warrants. Two Series E share purchase warrants entitle the holder to acquire one additional common share (non flow-through) at \$0.25 per share until October 28, 2003 and thereafter at \$0.30 per share until October 28, 2004. The Company also issued 250,000 common shares as a corporate finance fee and agent's options to purchase up to 304,275 common shares. The agent's options are exercisable at \$0.25 per share until October 28, 2003 and thereafter at \$0.30 per share until October 28, 2004.

On February 2, 2003, the Company closed a private placement financing which raised gross proceeds of \$117,600 on the issuance of 520,000 common shares at \$0.13 per share and 500,000 units at \$0.10 per unit. Each of the 500,000 units consists of one common share and one non-transferable Series F share purchase warrant. Each Series F Warrant entitles the holder to purchase one common share at \$0.25 until February 2, 2004 and thereafter at \$0.30 until February 2, 2005.

On March 20, 2003, the Company closed a private placement financing which raised gross proceeds of \$1,273,700 on the issuance of 12,737,000 common shares (including 3,250,000 flow-through shares) at \$0.10 per share, and 11,112,000 non-transferable Series G share purchase warrants. Each Series G warrant entitles the holder to purchase one common share at \$0.15 per share until March 19, 2004 and thereafter at \$0.20 per share until March 19, 2005. The Company paid cash finder's fees totalling \$40,320, issued 141,600 common shares as finder's fee shares and granted the finders warrants to purchase up to a total of 681,000 common shares. These warrants are exercisable on the same terms as the Series G warrants. On March 28, 2003, the Company closed the second tranche of this private placement which raised an additional \$97,000 on the issuance of an additional 970,000 common shares (910,000 flow-through and 60,000 non flow-through) and 515,000 Series G warrants. In

connection with the second tranche, the Company paid cash finder's fees totalling \$7,680 and granted to finders warrants to purchase up to a total of 96,000 common shares.

On June 12, 2003, the Company closed a private placement financing which raised gross proceeds of \$245,700 on the issuance of 1,638,000 common shares at \$0.15 per share and 819,000 Series H share purchase warrants. Each Series H warrant entitles the holder to purchase one common share at \$0.20 until December 13, 2004. The Company paid a cash finders fee of \$19,656 and granted to the finder warrants to purchase up to 163,800 common shares. These warrants are exercisable on the same terms as the Series H warrants.

On October 6, 2003, the Company closed a private placement financing which raised \$765,000 on the issuance of 7,650,000 common shares at \$0.10 per share and 7,650,000 Series I share purchase warrants. Each Series I warrant entitles the holder to purchase one common share at \$0.15 until April 5, 2005. The Company paid cash finder's fees totalling \$38,000 and granted to finders warrants to purchase up to 475,000 common shares. These warrants are exercisable on the same terms as the Series I warrants.

If all warrants, agent's options and finder's warrants were exercised at this time, the total additional proceeds raised would be \$4,124,368.

The Company has incentive stock options outstanding to purchase an aggregate of 2,450,000 common shares. If all currently outstanding options were exercised, the total additional proceeds raised would be \$352,000.

The Company's ability to meet its obligations for capital expenditures relating to its mineral properties and provide working capital, is dependent on its ability to secure additional financing and, while the Company has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Management is actively pursuing additional sources of financing.

## Results of Operations

The Company's business is still in the development stage. For the financial year ended June 30, 2003, the Company's material expenditures consisted of mineral exploration expenditures of \$1,080,737 (2002 - \$208,046) and general and administrative expenses of \$635,989 (2002 - \$459,370).

## Market for Securities

The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol CLD. The Company is designated a Tier 2 issuer.

## Directors and Officers

### Name, Municipality of Residence and Principal Occupation

The name, municipality of residence, position with the Company and principal occupations for each of the directors and officers of the Company are as follows:

Name and Municipality of Residence	Position Held	Director (Officer) Since	Principal Occupation During the Past 5 Years
Bryan J. Frost Toorak, Victoria, Australia	Director and Executive Chairman	December 1996	Executive Chairman of Yamarna Goldfields Limited, Prima BioMed Limited, Select-Vaccines Limited, Gaming and Entertainment Group Limited, Peregrine Corporate Limited, Peregrine Strategic Limited, Peregrine Securities NL and Futurebourse Limited.

Richard Revelins Armadale, Victoria, Australia	Director	June 1997	Director of Yamarna Goldfields Limited, Integra Medical Imaging Ltd., Prima BioMed Limited, Gaming and Entertainment Group Limited, Peregrine Corporate Limited, Peregrine Strategic Limited, Peregrine Securities NL and Futurebourse Limited; Company Secretary for Prana Biotechnology Limited.
Kaare G. Foy Vancouver, British Columbia, Canada	Director and Chief Financial Officer	April 2000	Chief Financial Officer and Director of the Company; Director, Vice President and Chief Financial Officer of Great Panther Resources Limited; President of Oceanic Management Limited.
Robert A. Archer, P. Geo. Maple Ridge, British Columbia, Canada	Director and President	April 2001	President of the Company, President of R.A. Archer & Associates, formerly President of Consolidated Magna Ventures Ltd.; President of Bullion Resources Ltd.
Wendy Ratcliffe Coquitlam, British Columbia, Canada	Secretary	April 2000	Administration and accounting; Corporate Secretary of the Company, Corporate Secretary of Great Panther Resources Limited

## Committees

The Company does not have an executive committee or other formal committee of its Board of Directors, other than the audit committee. As at the date of this Annual Information Form, the members of the audit committee are Richard Revelins, Kaare G. Foy and Robert A. Archer. The audit committee will be reconstituted to conform with the requirements of the Business Corporations Act (Yukon).

## Term of Office

The election and retirement of directors are provided for in the By-Laws of the Company. An election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. A director shall retain office only until the election of his successor. The number of directors to be elected at such meeting shall be the number of directors then in office unless the directors or the shareholders otherwise determine. The election shall be by ordinary resolution of shareholders. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

The By-Laws of the Company also permit the directors to add additional directors to the board between annual general meetings so long as the number appointed does not exceed more than one-third of the number of directors elected at the last annual general meeting. Individuals appointed as directors to fill casual vacancies created on the board or added as additional directors hold office like any other director until the next annual general meeting at which time they may be re-elected or replaced.

## Shareholdings

As at November 11, 2003 the Company had 35,511,566 common shares issued and outstanding. The following table sets forth the number of common shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by all directors and officers of the Company as a group.

Number of Common Shares	Percentage of Issued Common Shares
918,000 common shares	2.59%

### Corporate Cease Trade Orders and Bankruptcies

No director or officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is, or within the ten years before the date of this Annual Information Form has been, a director or officer of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation related to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### Penalties or Sanctions

No director or officer of the Company has, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has

- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### Personal Bankruptcies

No director or officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

### Conflicts of Interest

Certain directors and officers of the Company are and may continue to be involved in a wide range of business activities through their direct and their indirect participation in corporations, partnerships or joint ventures. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in the applicable corporate legislation. The procedures prescribed by the Business Corporations Act (Yukon) require a director or officer of a corporation who is party to, or is a director or an officer of or has a material interest in any person who is a party to, a material contract or proposed material contract with the Company to disclose his interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the Business Corporations Act (Yukon).

## **Additional Information**

Upon request being made to the secretary of the Company, Suite 2100, 1177 West Hastings Street, Vancouver, British Columbia V6E 2K3 telephone 604 608 1766 or fax 604 608 1744, the Company will provide to any person or company the following:

- (i) one copy of this Annual Information Form, together with one copy of any document or the pertinent pages of such documents incorporated by reference herein;
- (ii) one copy of the comparative financial statements of the Company for its most recently completed financial year for which financial statements have been filed, together with the accompanying report of the auditor, and one copy of the most recent interim financial statements of the Company that have been filed for any period after the end of its most recently completed financial year; and
- (iii) one copy of the management information circular of the Company in respect of its most recent annual meeting of shareholders that involves the election of directors.

The Company may require the payment of a reasonable charge if the request is made by a person who is not a securityholder of the Company.

Additional information, including executive compensation, compensation of directors, indebtedness of directors and officers, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, is contained in the Company's management information circular dated November 7, 2003 for the Company's annual general meeting that involves the election of directors to be held on December 16, 2003. Additional financial information is provided in the Company's comparative financial statements for the most recently completed financial year, which ended June 30, 2003. The management information circular and financial statements are accessible at the SEDAR website [www.sedar.com](http://www.sedar.com).