

RENEWAL ANNUAL INFORMATION FORM

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for the

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ITEM 2 CORPORATE STRUCTURE

2.1 Name and Incorporation

The Company was incorporated as 747702 Alberta Ltd. by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on July 18, 1997. The Company subsequently changed its name to Black Bull Resources Inc. (the “Company”) by way of Certificate of Amendment dated September 11, 1997. The Company further amended its articles to remove the private company restrictions by way of Certificate of Amendment dated December 17, 1997. The Company is authorized to issue an unlimited number of common shares and preferred shares. There are 22,535,605 common shares and no preferred shares outstanding as of the date hereof.

The head office and principal office of the Company is located at #303 – 100 West Pender Street, Vancouver, British Columbia, V6B 1R8. The registered office of the Company is located at 3rd Floor, 14505 Bannister Road SE, Calgary, Alberta, T2X 3J3. The Company also has an operations office at 157 Water Street, PO Box 698, Shelburne, Nova Scotia, B0T 1W0.

2.2 Intercorporate Relationships

The Company had one US subsidiary, Black Bull Resources Corp., which was dissolved on September 30, 2003. The US corporation had no assets and had ceased transacting business.

ITEM 3 - GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three Year History

The Company is a mineral exploration and development company with property interests in British Columbia and Nova Scotia. During the fiscal year ended 2000, the Company curtailed exploration for base metals in British Columbia. The Company returned all properties under option to their respective owners and maintained only those B.C. properties that were wholly owned by the Company, some of which were under option to third party companies. The Company has focused its resources on exploration for industrial minerals at the White Rock Property in Nova Scotia. The White Rock Property is considered to be the Company’s principal property. As at March 25, 2004 all remaining B.C. properties have been disposed, with the Company retaining a 2% Net Smelter Royalty (“NSR”) thereon.

By the end of the 2001 fiscal year, the Company had outlined wide zones of quartz, kaolin and mica mineralization through trenching, drilling and bulk sampling programs at the White Rock Property. Collection of environmental baseline data was underway and open houses were held in local communities to communicate possible future development plans to the public. In October 2001 and January 2002, the Company applied to the Nova Scotia government for an environmental approval to extract and process kaolin, quartz and mica minerals at the White Rock Property. The Nova Scotia government required supplementary information and did not approve the applications. The government’s decision highlighted the need for additional information on kaolin processing and handling. Kaolin research and development work was ongoing and not all of the required data was available. Therefore, the Company decided to withdraw the application for kaolin, quartz, and mica and consider submitting a new project proposal for quartz mining and value added processing. The Company conducted additional environmental sampling, drilling and commissioned bench scale tests for a quartz flotation plant. Based on positive results, the Company submitted a new project proposal for a quartz mine/processing operation and received an environmental assessment approval in September 2002.

In August 2003, the Company signed a Marketing, Sales, and Distribution Agreement (the “Agreement”) with U.S. Silica Company of Berkeley Springs, West Virginia, USA for any future quartz products produced from the Company’s White Rock Property in Nova Scotia, Canada. US Silica Company will be the exclusive Agent for the Company’s Products throughout the United States, Mexico and Canada with the exception of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador where the Company will distribute its own Product.

By April 2, 2004 the Government of Nova Scotia granted the Mining Lease, Industrial Approval and Letter of Authority to commence mine site development work at the Company's White Rock Property in Nova Scotia. On April 19, 2004, the Company signed a contract with Atcon Construction Inc. to prepare the site and to mine and produce crushed quartz and sand products.

Based on these approvals and contracts, the Company will immediately commence site development work including clearing and grubbing, construction of access roads, construction of storm water holding and treatment ponds, construction of pads for crushing, screening & stockpiling ore, and construction of a pad for storage of unprocessed rock; all in preparation for mining.

On April 27, 2004 the Nova Scotia Department of Natural Resources issued a surface lease and a mining permit to the Company. The receipt of the mining permit and surface lease entitles the Company to commence mining operations on the White Rock Property. The Company plans to initially produce bulk aggregate and quartz sand products using mobile equipment. The Company also plans to build a specialized crushing and screening plant to produce sand and finely ground quartz products. Plant construction is targeted to commence in the Fall of 2004 with a full range of quartz products available in the first half of 2005. The Company intends to use a portion of the proceeds from the TD Financing to build the plant.

Pursuant to an Agency Agreement dated April 8, 2004 between the Company and TD Securities Inc. (the "Agent") the Company completed a private placement offering of 16,000,000 subscription receipts at a price of \$0.50 each to raise gross proceeds of up to \$8,000,000.00 (the "TD Financing"). The TD Financing was closed in escrow on April 8, 2004 raising gross proceeds of \$8,000,000.00. The terms of the TD Financing provides for an oversubscription option, which, if exercised, could result in gross proceeds of up to \$2,000,000. There is no assurance that such oversubscription option will be exercised in whole or in part.

The subscription receipts will be exchanged for Common Shares on a one for one basis upon the Company receiving the necessary permits required to commence mining operations on its White Rock Property (the "Permits"), and the receipt of all necessary regulatory and shareholder approvals (the "Approvals"). The Approvals include all necessary regulatory approvals, the shareholder approval for the proposed change of control of the Company and the election of three independent nominees to the Board of Directors of the Company. See "Directors and Officers". The Company has called a special shareholder's meeting for May 7, 2004 to obtain shareholder approval for these matters.

Net proceeds of \$7,580,000.00 from the TD Financing are being held in escrow by CIBC Mellon Trust Company (the "Escrow Agent") pursuant to the provisions of a Subscription Receipt Agreement dated April 8, 2004. Upon the Company and the Agent delivering a joint notice to the Escrow Agent (the "Joint Notice"), confirming the receipt of the Permits and Approvals on or before June 30, 2004, the Escrow Agent shall issue the Common Shares to the holders of the subscription receipts and deliver the escrowed funds to the Company. Net proceeds, if any, from the oversubscription option will be held under similar terms.

In the event that the Joint Notice is not delivered to the Escrow Agent prior to June 30, 2004 (the "Termination Date"), holders of the subscription receipts shall be entitled to the return of their purchase price plus a pro-rata share of the interest that has accrued on the escrowed proceeds. On the Termination Date the Company will be required to repurchase the subscription receipts from the holders. Since the escrowed proceeds are insufficient to fully repurchase all Subscription Receipts, the Company will be required to make up the shortfall of \$420,000.00 from working capital.

Based on the subscriptions received and accepted by the Company at closing of the TD Financing, Mr. Donald Wright of Toronto, Ontario purchased 8,000,000 subscription receipts. Assuming the issuance of the Common Shares under the TD Financing and the closing of Company's current brokered private placement with Leede Financial Markets Inc., the Company is expected to have 42,535,605 Common Shares issued and outstanding. Upon the exchange of the subscription receipts Mr. Wright will own directly 8,000,000 Common Shares or approximately 18.8% of the issued and outstanding Common Shares, and will become the largest shareholder of the Company. As a result, Mr. Wright will be a "control person" (As that term is defined by the *Securities Act* (Alberta)).

Pursuant to the policies of the TSX Venture Exchange the purchase of subscription receipts by Mr. Wright will result in a change of control of the Company. The TSX Venture Exchange has approved the TD Financing and the change of control conditional upon obtaining disinterested shareholder approval.

3.2 Significant Acquisitions and Dispositions

On March 25, 2004 the Company entered into a letter agreement with Eagle Plains Resources Ltd. (“EPL”) regarding the Company’s Burn Horn and Car British Columbia properties. In exchange for the Corporation agreeing to transfer 100% ownership in these claims, EPL agrees to grant Black Bull Resources Inc. a Net Smelter Royalty (“NSR”) on the Claims to a maximum of 2%. EPL further maintains the right to purchase 100% of this NSR at any time for the sum of \$1,000,000. EPL warrants to keep the claims in good standing for a minimum of one year and will agree to pay all filing fees and all associated administrative costs.

3.3 Trends

To the best knowledge of the Company there are presently no known special trends, events or uncertainties that are likely to result in the Company’s liquidity decreasing in any material way over the next twelve-month period. The Company has received the necessary permits to commence mine site development and mining at the White Rock Property. The Company continues to work with US Silica on marketing future products throughout North America.

There is a possibility that no cash flow will be generated from operations over the start-up period. Therefore, the Company may have to continue to rely upon equity and debt financing during this period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. The Company believes that it will be able to continue to raise the necessary funds not only to meet its administrative expenses but also for future capital expenditures.

ITEM 4 – NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General

The Company is in the business of exploring and developing mineral resource properties. The Company’s efforts are presently focused on exploration in Canada, more specifically in Nova Scotia.

The Company has defined, through exploration, a large resource of high quality quartz, kaolin, and mica at its White Rock Property. This is the Company’s principal property, which it intends to develop to production. Base metal properties owned by the Company in British Columbia have all been disposed with the Company retaining a Net Smelter Royalties.

4.3 Mineral Projects

Nova Scotia - White Rock Property

MineTech International Limited (MineTech) of Halifax, Nova Scotia prepared a Technical Report for the White Rock Property, dated February 24, 2003. Mr. Patrick Hannon, M.A.Sc., P. Eng., a mining and geological engineer (Nova Scotia and Ontario) with MineTech visited the property several times and supervised the preparation of the report. Mr. Hannon is independent of Black Bull, applying all of the tests in section 1.5 of NI 43-101. The following information on the White Rock Property is derived from the Technical Report. The report can be viewed in its entirety on SEDAR (www.sedar.com) under the Company’s profile.

4.3.1 Property Description and Location

The property comprises 105 contiguous claims covering approximately 1,650 hectares of Crown land in Yarmouth County, Nova Scotia. In January, 2004 the Province of Nova Scotia granted the Company the mineral rights to 27 of the claims in the form of a 20 year Mining Lease that is renewable. The property is held 100% by the Company

subject to a 2% N.S.R. royalty payable to C.A.G. Enterprises (CAG) of Antigonish, Nova Scotia. Quartz, kaolin and mica resources have been estimated using sample assay information, test work from a bulk sample, and 66 diamond drill holes completed between 1999 and 2002. This work was carried out under an existing Mineral Exploration License received from the province. There are no known environmental liabilities associated with the claim group. In 2002, the Company received an Environmental Assessment Approval for a quartz mine and processing plant from the Nova Scotia Department of Environment and Labour.

The 105 claims are in good standing. Seventy-eight claims were regrouped under a single license number in 2004 and are renewable on an annual basis with the payment of a renewal fee. The Company has sufficient work credit to hold the property for several years. Twenty-seven claims form the Mining Lease that is subject to an annual rental fee of \$2,160.

License Number	License Date			Map Sheet (NTS)	Tract	Claims	Number of Claims	Renewal Requirements (\$ for 2003)	Existing Credits, \$
	Anniversary Date	Year of Issue	Year						
5531	April 16	2003	8th	21-A-4-A	42	ABCD EFGH JKLM PQ(14)	78	\$15,600	\$652,024
					43	ABCD EFGH JKLM NOPQ (16)			
					44	D EF JKLM NOPQ (11)			
					45	N (1)			
					30	NO (2)			
					31	NOPQ (4)			
					53	ABCD EFGH JKLM NOPQ (16)			
					54	ABCD EFGH JKLM (12)			
					55	AH (2)			
					Mining Lease 03-3	Dec 15			
52	BCD EFGH JKLM NOQ (14)								
51	N (1)								
52	P (1)								
69	ABCD (4)								
Total Claims							105	\$17,760	\$652,024

N/A – Not applicable for the Mining Lease

4.3.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The claim area is located approximately 45 km north and west of the town of Shelburne, and is accessible from paved highway 203. It is sparsely vegetated with stunted pine, fir and spruce. Bedrock exposures are rare as most of the area is blanketed with 1 to 15 metres of glacial till. Three-phase power is available at the former tin mine at East Kemptville, 10 km to the west of the claim group. The tin mine employed approximately 200 persons, many of whom are still in the area. Sufficient surface rights are available for mining operations. Fog, although rare, will be a factor to consider in establishing time-lines for shipping products from the claim group to port.

4.3.3 History

Regional exploration surveys for tin and other minerals during the 1970s and 1980s led to the discovery of the quartz-kaolin breccia zone. In 1997, CAG conducted claim staking, geological mapping and shallow drilling in the area of the White Rock Property. They collected samples from the Flintstone Rock and Barclay Brook quartz showings. CAG subsequently optioned the property to the Company on November 30, 1997.

4.3.4 Geological Setting

Granite and metasediments underlie the White Rock Property. The central portion of the property is bisected by a NE-SW trending, 100 to 200 metres wide, quartz-kaolin and mica mineralized zone, which dips at approximately 50 to 70 degrees to the southeast. The mineralized zone is located in the Tobeatic Shear Zone, within the Meguma Tectonostratigraphic Terrane of the Canadian Appalachians. The geology of the shear zone appears to approximate a core of quartz bounded on either side by kaolin clay. The shear zone has been traced north and south a distance in excess of 7 kilometres.

4.3.5 Exploration

In 1998, the Company carried out trenching and test pit work over the quartz-kaolin zones of the Flintstone Rock occurrence. Between 1999 and 2003, the Company completed geophysical surveys, a 7,000 tonne bulk sample test, and 66 diamond drill holes to outline the quartz-kaolin mineralization over a strike length of about 2 km. This work outlined a large, moderately dipping quartz kaolin breccia within a tectonic shear zone, 100 to 175 metres in width.

4.3.6 Mineralization

Drilling indicates that the core of the shear zone is occupied by a wide zone of high purity brecciated quartz (averaging 97.4% SiO₂). The quartz breccia zone width is generally between 50 m and 100 m, but locally narrows to 20 or 30 metres wide. In general, the quartz breccia is massive. The colour varies from snow white to whitish grey to transparent. The quartz breccia zones are enveloped by quartz-kaolinite +/- metasediment breccia zones, which vary in width from 10 to 60 metres. A quartz-kaolinite zone forms the footwall and hangingwall for the quartz breccia. Kaolinite has a soft white to white grey colour and grades range from 10 to 50%, with a visual average of 25%.

4.3.7 Drilling

In 1999, 29 triple tube, HQ diamond drill holes were completed by Maritime Diamond Drilling Co Ltd. of Hilden Nova Scotia. Lantech Drilling of Moncton, NB completed 10 triple tube, HQ holes for the Company in 2000. Between December 2001 and mid-July 2002, Logan Drilling of Stewiacke, NS completed 27 NQ diamond drill holes for the Company. Drill holes were drilled at an angle of 45° from the horizontal and to an azimuth of 335°. Drill core lithology was logged, and the silica, kaolin and mica amount in the core was estimated for 1 to 1.5 metre intervals. Drill hole sampling is limited to about 100 metres below surface, although diamond drill hole FR-99-27 did reach a vertical depth of 114 metres.

The main quartz zone and three minor quartz zones have been outlined, along with nine distinct kaolin zones. Generally, the deposit is tabular, striking east-northeast and dipping 45 to 70 degrees to the southeast. The strike length of the resource outlined to date is approximately 2,000 metres.

4.3.8 Sampling and Analysis

A total of 825 whole drill core samples were collected from the quartz breccia and quartz-kaolin breccia zones. These samples were sent to the Mineral Engineering Centre ("MEC"), Dalhousie University, Nova Scotia for sample preparation and selective silica and major oxides analyses. The whole core sampling method was employed to ensure sampling was unbiased and zones were completely tested. Core sizes range from HQ to NQ and sample weights varied between 8 to 15 kilograms.

Four hundred and seventy two quartz breccia samples were collected at alternating 1.5 to 2 metre long intervals from all holes, which intersected quartz breccia zones. Three hundred and fifty three, one-metre long kaolinized samples were collected over continuous intervals of quartz kaolin breccia.

4.3.9 Security of Samples

W.G. Shaw and Associates, Antigonish, Nova Scotia completed core sampling, under the direct supervision of Guy MacGillivray, (P. Geol.) working for the Company. Core samples were placed in large plastic bags and shipped by truck to the assay laboratory of the MEC.

Sample preparation and analyses was completed under the supervision of Mr. Cyril Cole, Sr. Chemist at the MEC. Certified mineral standards and blanks are used with every sample batch. The lab takes part in round-robin assay determinations required by Federal and Provincial agencies.

4.3.10 Mineral Resource and Mineral Reserve Estimates

Mr. Patrick Hannon, M.A.Sc., P.Eng, and Wm. Douglas Roy, M.A.Sc., P.Eng., of MineTech International Limited (“MineTech”) of Halifax, Nova Scotia have prepared a Technical Report in support of a first time disclosure of a Mineral Resource for the Company’s White Rock Property. Mr. Hannon and Mr. Roy are independent and qualified persons as defined by NI 43-101. As part of their assessment, MineTech examined technical reports (geology, process test work and market studies) and sample information provided by the Company, and found them to be suitable for the Mineral Resource estimate report. Mineral resources were estimated using the categories set out in sections 1.3 and 1.4 of NI 43-101.

Measured and Indicated quartz resources on the White Rock Property amount to:

Measured Resource	4.9 million tonnes grading 97.3% SiO ₂
Indicated Resource	7.3 million tonnes grading 97.4% SiO ₂

The total Measured plus Indicated quartz Resources are 12.2 million tonnes grading 97.4% SiO₂. An additional Inferred quartz resource of 7.3 million tonnes was estimated using the average tonnes per vertical metre projected 50 metres vertically beyond the measured and indicated quartz resource, and 50 metres along strike to the southwest.

The estimated Measured and Indicated kaolin resource on the White Rock Property amount to:

Measured Resource	1,858,000 tonnes kaolin at a grade of 23.4% kaolin
Indicated Resource	2,827,000 tonnes at a grade of 24.7% kaolin

The total Measured plus Indicated kaolin Resources are 4,685,000 tonnes grading 24.2% kaolin. An additional Inferred resource of 2,325,000 tonnes kaolin was estimated using the average tonnes per vertical metre projected 50 metres vertically beyond the measured and indicated kaolin resource, and 100 metres along strike to the southwest of the Measured and Indicated Resource.

Resources were estimated using 825 whole drill core samples from 66 diamond drill holes, drilled between 1999 and 2002. To estimate the resources, the main quartz zone and three smaller quartz zones were outlined by hand on cross sections, along with nine distinct kaolin zones. Generally, the deposit is tabular, striking east-northeast and dipping 45 to 70 degrees to the southeast. The strike length of the mineralization outlined to date is approximately 2,000 metres. Parts of the deposit were outlined to more than 100 metres in depth. The drilling density and sample assay values have confirmed the continuity and grade of the quartz mineralization.

The core recovery factor was used to factor the volume of quartz or kaolin present per cubic metre (e.g. if core recovery was 85%, then the volume of the resource for that section was reduced by 15%). The grade of the deposit was confirmed through statistical analysis of the sample population. A specific gravity of 2.6 and 2.1 was used for the quartz and kaolin resource estimate, respectively.

Core samples collected from the quartz breccia and quartz-kaolin breccia zones were sent to the MEC for sample preparation and selective silica and major oxides analyses. The whole core sampling method was employed to ensure sampling was unbiased and zones were completely tested. Core sizes range from HQ to NQ and sample weights varied between 8 to 15 kilograms. Four hundred and seventy two quartz breccia samples were collected at alternating 1.5 to 2 metre long intervals from all holes, which intersected quartz breccia zones. Three hundred and

fifty three, one-metre long kaolinized samples were collected over continuous intervals of quartz kaolin breccia. The analytical procedures and the sample quality assurance/quality control system at the White Rock Property and at the MEC were assessed by MineTech and considered to be in conformance with NI43-101.

Product development and market research work were reviewed and described by MineTech in the Technical Report.

During 2002, the Company commissioned a study by Alsobrook & Company (“Alsobrook”), Inc. of Medford, New Jersey to assess the market potential for White Rock quartz products. The study’s main focus was on niche-type markets in which higher-than-average prices for superior quality quartz raw materials can be obtained, and those markets for which comparable materials are currently unavailable from existing producers. This research has identified significant potential for crushed and screened quartz products to be used in specialty applications, such as engineered/cast stone products, decorative flooring and textured coatings. In addition, preliminary processing test work indicates that the silica can be upgraded to 99.5% SiO₂ for use in other specialty applications, however, additional work is required to complete plant design.

More than 130 samples of quartz were delivered to 80 prospective end users and/or distributors for product evaluation and testing. The results indicate that the White Rock quartz product will be considered a premium material which merits premium pricing in the range of US \$35 per tonne to more than \$800 per tonne, (C\$52 – \$1,175/tonne). Alsobrook felt that US \$50 to \$75 per tonne (C\$75 – \$110/tonne) is a reasonably conservative estimate of the weighted average selling price into these markets. Alsobrook also anticipates that a ramp-up period of three to four years will be required before sales of 230,000 to 262,000 tonnes per year are reached. Market penetration rates can probably be accelerated and ramp-up schedules shortened somewhat if certain products are marketed through existing distributors. The Company may or may not be able to achieve these production and pricing targets.

In August 2003, the Company and U.S. Silica Company of Berkeley Springs, West Virginia, USA signed a Marketing, Sales, and Distribution Agreement (the “Agreement”) for any future quartz products produced from BBS’s White Rock Property in Nova Scotia, Canada. US Silica will be the exclusive agent to market, sell and distribute these products within the United States, Mexico and Canada, except Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland & Labrador where BBS will market their products separate from the Agreement. US Silica is one of the largest marketers of quartz/silica products in North America with over a century of experience, and annual sales volumes in excess of 6 million tonnes.

Processing test work indicates that the kaolin at the White Rock Property can be processed to the standards required for paper filler and other industrial uses. Kaolin test work has been carried out under the direction of Dr. Ian Wilson at laboratories in the United Kingdom, with the cooperation of the Federal Government’s Industrial Research Assistance Program. Test work was completed on a 60 kg bulk sample and a composite of 72 drill hole samples. The degree and quality of kaolin from the White Rock Property was found to be consistent from the near surface to a depth in excess of 100 metres. Dr. Wilson also concluded that the delaminated kaolin samples show good potential as a Supercalendered (SC) type kaolin, while the straight refined kaolin has potential as a traditional Cornish kaolin substitute. Samples for paper testing were prepared and are being tested for use by a major paper manufacturer. The results of this test will be used to refine the process flow diagram that was developed as part of this IRAP research program. The next step will be to further investigate technologies during a pilot plant stage. If this research were successful, the Company would then proceed with detailed design and costing of a process facility for kaolin.

Work to date at the White Rock Property has defined a Mineral Resource in accordance with requirements of NI 43-101. A Mineral Resource covers mineralization of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of technical, legal, environmental, socio-economic and governmental affairs.

The Company’s in-house feasibility analysis of the Mineral Reserves, market opportunity, production costs, transportation costs and other factors supports the economic viability of the White Rock project. However, it should be noted that the economic viability of the project has not been determined by an independent feasibility study prepared in accordance with requirements of NI 43-101.

4.3.12 Exploration and Development

On April 5, 2004 the Company made a decision to proceed with mine site development at the White Rock Property based on its internal feasibility analysis and receipt of the Mining Lease, Industrial Approval, and Letter of Authority on April 2, 2004.

Based on these approvals, the Company commenced site development work including clearing and grubbing, construction of access roads, construction of storm water holding and treatment ponds, construction of pads for crushing, screening & stockpiling ore and construction of a pad for storage of unprocessed rock; all in preparation for mining. The Company will fund this site development work from working capital.

On April 19, 2004 the Company signed an agreement with Atcon Construction Inc. to prepare the site and to mine and produce crushed quartz and sand products. Atcon is an Atlantic Canada based mining and construction company with a proven record of accomplishment. The agreement with Atcon is a one year renewable contract with production costs on a per tonne basis.

The Company is working with US Silica to finalize sales contracts with potential customers. With the issuance of the surface lease and mining permit on April 28, 2004, the Company plans to commence mining operation which initially involves the production of bulk quartz aggregate and sand products using mobile equipment. The Company then plans to build a specialized crushing and screening plant to produce value added sand and finely ground quartz products. Plant construction is targeted to commence in the Fall of 2004 with a full range of quartz products available in the first half of 2005. The Company intends to use a portion of the net proceeds from the TD Financing to build the plant.

Other permits/approvals that will be required as a normal course of business, and will be modified on an on-going basis, include a building permit and port approvals. Building Permits are administered by the Municipality of Argyle. They include approvals for permanent structures at the mine site. Initial approvals are being processed and will be in place prior to mining.

White Rock products will be transported by truck or shipped to customers. Ports at Shelburne and Yarmouth will be used when transporting products by ship. Shelburne will be the initial port for shipping. The Company has received approval from the Town of Shelburne to ship through the port, and is working with the Town and Government of Nova Scotia on other approvals and activities, including port security. The Industrial Approval for the port will initially focus on bulk aggregate quartz that is similar to products currently being shipped through the port. An approval for value added finely sorted sand and fine grind products will be required when these products are available from the specialized crushing and screening plant that will be built in the future. The same approvals and activities are being prepared for the Port of Yarmouth.

There are risks inherent with any new start-up mining operation and there is no guarantee the Company will be successful in completing the above mentioned tasks. The Company plans to minimize start-up risks through a staged program for development. The first stage will be the opening of a simple open-pit quarry type operation that will produce aggregate and bulk sand products. The next stage will be the construction of the specialized crushing and screening plant with plans to have the plant completed and commissioned during the first half of 2005.

British Columbia – Burn Horn, and Car Properties

On March 25, 2004 the Company entered into a letter agreement with Eagle Plains Resources Ltd. (“EPL”) agreeing to transfer 100% ownership in the Burn, Horn and Car British Columbia claims (the “BC Claims”). EPL has granted the Company a Net Smelter Royalty (“NSR”) on the Claims to a maximum of 2%. EPL further maintains the right to purchase 100% of this NSR at any time for the sum of \$1,000,000. EPL warrants to keep the claims in good standing for a minimum of one year and will agree to pay all filing fees and all associated administrative costs.

Business Risks

The Company operates in a highly risky business in a competitive market. There are a number of risks inherent to the Company’s business. These may be summarized as follows:

Development

Although the White Rock Property is at an advanced stage of development there are risks inherent with any new start-up mining operation and there is no guarantee the Company will be successful in bringing the mine into production or sustaining a profitable operation over the long term. The Company plans to minimize start-up risks through a staged program for development. The first stage will be the opening of a simple open-pit quarry type operation that will produce aggregate and bulk sand products. The next stage will be the construction of a specialized crushing and screening plant.

Operating Hazards and Risks

Exploration for, and development of natural resources 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 a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Although the Company has or will obtain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Fluctuating Prices

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of industrial minerals. The price of certain commodities can fluctuate, particularly in recent years, and is affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of metals and minerals, and therefore the economic viability of any of the Company's exploration projects and production activities, cannot accurately be predicted.

Environmental Factors

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. To date, no significant environmental issues have been identified in respect of the properties held by the Company.

Competition

Competition could adversely affect the Company's ability to acquire suitable properties for exploration or sell products in the future. Significant competition exists for mineral products and acquisition opportunities and the Company competes with many companies possessing greater financial resource and technical facilities than itself. There can be no assurance that the Company will be successful in penetrating mineral product markets or acquire any interest in additional properties that would yield reserves or result in commercial mining operations. The Company plan to address some of these risks is to partner with successful companies such as US Silica for marketing, sales and distribution of products.

Options and Joint Ventures

The Company may, in the future, be unable to meet its share of costs incurred under option or joint venture agreements to which it is, or becomes, a party and the Company may have its interest in the properties subject to

such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Title to Assets

Although the Company has or will receive title opinions for any properties in which it has or will acquire a material interest, there is no guarantee that title to such properties will not be challenged or impugned.

Management

The Company is dependent on a relatively small number of essential employees and consultants, the loss of any of who could have an adverse effect on the Company.

Exchange Rate Fluctuation

The profitability of the Company may be adversely affected by fluctuations in the rate of exchange of Canadian dollars into U.S. dollars. The Company does not currently take any steps to hedge against currency fluctuations.

Dependency on U.S. Silica

The Company will be largely dependent upon the US Silica Sales, Marketing and Distribution Agreement to sell its quartz products and to generate revenue. While the contract is in good standing, there is no guarantee that the agreement will remain in place. Nor are there any guarantees of levels of revenues that will be generated from this agreement. The Company will undertake its own product distribution within the Canadian Maritime Provinces and Newfoundland and Labrador.

TD Financing

The TD Financing is subject to the Company meeting certain conditions. These conditions are not necessarily within the control of the Company. Failure to satisfy these conditions may result in the Company refunding the investors of subscription receipts their purchase price. As the escrowed proceeds are net of commission and expenses, the Company will have to use other funds to make up the shortfall. The TD Financing will result in change of control, which requires disinterested shareholder approval. There is no assurance that such shareholder approval can be obtained. If the TD Financing is not completed as expected, the Company will need to seek alternative financing to execute its business plan. There are no assurances that alternative financing will be available on terms acceptable to the Company, or at all.

ITEM 5: SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

The following is a summary of certain selected consolidated financial information for the Company's three most recently completed fiscal years. This financial information is derived from the audited consolidated financial statements of the Company. The selected consolidated financial information should be read in conjunction with those financial statements and the notes thereto. The audited consolidated financial statements can be viewed in their entirety on Sedar (www.sedar.com) under the Company's profile.

Audited (Fiscal Year Ended September 30)

	2003	2002	2001
Total Revenue	\$5,279	\$5,347	\$29,067
Net loss	\$622,773	\$484,294	\$1,340,456

Net loss per share	\$0.035	\$0.031	\$0.092
Net loss per fully diluted share	\$0.022	\$0.023	\$0.072
Total assets	\$4,161,693	\$2,618,426	\$2,186,621
Long term debt	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

During the fiscal years ended September 30, 2003, 2002, and 2001 the Company spent \$151,172, \$685,024, and \$435,031, respectively, on exploration and development. Included in net loss are non-cash charges for the write off of abandoned claims in the amounts of \$nil for the fiscal years ended September 30, 2003 and 2002, and \$530,748 for the fiscal year ended September 30, 2001. The higher net loss for 2001 was largely due to this write off of abandoned claims and to higher consulting services and other expenses related to development of the White Rock Property. The increase in net loss for the year ended September 2003 over the previous year was largely as a result of an increase in audit and legal, consulting, directors and officer's liability insurance premiums, investor relations and listing and transfer fees.

5.2 Dividends

The Company has not paid any dividends since incorporation and it has no plans to pay dividends in the immediate future. The Company expects to retain its earnings to finance further growth. The directors of the Company will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. All of the common shares of the Company are entitled to an equal share in any dividends declared and paid.

ITEM 6: MANAGEMENT'S DISCUSSION AND ANALYSIS

6.1 Quarterly Information

The following is a summary of certain unaudited financial information for the most recent eight fiscal quarters comprising the Company's preceding two fiscal years and the period ended December 31, 2003. This financial information is derived from the consolidated financial statements of the Company. The selected consolidated financial information should be read in conjunction with those financial statements and the notes thereto.

Unaudited (Fiscal quarter of the Fiscal Year Ended September 30, 2003)

	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Total Revenue	\$3,994	\$476	\$441	\$368
Net loss	\$166,805	\$119,505	\$181,347	\$155,116
Net loss per share	\$0.008	\$0.007	\$0.010	\$0.009
Net loss per fully diluted share	\$0.006	\$0.005	\$0.008	\$0.007

Unaudited (Fiscal quarter of the Fiscal Year Ended September 30, 2002)

	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Total Revenue	\$690	\$653	\$3,488	\$516
Net loss	\$170,595	\$138,891	\$78,329	\$96,479
Net loss per share	\$0.010	\$0.008	\$0.005	\$0.006
Net loss per fully diluted share	\$0.008	\$0.007	\$0.004	\$0.005

Unaudited (Fiscal quarter for the period ended December 31, 2003)

	First Quarter
Total Revenue	\$1,243

Net loss	\$350,265
Net loss per share	\$0.019
Net loss per fully diluted share	\$0.011

Exploration expenditures for the year ending September 30, 2002 of \$685,024 consisted primarily of \$679,762 spent on drilling, permitting and research of the White Rock Property. The remaining \$5,262 consisted of deferred exploration costs on the Burn and Horn claims of \$2,631 and \$2,631, respectively.

Drilling on the White Rock Property to further define the limits of quartz and kaolin mineralization was carried out in two phases during the year ending September 30, 2002. Twenty-two NQ diamond drill holes costing \$147,184 and totaling 998 metres were completed from December 2001 to March 2002 with the expenditures being reported in Q2 and Q3, 2002. In July 2002, four NQ diamond drill holes totaling 181 metres were completed at a cost of \$26,206.

Exploration expenditures for the year ending September 30, 2003 were \$151,172 including drilling, permitting and research on the White Rock Property. Drilling costs declined to \$15,886 for the year ending September 30, 2003 from \$173,390 in the prior year as the program to define the resource at the White Rock Property was largely completed during the prior year. Costs in the amount of \$16,114 incurred for reports as at September 30, 2003 increased from \$3,335 as at September 30, 2002 primarily due to costs incurred for the completion of a technical report required by regulatory authorities in compliance with National Instrument 43-101 "Standards of Disclosure for Mineral Projects".

Permitting expenses were \$88,206 during fiscal year 2003 as compared to \$290,996 in 2002. The decrease in expenditures resulted from the completion of the Environmental Assessment approval during 2002. During 2003, the Company began the process of applying for an Industrial Approval, Mining Lease, Mining Permit and Surface Lease that are required before a production decision can be made. The Company experienced a delay in the preparation of the various submissions for these approvals while it completed financing to fund the costs.

6.2 Liquidity and Capital Resources

For the year ended September 30, 2003

As at September 30, 2003, the Company had working capital of \$1,415,748 compared to \$6,768 as at September 30, 2002. As the Company does not presently generate any cash flow from operations, it relies on external financing to provide working capital. During the year ended September 30, 2003 the Company raised net proceeds of \$2,204,200 through the issuance of 4,374,800 common shares compared to \$818,462 and 1,463,632 common shares for the year ended September 30, 2002. In addition, during 2003, the Company raised \$101,846 through the issuance of 388,354 common shares pursuant to the exercise of options.

The Company's proposed budgets for work on the White Rock Property for fiscal years 2002 and 2003 were \$2,925,000 and \$4,370,000, respectively. These budgets were prepared to complete all permitting, drilling, marketing, engineering and site development work needed to make a production decision at the White Rock Property. Expenditures incurred during this period were \$685,024 in 2002 and \$151,172 in 2003. The Company did not achieve its proposed work program due to delays in securing an environmental approval during 2002 and delays in completing financing during 2003.

Subsequent to September 30, 2003, the Company raised an additional \$570,000 through the issuance of 1,140,000 common shares. The Company believes that it will be able to continue to raise the necessary additional funds not only to meet its administrative expenses but also for future capital expenditures.

The Company's ability to continue as a going concern is dependent upon the ability of the Company to raise equity or debt financing and ultimately the attainment of profitable operations. The Company's financial statements do not give effect to adjustments that would be necessary to carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

For the 3 month period ended December 31, 2003

Total cash and short-term investments at December 31, 2003 were \$1,711,074 compared to \$1,486,083 as at September 30, 2003. The increase from the previous reporting period was due to proceeds raised from the issue of 1,140,000 common shares on October 1 and 6, 2003. Working capital at December 31, 2003 was \$1,691,139 compared to \$1,415,746 as at September 30, 2003. A total of \$136,960 in deferred exploration costs were expended in cash and initially capitalized during the period ended December 31, 2003.

In 2004 the Company plans to complete permitting and make a decision with respect to the development of a quartz mine at the White Rock Property. The budget for this work is estimated at under \$1,000,000. The Company has the necessary funds to complete this stage of development. The Company intends to fund the next stage of development of the White Rock Project through a combination of debt and equity financing.

The Company's ability to continue as a going concern is dependent upon the key management personnel and the ability of the Company to raise equity or debt financing and the attainment of profitable operations. The Company's financial statements do not give effect to adjustments that would be necessary to carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

6.3 Results of Operations

For the Year ended September 30, 2003

During the 2003 and 2002 fiscal years, no mineral property or deferred exploration costs were written off on the abandonment of properties. As at September 30, 2003 the Company has expended \$1,895,389 on deferred exploration costs and \$703,477 on property acquisition, including; the deemed value of shares issued for such purposes. Exploration expenditures for the year ending September 30, 2003 were \$151,172.

General and administrative costs increased from \$490,071 during the year ended September 30, 2002 to \$628,543 during the year ended September 30, 2003, primarily as a result of an increase in audit and legal, consulting services, directors and officer's liability insurance, investor relations and listing and transfer fees. Audit and legal fees were \$89,430 for 2003 compared to \$23,270 for 2002. The increase was as a result of a regulatory review of the Company in January 2003 and new Company operating procedures that require a more comprehensive professional review of public documentation prior to being released. The Company entered into an investor relations contract during 2003 with Coal Harbor Communications pursuant to which \$51,000 was paid for the year ended September 30, 2003 compared to nil for the previous year. Advertising and promotion expenses for the year ended September 30, 2003 were \$54,901 compared to \$49,157 for the previous year ended September 30, 2002. Of this amount, \$44,566 was paid for a marketing study prepared by Alsobrook and Company Inc. during 2003 compared to \$36,440 for the prior year ended September 30, 2002. Travel expenses of \$36,319 for the year ended September 30, 2003 declined from \$62,288 the previous year due to a lower level of activity related to the permitting approval process for the White Rock Property. Management believes there will be a substantial increase in travel and vehicle expenses for 2004 due to anticipated marketing and other related development costs associated with the White Rock Property. Rent and utilities expenses for the year ending September 30, 2003 were \$14,640, an increase of \$3,030 as a result of opening an office in Shelburne, Nova Scotia. Other administrative expenses incurred in 2003 for office expense and entertainment did not change materially from the previous year.

The Company does not use derivatives, hedging or other such financial instruments that could affect the results of its operations. The carrying value of cash and term deposits, accounts receivable, marketable securities, prepaid expenses and accounts payable approximate their fair values due to their short term maturity. The fair value of the mineral claims and deferred exploration costs is not readily determinable, as there are no commercial equivalents

During 2004 the Company will continue to focus on the further development of the White Rock Property. The Company plans to complete mine site development, commence mining and construction of a quartz processing plant. The budget for this work is estimated at approximately \$7,000,000. The Company intends to fund this program through equity financing.

For the 3 months ended December 31, 2003

During the period ended December 31, 2003 the Company raised net proceeds of \$570,000 through the issuance of 1,140,000 common shares pursuant to private placements. A total of 1,140,000 share purchase warrants were issued in connection with the Company's private placements for the period ending December 31, 2003.

During the period the Company spent \$63,020 of flow through funds on exploration expenses. The remaining working capital of \$1,691,139 will be used primarily for permitting, marketing, pre-production development and general/administrative expenses.

General and administrative costs increased from \$176,975 during the period ended December 31, 2002 to \$351,508 during the period ended December 31, 2003. The Company incurred a loss of \$350,265 for the period ended December 31, 2003 compared to a loss of \$176,116 for the same period ending December 31, 2002. This increased loss was due primarily to new accounting rules by regulatory bodies that require options issued in a quarter to be expensed on the income statement and the balance sheet under contributed surplus, this amounted to an expense of \$192,259 (refer to Note 9 of the financial statements).

To date the Company has expended \$2,032,349 on deferred exploration costs and \$703,477 on property acquisition, including the deemed value of shares issued for such purposes. Exploration expenditures for the period ending December 31, 2003 were \$136,960 compared to \$151,172 for the period ended December 31, 2002. Drilling, trenching and line cutting costs for the period ending December 31, 2003 were \$2,355 compared to \$15,886 for the period ending December 31, 2002. This continuing trend of lower exploration expenditures was as a result of the majority of exploration work being completed in fiscal 2002. Geological consulting costs for the period ending December 31, 2003 of \$47,936 increased from \$7,480 for the period ending December 31, 2002. This increase was attributed to additional geophysical surveys being carried out at the White Rock Property. Permitting costs of \$76,370 during the first quarter of 2003 were slightly reduced from the \$88,206 spent during the same period of 2002. The Company spent \$9,561 in sampling costs for the period ending December 31, 2003 compared to \$16,784 for the period ended December 31, 2002. This decreasing trend is expected to reverse significantly in the future as US Silica proceeds with pre-marketing and potential customers request larger product samples.

During the period ended December 31, 2003 no mineral property or deferred exploration costs were written off on the abandonment of properties.

Increased advertising and promotion during the period ending December 31, 2003 increased to \$13,429 compared to \$1,262 for the period ending December 31, 2002. These costs were related to an increase in advertising in magazines and newspapers and the commissioning of research reports.

The Company paid \$33,250 in consulting fees for the period ended December 31, 2003 compared to \$85,649 from 2002. Of this amount \$15,000 was paid to Mr. Don Hilton for financial services consulting fees, \$6,666 was paid to Double Check Consulting Inc. for office management, and \$6,504 was paid in connection with government liaison services.

The Company paid \$13,641 in related party transactions for the period ended December 31, 2003 compared to \$35,999 for the same period of 2002. Related party transactions included \$1,895 paid to R.E. Condon Accounting Services Ltd., a company owned by Robert Condon, an officer and director of the Company. Double Check Consulting Inc. ("Double Check") received \$6,666, a private company owned by Mr. David Wood, a Director of the Company, and an associate of Mr. Wood, for supplying office management staff. Joseph MacDonald, a Director of the Company, received \$5,080 for marketing consulting services.

Travel expenses for the period ended December 31, 2003 of \$10,143 were virtually unchanged from the same period of 2002. Management believes there will be a substantial increase in travel and vehicle expenses for the balance of 2004 due to marketing and other related development costs associated with the White Rock Property.

Audit and legal fees were \$16,799 for the period ended December 31, 2003 compared to \$6,781 for the same period of 2002. The increased cost related to additional legal and audit requirements for the Annual General Meeting (AGM) and due diligence activities for financing.

Rent and utilities expenses for the period ending December 31, 2003 were \$4,110, a slight increase from the same period of, 2002 as a result of expanding our office in Shelburne, Nova Scotia. Preparation and distribution of AGM materials contributed to an increase in office expenses from \$6,735 in 2002 to \$12,051 during the same period in 2003. Insurance costs of \$2,754 for the period ended December, 31 2003 were a result of an increase in premiums charged for director's and officer's liability insurance.

ITEM 7: MARKET FOR SECURITIES

The common shares of the Company are listed for trading on the TSX Venture Exchange (TSX-V) under the trading symbol BBS.

ITEM 8: DIRECTORS AND OFFICERS

8.1 Name, Address, Occupation and Security Holding

The following are the names and municipalities of residence of the directors and officers of the Company, their position and offices with the Company, their principal occupations during the last five years and the number of common shares beneficially owned and/or controlled by them.

Name, Residence, Date First Became a Director/Officer	Principal Occupation During the Past 5 Years	Common Shares Beneficially Owned and/or
Robert E. Condon Langley, British Columbia June 3, 1997	President of R.E. Condon Accounting Services Ltd., a private consulting company, since 1986. Director of Diversaflow Corporation Ltd., a playground equipment manufacturing company, whose securities trade on the TSX Venture Exchange, since July 1999. Mr. Condon was also the Chief Financial Officer of Diversaflow Corporation Ltd. from 1999 to November 2003. Director of Festino Venture Corp., a capital pool corporation, since November, 2003.	1,015,600 ⁽³⁾ (4.51%)
George T.H. Cooper ⁽²⁾ Halifax, Nova Scotia July 27, 2001	Director of the Company. Barrister and Solicitor with McInnes Cooper since 1967. Director of Stora Enso Port Hawkesbury Ltd., a paper manufacturer, since 1985. Director of Dover Mills Ltd., a flour milling company, since 1998.	153,266 (0.68%)

Name, Residence, Date First Became a Director/Officer	Principal Occupation During the Past 5 Years	Common Shares Beneficially Owned and/or Controlled ⁽¹⁾
Dennis H. Crawford ⁽²⁾ Calgary, Alberta June 3, 1997	Director of the Company. President of Crawford Financial Services Corp., a private financial planning, financial product and life insurance based company, since 1970. President of Advantage Investment Services Corp., a registered mutual fund dealer, from 1992 to 1998. President and Director of Diversaflow Corporation Ltd., a playground equipment designing and manufacturing company, whose securities trade on the TSX Venture Exchange, from July 1999 to December 2003.	642,290 ⁽⁴⁾ (2.86%)
John G. Keating Ottawa, Ontario January 18, 2001	President and Chief Executive Officer of the Company. Senior Policy Analyst with the Federal Government and responsible for providing advice and guidance to Ministers and senior officials on economic, social and environmental aspects of mineral and metal development, from 1991 to 2000.	Nil
Joseph MacDonald Judique, Nova Scotia October 31, 2002	Director of the Company. Senior Vice President with Stora Enso North America, a forestry company, from 1996 to 2000. Consultant to Stora Enso North America from 2001-2002.	25,200 (0.11%)
John Wonnacott Shelburne, Nova Scotia January 14, 2004	Owner-operator of Roseway Engineering, an engineering consulting company, since 2003. Deputy Operations Manager and Chief Engineer with Diavik Diamond Mines, a privately held diamond mining company, from 1999 to 2003.	5,500 (0.03%)
David L. Wood ⁽²⁾ Calgary, Alberta June 3, 1997	Director of the Company. Founder and President of Zenith Appraisal & Land Consulting Ltd., a privately owned Alberta consulting company, since 1978. Director of Gold Summit Mines Ltd., a public natural resource company whose securities trade on the TSX-V, from July 1999 to November 2002. President of Double Check Consulting Inc., a private consulting company, since 1994. Director of Diversaflow Corporation Ltd., a playground equipment designing and manufacturing company, whose securities trade on TSX Venture Exchange, since 1999. Secretary of Diversaflow Corporation Ltd. from July 1999 to December 2003.	2,290,390 ⁽⁵⁾ (10.18%)

Notes:

- (1) The information as to country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) Members of the Company's Audit Committee.
- (3) Of these shares, 240,633 are held indirectly by R.E. Condon Accounting Services Ltd., a BC private company controlled by Mr. Robert Condon.
- (4) Of these shares, 100,000 are held indirectly by Crawford Financial Services Corp., a private company controlled by Mr. Dennis Crawford.
- (5) Of these shares, 332,850 are held indirectly through Double Check Consulting Ltd., a private company in which Mr. David Wood is a minority shareholder, and a further 261,120 shares are held indirectly through Zenith Appraisal & Land Consulting Ltd., a private company controlled by Mr. Wood.

The Company does not have an Executive Committee.

As of March 31, 2004, 4,132,246 common shares were beneficially owned or controlled, directly or indirectly, by the directors, the officers and their associates as a group, representing 18.37% of the issued and outstanding common shares of the Corporation.

Messrs Donald A. Wright, James Gogan and Wayne Mailloux have been nominated for election as directors of the Company at the special shareholder's meeting set for May 7, 2004. In the event that the TD Financing is not completed as described herein, Messrs Wright, Gogan and Mailloux, notwithstanding election by the shareholders, will not be appointed as directors. Instead, the directors of the Corporation who were elected at the February 16, 2004 Annual and Special Meeting will continue to serve as directors until the next annual general meeting or until their successors are elected or appointed in accordance with the *Business Corporations Act* (Alberta) and the By-laws of the Corporation.

Conditional upon obtaining disinterested shareholder approval for the Change of Control described above, and the completion of the TD Financing, one of the incumbent directors named above will resign, leaving the seven (7) directors required by the TD Financing.

8.2 Corporate Cease Trade Orders or 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 10 years before the date of the AIF has been, a director or officer of any other company 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 company 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 relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or have a receiver, receiver manager or trustee appointed to hold its assets.

8.3 Penalties or Sanctions

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 has 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 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.

8.4 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 10 years before the date of the AIF, become bankrupt, make 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.

8.5 Conflicts of Interest

There are no existing or potential material conflicts of interest between the Company or a subsidiary of the Company and a director or officer of the Company or a subsidiary of the Company.

ITEM 9: ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Company's information circulars dated January 15, 2004 and April 16, 2004 (the "Information Circulars") for its annual and special meeting of shareholders which involves the election of directors.

Additional information is also provided in the Company's comparative financial statements for its most recently completed financial year. Copies of such documents may be obtained upon request from the Company.

The Company shall provide to any person, upon request:

- (a) a copy of this Revised Renewal Annual Information Form;
- (b) copies of the Company's comparative audited financial statements for the most recent fiscal year end and unaudited financial statements for the quarterly periods subsequent to its most recent fiscal year end; and
- (c) a copy of the Information Circulars referred to above

to any shareholder of the Company at no charge, and to any other person at a reasonable cost for copying and administration expenses.