

COMMANDER RESOURCES LTD.

FINANCIAL STATEMENTS

For The Six Months Ended

June 30, 2004

(Financial Statements Not Reviewed by an Auditor)

COMMANDER RESOURCES LTD.**Balance Sheets**

(Not Reviewed by an Auditor)

	June 30, 2004	December 31, 2003 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,259,411	\$ -
Cash, exploration funds (Note 13)	733,065	1,893,328
Marketable securities (Note 3)	893,353	928,353
Accounts receivable	137,144	171,766
Due from related parties (Note 9)	6,066	35,134
Prepaid expenses (Note 4)	134,645	21,280
Bid deposits (Note 5)	-	330,642
	3,163,684	3,380,503
Mineral properties (Note 6)	6,758,106	5,063,785
Property, plant and equipment (Note 7)	65,362	27,421
	\$ 9,987,152	\$ 8,471,709
LIABILITIES		
Current liabilities		
Cheques in excess of funds on deposit	\$ -	\$ 67,750
Accounts payable and accrued liabilities	640,646	46,300
	640,646	114,050
Future income taxes	140,401	553,455
	781,047	667,505
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	21,074,341	19,630,960
Contributed surplus	9,449	9,449
Stock-based compensation (Note 8 (d))	643,564	149,431
Deficit	(12,521,249)	(11,985,636)
	9,206,105	7,804,204
	\$ 9,987,152	\$ 8,471,709

Nature of operations and going concern (Note 1)

Commitment (Note 10)

Subsequent Events (Note 14)

Approved by the Directors:

"Kenneth E. Leigh"

Kenneth E. Leigh

"William J. Coulter"

William J. Coulter

COMMANDER RESOURCES LTD.

Statements of Operations and Deficit

(Not Reviewed by an Auditor)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2004	June 30, 2003	June 30, 2004	June 30, 2003
Revenue				
Production interest	\$ -	\$ 112,850	\$ 19,250	\$ 189,415
Mineral property transactions	62,788	-	63,016	-
	62,788	112,850	82,266	189,415
General and administrative expenses				
Audit and accounting	13,567	9,502	28,687	21,045
Amortization	4,489	1,081	7,912	2,054
Annual report and meeting	815	8,483	7,542	9,409
Consultants	20,435	13,811	31,885	20,780
Investor relations and promotion	66,110	7,881	125,861	25,155
Legal	(680)	7,104	3,218	7,675
Office and miscellaneous	22,588	7,042	44,917	22,963
Regulatory fees	2,739	5,827	11,888	8,012
Rent and storage	1,902	11,367	8,548	24,673
Salaries and benefits	88,955	52,830	192,157	103,307
Stock-based compensation	393,358	-	560,243	-
Telephone	3,246	1,249	4,035	2,442
Transfer agent	3,447	2,637	7,608	6,277
	620,971	128,814	1,034,501	253,792
Loss before the undernoted	(558,183)	(15,964)	(952,235)	(64,377)
Administration fees	-	904	-	904
Investment income	9,467	8,586	17,740	19,905
Property investigation	415	(406)	(172)	(3,516)
Gain (loss) on sale of marketable securities	-	(90)	(14,000)	2,764
Loss before taxes	(548,301)	(6,970)	(948,667)	(44,320)
Future income taxes	380,046	-	413,054	-
Loss for the period	(168,255)	(6,970)	(535,613)	(44,320)
Deficit, beginning of period	(12,352,994)	(9,386,420)	(11,985,636)	(9,349,070)
Deficit, end of period	\$ (12,521,249)	\$ (9,393,390)	\$ (12,521,249)	\$ (9,393,390)
Basic and diluted loss per share	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.00)
Weighted average number of shares outstanding	24,485,287	17,728,830	23,687,675	17,633,619

COMMANDER RESOURCES LTD.

Statements of Cash Flows

(Not Reviewed by an Auditor)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2004	June 30, 2003	June 30, 2004	June 30, 2003
Cash provided from (used for):				
Operating activities				
Loss for the period	\$ (168,255)	\$ (6,970)	\$ (535,613)	\$ (44,320)
Items not involving cash:				
Amortization	4,489	1,081	7,912	2,054
Gain (loss) on sale of marketable securities	-	90	14,000	(2,764)
Stock-based compensation	393,358	-	560,243	-
Future income taxes	(380,046)	-	(413,054)	-
	(150,454)	(5,799)	(366,512)	(45,030)
Net change in non-cash working capital items				
Cash, exploration funds	1,067,545	-	1,160,263	-
Accounts receivable	(97,256)	17,527	34,622	161,346
Due from related parties	16,705	58,219	29,068	27,619
Prepaid expenses	(22,038)	3,367	(113,365)	2,136
Bid deposits	-	-	330,642	-
Accounts payable and accrued liabilities	92	(20,617)	26,783	(19,007)
	814,594	52,697	1,101,501	127,064
Investing activities				
Proceeds from sale of marketable securities	-	89	21,000	7,165
Purchase of marketable securities	-	-	-	(39,000)
Note receivable	-	(1,308)	-	(4,366)
Mineral property acquisition and exploration costs	(1,553,593)	(124,912)	(1,681,521)	(172,654)
Accounts payable and accrued liabilities related to mineral properties	560,422	(7,881)	567,563	(260,995)
Purchase of equipment	(17,105)	(3,800)	(45,853)	(3,800)
	(1,010,276)	(137,812)	(1,138,811)	(473,650)
Financing activities				
Shares issued for cash, net of issue costs	71,573	-	1,364,471	92,000
Increase (decrease) in cash and cash equivalents				
	(124,109)	(85,115)	1,327,161	(254,586)
Cash and cash equivalents, beginning of period	1,383,520	1,174,219	(67,750)	1,343,690
Cash and cash equivalents, end of period	\$ 1,259,411	\$ 1,089,104	\$ 1,259,411	\$ 1,089,104

Cash and cash equivalents is defined to include cash and cash equivalents less cheques in excess of funds on deposit.

Supplemental cash flow information (Note 12)

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Notes to Financial Statements

June 30, 2004

(Not Reviewed by an Auditor)

1. Nature of Operations and Going Concern

The Company is in the process of actively exploring and developing its mineral properties and has not yet determined whether these properties contain mineral resources or ore reserves. The Company is considered to be in the exploration stage.

The recoverability of amounts shown for mineral property interests is dependent upon one or more of the following:

- the discovery of ore reserves;
- the ability of the Company to obtain financing to complete development; and
- future profitable production from the properties or proceeds from disposition.

At June 30, 2004, the Company had incurred a deficit of \$12,521,249 and had working capital of \$2,523,038, which is sufficient to achieve the Company's planned business objectives for fiscal 2004. However, the Company may require additional financing, if the Company elects to expand its current 2004 exploration programs and/or property commitments (see Subsequent Events).

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on continued financial support from its shareholders and other related parties, the ability of the Company to raise equity financing, and the attainment of profitable operations, external financings and further share issuances to meet the Company's liabilities as they become payable. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

(a) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles ("GAAP") 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. Actual results may differ from those estimates.

(b) Basis of presentation

The accompanying interim financial statements have not been reviewed by an Auditor and are prepared in accordance with GAAP in Canada with respect to the preparation of interim financial statements. Accordingly, they do not include all of the information and disclosure required by Canadian GAAP in the preparation of annual financial statements. The accounting policies used in the preparation of the accompanying unaudited interim financial statements are the same as those described in the annual financial statements and the notes thereto for the year ended December 31, 2003. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim financial statements should be read in conjunction with the Company's financial statements including the notes thereto for the year ended December 31, 2003.

(c) Certain comparative figures

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Certain comparative figures have been reclassified to conform to the current period's presentation.

3. Marketable Securities

Marketable securities are carried at the lower of cost or quoted market value. When market value is below cost, any unrealized loss is charged to income. During the quarter, marketable securities were written down by \$Nil. The quoted market value of marketable securities at June 30, 2004 was \$1,665,853.

Included in marketable securities are 167,647 common shares of Fjordland Exploration Inc., a company related by virtue of a common director and 1,720,000 common shares of Diamonds North Resources Ltd., a company related by virtue of another common director.

4. Prepaid Expenses

Included in prepaid expenses is a \$96,603 loan receivable from the Company's drill contractor. The loan bears interest at Bank of Montreal prime lending rate plus 3% and is to be repaid by applying 50% of the invoices rendered by the drill contractor against the loan until the amount is repaid. Due to the anticipated short-term nature of the loan receivable, the Company has not classified this amount as a separate line item on the balance sheet. As at July 30, 2004, 55% of the loan has been repaid and it is anticipated that full repayment will occur by the end of the next quarter.

5. Bid Deposits

In the prior fiscal year, the Company filed two applications with the Mining Recorder's Office for prospecting permits in Nunavut and was required to provide a cash deposit of \$330,642. The Company elected to withdraw the applications and received a refund of the deposit less the application fee.

COMMANDER RESOURCES LTD.**Notes to Financial Statements**

June 30, 2004

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6. Mineral Properties

At June 30, 2004, the Company held mineral properties exclusively in Canada. Expenditures incurred on the mineral properties are as follows:

	Sarah Lake	Green Bay	Adlatok 1	Sally	Qimmiq	Dewar Lake	Bravo Lake	Other Properties	Total
Balance at									
December 31, 2003	\$ 1,136,260	\$ 599,997	\$ 109,621	\$ 56,890	\$ 293,385	\$ 126,480	\$ 100,783	\$ 2,640,369	\$ 5,063,785
Additions during the year:									
Acquisition costs:	-	-	-	-	7,143	-	-	12,800	19,943
Exploration costs:									
Administration	-	248	-	-	11,695	151	-	-	12,094
Drilling	-	-	-	-	710,355	3,266	6,532	200	720,353
Geochemistry	-	-	-	-	14,406	-	-	-	14,406
Geology	3,650	1,061	5,338	2,358	155,089	14,200	20,213	12,347	214,256
Geophysics -Airborne	-	-	-	-	204,137	-	68,046	28,800	300,983
Geophysics -Ground	1,000	-	-	-	58,219	1,257	6,700	2,359	69,535
Licences and fees	-	1,056	-	-	49,396	32,689	-	5,986	89,127
Mobilization/demob.	-	-	-	-	246,287	1,421	2,768	142	250,618
Permitting	-	-	-	-	2,482	-	-	-	2,482
Prospecting	-	-	-	-	4,024	-	1,095	-	5,119
Trenching	-	-	-	-	207	53	2,640	-	2,900
	4,650	2,365	5,338	2,358	1,456,297	53,037	107,994	49,834	1,681,873
Less:									
Recoveries	-	(3,163)	(2,282)	-	-	-	-	(2,050)	(7,495)
Net additions	4,650	(798)	3,056	2,358	1,463,440	53,037	107,994	60,584	1,694,321
Balance at									
June 30, 2004	\$ 1,140,910	\$ 599,199	\$ 112,677	\$ 59,248	\$ 1,756,825	\$ 179,517	\$ 208,777	\$ 2,700,953	\$ 6,758,106

(a) Sarah Lake Joint Venture, Labrador

The Company owns a 48% interest in the Sarah Lake Joint Venture, which was formed in 1998. An option was granted to Falconbridge Limited ("Falconbridge") in 2001, requiring Falconbridge to incur \$4,000,000 in exploration expenditures by 2006 to earn a 50% joint venture interest. On April 16, 2004, Donner Minerals, the operator of the joint venture, informed the Company that Falconbridge had elected to terminate the option.

(b) Green Bay, Newfoundland

The Company holds a 100% interest in the Green Bay property. In the prior fiscal year, the Company sold four claim blocks within the Green Bay property (mineral exploration license 4870) to Richmond Mines Inc. ("Richmont") in consideration for a royalty of \$25 for each ounce of gold produced.

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Subsequent to the period, Richmond notified the Company that it would not be pursuing further exploration and at the election of the Company, Richmond will return the property.

6. Mineral Properties (continued)

(c) Adlatok 1, Labrador

The Company owns a 59.5% interest in the Adlatok 1 property.

(d) Sally, Labrador

The Company owns a 100% interest in the Sally property.

(e) Qimmiq, Nunavut

The Company has an option agreement with BHP Billiton Diamonds Inc. ("BHP Billiton") to explore for gold on 50,000 hectares of Nunavut Tunngavik Incorporated leases on Baffin Island, Nunavut. Under the option agreement, the Company may earn 50% of BHP Billiton's exploration rights by expending \$4 million by 2007, 80% by expending an aggregate \$10 million by 2012 and a 100% interest by delivering a feasibility study to BHP Billiton by December 31, 2014. The option agreement is subject to a floating net smelter return royalty from 1% to 3% based on gold prices, payable to BHP Billiton and a 12% royalty on net profits payable on production from the Nunavut Tunngavik Incorporated leases. If a mineral discovery is made, excluding gold, BHP Billiton may exercise a back-in option on the mineral discovery allowing BHP Billiton to re-acquire up to an aggregate of a 75% interest for a period of up to ten years after the Company has earned a 100% interest in the property.

(f) Dewar Lake, Nunavut

The Company has an option agreement with BHP Billiton Diamonds Inc. ("BHP Billiton") to explore for gold on sixteen Nunavut Exploration Permits covering just under 400,000 hectares on Baffin Island, Nunavut. Under the option agreement, the Company may earn a 100% interest in BHP Billiton's exploration rights and interest by incurring \$200,000 in expenditures on the property by December 31, 2005. The option agreement is subject to a floating net smelter return royalty from 1% to 3% based on gold prices, payable to BHP Billiton. If a mineral discovery is made, excluding gold, BHP Billiton may exercise a back-in option on the mineral discovery allowing BHP Billiton to re-acquire up to an aggregate of a 75% interest for a period of up to ten years after the Company has earned a 100% interest in the property.

(g) Bravo Lake, Nunavut

The Company has an option agreement with Falconbridge Limited ("Falconbridge") to explore for gold, diamonds and other metals on twelve Nunavut Exploration Permits covering over 720,000 acres all on Baffin Island, Nunavut. These Falconbridge permits adjoin the BHP Billiton properties optioned in June. The Company may earn a 100% interest in Falconbridge's exploration rights and interest on Baffin Island by incurring \$8 million of exploration expenditures on the property by 2011.

If a nickel and/or base metal mineral discovery is made, Falconbridge can exercise a back-in option on the mineral discovery allowing Falconbridge to re-acquire up to an aggregate of a 75% interest. If a diamond resource discovery is made, Falconbridge may exercise a back-in option on the mineral discovery allowing Falconbridge to re-acquire up to an aggregate of a 50% interest.

The option agreement is subject to the following royalties payable to Falconbridge:

- on gold, a sliding scale net smelter return royalty from 1% to 3% based on gold prices;
- on nickel production, a 2% net smelter return royalty;
- on diamonds, a 2% gross overriding royalty; and
- on base metal production, a 1.5% net smelter return royalty.

COMMANDER RESOURCES LTD.**Notes to Financial Statements**

June 30, 2004

(Not Reviewed by an Auditor)

6. Mineral Properties (continued)**(h) Big Hill, Newfoundland**

In February 2004, the Company completed an option agreement with Black Bart Prospecting Inc. whereby the Company may acquire a 100% interest in the Big Hill property, consisting of four claims in the Baie Verte Electoral District, Newfoundland. Under the terms of the agreement, the Company paid \$7,000 in cash, issue an aggregate of 200,000 common shares over four years (20,000 shares issued and see Subsequent Events) and expend a total of \$480,000 in exploration expenses on the property over four years. The option is subject to a 2.5% net smelter return royalty with a 1.5% buy back provision.

(i) Other Properties

The Company owns several other properties in Canada in which it holds interests ranging from 30% to 100%. The Company has granted options on some of these properties. The carrying values of those properties included under Other Properties at June 30, 2004 are as follows:

	2004
British Columbia	
Abe & Pal	\$ 26,645
Tam	60,021
New Brunswick	
Rio	855,962
Stewart	426,620
Nunavut	
Talik	26,359
Newfoundland and Labrador	
Big Hill	48,597
Sadie	1,362
Ontario	
Dorothy	55,491
Matheson	14,213
McVean	8,558
Sabin	83,753
Quebec	
Despinassy*	104,920
Yukon	
Olympic, Rob	988,123
Rein	329
	\$ 2,700,953

*On April 26, 2004, the Company reported that Cameco Corporation ("Cameco"), the Company's Joint Venture Partner on the Despinassy, Quebec Project, entered into an Agreement with Alto Ventures Ltd. (Alto ventures") for Cameco's 70% interest in the Project. The Company waived it's right of first refusal under the Joint Venture in consideration for the following:

- 100,000 common shares of Alto Ventures at a deemed price of \$0.10 per share;
- Alto Ventures shall carry the Company's 30% Joint Venture obligations to a maximum of \$150,000; and

COMMANDER RESOURCES LTD.**Notes to Financial Statements**

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- the Company retains the right of first refusal under the Joint Venture should Alto Ventures withdraw the Agreement with Cameco.

7. Property, Plant and Equipment

	Cost	Accumulated Amortization	Net Book Value
Furniture and fixtures	\$ 55,074	\$ 46,567	\$ 8,507
Computer equipment	118,886	88,155	30,731
Leasehold improvements	28,293	2,169	26,124
	\$ 202,253	\$ 136,891	\$ 65,362

8. Share Capital**(a) Authorized:**

100,000,000 common shares without par value.

(b) Issued and outstanding common shares

	Number of Shares	Amount
Balance, December 31, 2003	21,623,730	\$ 19,630,960
Issued for cash:		
Exercise of warrants	2,426,888	1,232,988
Issued for cash and other consideration:		
Exercise of options, for cash	588,165	131,483
Exercise of options, stock-based compensation		66,110
For mineral property	20,000	12,800
Balance, June 30, 2004	24,658,783	\$ 21,074,341

(c) Stock Options

Options to purchase common shares have been granted to directors, employees and consultants at exercise prices determined by reference to the market value on the date of the grant. Under the Company's Stock Option Plan, the Company may grant options for the purchase of up to 4,847,623 common shares. Vesting of options is made at the discretion of the board of directors at the time the options are granted. At June 30, 2004, the Company had stock options outstanding for the purchase of 2,656,667 common shares with an average remaining contractual life of 4.22 years, of which 2,146,667 stock options are exercisable at June 30, 2004.

	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2003	1,676,832	\$0.22
Granted	1,568,000	\$0.55
Exercised	(588,165)	\$0.21

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June 30, 2004

(Not Reviewed by an Auditor)

Outstanding at June 30, 2004	2,656,667	\$0.42
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8. Share Capital (continued)

The following summarizes information about stock options outstanding at June 30, 2004:

Number of Shares	Exercise Price	Expiry Date
27,665	\$0.23	December 14, 2004
179,332	\$0.23	September 11, 2006
50,000	\$0.17	December 19, 2007
460,004	\$0.20	January 23, 2008
291,666	\$0.26	August 20, 2008
5,000	\$0.45	September 10, 2008
75,000	\$0.50	December 18, 2008
700,000	\$0.53	January 21, 2009
50,000	\$0.64	February 19, 2009
808,000	\$0.56	May 18, 2009
10,000	\$0.62	May 26, 2009
2,656,667		

Subsequent to June 30, 2004, the Company cancelled 10,000 stock options with an exercise price of \$0.62 per share and expiry date of May 26, 2009.

(d) Stock-Based Compensation

In the fourth quarter of fiscal 2003, the Company adopted the CICA released amendments to Section 3870, "Stock-based Compensation and Other Stock-based Payments," which requires an expense to be recognized in the financial statements for all forms of employee stock-based compensation, including stock options. Prior to the adoption, the Company disclosed the effects of accounting for stock-based compensation only to directors and employees as compensation expense, using the fair-value based method, as pro-forma information in the share capital note. In the prior year, the pro-forma disclosed stock-based compensation expense for the six months ended June 30, 2004 was \$115,152.

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions at June 30, 2004:

Risk-free interest rate	2.66%
Expected dividend yield	-
Expected stock price volatility	112.77%
Expected option life in years	3.20

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the period.

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8. Share Capital (continued)

(e) Warrants

The following summarizes information about warrants outstanding at June 30, 2004:

Exercise Price	Expiry Date	Outstanding at December 31, 2003	Issued	Exercised	Expired	Outstanding at June 30, 2004
\$0.505	February 28, 2004	2,388,888	-	2,388,888	-	-
\$0.70	December 2, 2004	1,865,000	-	38,000	-	1,827,000
\$0.70	December 2, 2004	23,800	-	-	-	23,800
\$0.70	December 10, 2004	1,635,000	-	-	-	1,635,000
\$0.70	December 10, 2004	54,600	-	-	-	54,600
		5,967,288	-	2,426,888	-	3,540,400

(f) Agents' Options

The following summarizes information about Agents' Options outstanding at June 30, 2004:

Exercise Price	Expiry Date	Outstanding at December 31, 2003	Issued	Exercised	Expired	Outstanding at June 30, 2004
\$0.70	December 2, 2004	119,500	-	-	-	119,500
\$0.70	December 10, 2004	77,700	-	-	-	77,700
		197,200	-	-	-	197,200

9. Related Party Transactions

In addition to the marketable securities disclosed in Note 3, the Company has the following related party transactions and balances:

- (a) The Company shares certain administrative costs with four other companies related by virtue of common directors. Included in accounts receivable is an aggregate of \$6,066 owed by those companies for shared administrative expenses.
- (b) The Company paid or accrued legal fees in the aggregate of \$537 to a personal law corporation owned by an officer of the Company.

10. Commitment

The Company entered into an agreement for the lease of new office premises for a six year period expiring on June 30, 2010. The Company moved into the premises on March 1, 2004. The cost of the entire premises is shared amongst several companies in proportion to the area occupied. Some of the companies are related by virtue of common directors. The Company's proportionate share of minimum annual basic rental payments under this arrangement is approximately \$66,000.

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11. Segmented Information

The Company has one operating segment, mineral exploration, and all assets of the Company are located in Canada.

Revenues for the period were derived from a production interest, which was earned in Canada.

12. Supplemental Cash Flow Information

Significant non-cash operating, investing and financing activities:	
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Investing activities:	
Shares issued for mineral property	\$ 12,800
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Investing activities:	
Stock-based compensation	\$ 66,110
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Other cash flow information:	
Interest received	\$ 5,716

13. Income Taxes

Flow-through shares are issued by a company that incurs certain resource expenditures and renounces them for tax purposes allowing the expenditures to flow-through to the subscriber who purchased the shares. Subscribers may in turn claim expenditures as a deduction on their personal or corporate tax returns.

The total amount of funds raised through the issuance of flow-through shares must be spent on qualified mineral exploration. The proceeds of flow-through financing are restricted in use for Canadian Exploration Expenditures ("CEE") under Canadian Income Tax Legislation. The flow-through gross proceeds less the qualified expenditures made to date, represent the funds received from flow-through share issuances which have not been spent as at December 31, 2003 and which are held in trust for such expenditures. As at June 30, 2004 the amount of flow-through proceeds remaining to be expended is \$733,065.

14. Subsequent Events

- (a) On August 6, 2004, the Company completed a non-brokered private placement of 1,920,000 flow-through common shares at \$0.60 per share of which 1,620,000 flow-through common shares were issued on August 4, 2004 and 300,000 flow-through common shares were issued on August 6, 2004. Finders' fees of \$54,936 were paid in cash. The shares are subject to a four month hold period and may not be traded until December 5, 2004 and December 7, 2004 respectively.
- (b) Subsequent to June 30, 2004, the Company elected to proceed with the second term of the Big Hill, Newfoundland option agreement and issued 40,000 common shares to Black Bart Prospecting Inc.
- (c) Subsequent to June 30, 2004, the Company issued 80,000 common shares for proceeds of \$19,000 pursuant to the exercise of stock options.