This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act") and may not be offered, sold or delivered, directly or indirectly, in the United States or to a U.S. Person (as defined in Regulations promulgated under the 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act.

PROSPECTUS

Initial Public Offering, by way of new issue
and by way of a Dividend-in-Kind August 30, 2004

INITIAL PUBLIC OFFERING

WESCAN GOLDFIELDS INC.

14,000,000 Common Shares ($1,400,000)
Price: $0.10 per Common Share

- AND -

Up to 5,500,000 Common Shares to be Distributed by Shore Gold Inc. as a Dividend-in-Kind to Shareholders of SHORE GOLD INC.

Qualification of Common Shares

This prospectus qualifies for distribution 14,000,000 common shares ("**Offering Shares**") of Wescan Goldfields Inc. (the "**Corporation**") at a price of $0.10 per Offering Share, of which a maximum of $1,400,000 of gross proceeds may be derived (the "**Offering**"). See "Plan of Distribution - Offering".

Qualification of Dividend-in-Kind and Dividend Offering Shares

This prospectus also qualifies for distribution up to 5,500,000 common shares (the "**Dividend Shares**") to be distributed pursuant to a declaration by Shore Gold Inc. ("**Shore**") of a Dividend-in-Kind to its shareholders of record as of the close of business on September 10, 2004 (the "**Record Date**") who are resident in the Qualifying Jurisdictions (as defined below). Shore will pay a cash dividend to its shareholders resident outside of the Qualifying Jurisdictions (the dividend-in-kind and cash dividend hereafter the "**Dividend**"). Shore will be paying the Dividend provided that the necessary regulatory approvals are obtained and the full Offering is achieved. Shore currently expects that all such approvals will be obtained. Neither Shore nor the Corporation will receive any proceeds as a result of the distribution of the Dividend Shares. The Dividend Shares will be distributed on the basis of 1/10 of a Dividend Share for each Shore common share outstanding as of the Record Date. Fractional Dividend Shares will not be issued. The number of Dividend Shares of the Corporation to be distributed to a Shore shareholder will be rounded down to the nearest whole number of Dividend Shares. The payment of the Dividend consisting of the Dividend Shares will occur on or about September 24, 2004, but in any event not earlier than the closing of the Offering and share certificates representing such Dividend Shares will be distributed on, or as soon as practicable following, such date.

The Dividend will only be distributed to Shore shareholders resident in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario (the "**Qualifying Jurisdictions**") and Québec. Shore is qualifying the Dividend in the Qualifying Jurisdictions and has applied for an exemption to allow it to distribute the Dividend in Québec. If the Offering is not completed the Dividend will not proceed. The distribution of the Dividend Shares to the shareholders of Shore will be treated as a taxable dividend received from a

taxable Canadian corporation for Canadian federal tax purposes (see "Certain Canadian Federal Income Tax Considerations" and "Plan of Distribution - Dividend").

	Price[1]	Agent's Commission[2]	Net Proceeds to the Corporation[3]
Offering Share.....	$0.10	$0.003	$0.097
Total Offering	$1,400,000	$42,000	$1,358,000

Notes:

(1) The subscription price per Offering Share was established by negotiation between the Corporation and Wellington West Capital Inc. (the "**Agent**").

(2) The Agent will receive a commission of 3% of the gross subscription proceeds of the Offering received by the Corporation The Agent will also be reimbursed for all reasonable expenses incurred in connection with the Offering and its legal fees to a maximum of $15,000. See "Plan of Distribution".

(3) Net proceeds to the Corporation is before deducting the estimated expenses of the Offering of $100,000, which will be paid out of the general funds of the Corporation.

The distribution of the Offering Shares and the Dividend Shares is hereafter referred to as the "**Distribution**".

An investment in the Offering Shares should be considered highly speculative due to the nature of the Corporation's business and its present stage of development and should be made only after a full review of this prospectus. This Offering is suitable to those investors who are prepared to risk a loss of their entire investment. Prospective purchasers are urged to consider certain risks pertaining to investment in the Offering Shares. Mining and mineral exploration involves a high degree of risk that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The degree of risk increases substantially where an issuer's properties are in the exploration as opposed to the development stage. The Corporation's properties are all in the exploration stage. All of the Corporation's mineral properties presently are without a known body of commercial ore. See "Risk Factors".

Recipients of Offering Shares will experience an immediate dilution of 57.44% or $0.0574 per Common Share based on the net proceeds of the Offering, after deduction of selling commissions and related expenses of the Offering. See "Dilution". The Corporation has not paid any dividends on its Common Shares to the date hereof and does not anticipate paying any dividends in the foreseeable future. See "Dividend Record and Policy."

The Agent is acting as agent of the Corporation in connection with the Offering pursuant to an agency agreement to be dated effective as of July 26, 2004 between the Corporation and the Agent (the "**Agency Agreement**"). The Agent conditionally offers the Offering Shares for sale on a best efforts basis, subject to acceptance of subscriptions and prior sale, if, as and when issued by the Corporation in accordance with the terms contained in the Agency Agreement. Subscriptions for the Offering Shares will be received subject to rejection or allotment in whole or in part by the Corporation.

The completion of the sale of the Offering Shares will take place on a day or days to be determined by the Corporation and the Agent (each referred to herein as a "**Closing**"). It is anticipated that Closing will take place on September 24, 2004. This Offering will be discontinued if the Offering has not been fully subscribed on or prior to the date that is 90 days from the issuance of a receipt for this Prospectus unless the Agent and each of the persons or companies that subscribed for Offering Shares during that period and the applicable regulatory authorities consent to a continuation of the Offering. The Corporation has applied for but has not yet received conditional approval to list all shares qualified by this prospectus on the TSX Venture Exchange. The Closing is conditional upon, among other things, the receipt of conditional listing approval from the Exchange.

Until the Closing, all subscription funds received by the Agent will be held by the Agent pursuant to the Agency Agreement. If the Offering has not been fully subscribed for prior to the expiry of the 90-day period, the Agent shall promptly return the proceeds of subscription to the purchasers without interest or deduction unless such purchasers have otherwise instructed the Agent.

Certificates for the Offering Shares being offered hereunder will be available for delivery on the Closing Date. Certain legal matters relating to the Offering have been reviewed on behalf of the Corporation by Bennett Jones LLP and on behalf of the Agent by Aikins, MacAulay & Thorvaldson LLP.

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PROSPECTUS SUMMARY

The following is a summary of the principal features of the Distribution and should be read together with the more detailed information and the financial statements, including the notes thereto, appearing elsewhere in this prospectus. More detailed information is contained in the body of this prospectus. Reference is made to the "Glossary" for the meanings of certain defined terms.

The Corporation: The Corporation was incorporated under the laws of Alberta on January 17, 2003, as Shore Resources Inc. and its name was changed to Wescan Goldfields Inc. on April 2, 2004. The Corporation intends to become engaged in the acquisition, exploration and operation of precious metal properties. On May 31, 2004 the Corporation entered into an agreement with Shore for the transfer of a portfolio of mineral properties from Shore in consideration for 12,000,000 Common Shares of the Corporation. This portfolio of mineral properties comprises all of the Corporation's present properties. See "Principal Properties", "Corporate Structure" and "General Development of the Business of the Corporation".

The Distribution: This prospectus qualifies the distribution of the Offering Shares and the Dividend Shares. See "Plan of Distribution".

The Offering: 14,000,000 Common Shares ($1,400,000) at a price of $0.10 per Common Share.

The Dividend Shares This prospectus qualifies a maximum of 5,500,000 Dividend Shares to be distributed by Shore pursuant to a declaration by Shore of a Dividend to its shareholders of record as of the close of business on the Record Date who are resident in Qualifying Jurisdictions. Shore will pay a cash dividend to its shareholders resident outside of the Qualifying Jurisdictions. The Dividend Shares will be distributed on the basis of 1/10 of a Dividend Share for each Shore common share outstanding on the Record Date. Fractional Dividend Shares will not be issued. The number of Dividend Shares of the Corporation to be distributed to a Shore Shareholder will be rounded down to the nearest whole number of Dividend Shares. The payment of the Dividend consisting of the Dividend Shares will occur on or about September 24, 2004, but in any event not earlier than the Closing and share certificates representing such Dividend Shares will be distributed on, or as soon as practicable following, such date.

Excluded Shareholders The securities of the Corporation are not registered under the laws of the United States of America or any of its territories or possessions. Therefore, certificates representing Dividend Shares will not be delivered to any person who appears to be, or who Shore has reason to believe is, a resident of the United States or any of its territories or possessions ("**U.S. Resident**"), but holders of common shares of Shore who are U.S. Residents shall receive cash in the same manner as Canadian shareholders who do not reside in the Qualifying Jurisdictions, as described below.

In Canada, this prospectus will only be filed in the Qualifying Jurisdictions. Accordingly, holders of common shares of Shore who do

not reside in the Qualifying Jurisdictions (except those resident in Québec, who will be treated in the manner described below) will not receive the certificates representing their entitlement to the Dividend Shares. Instead, such Shareholders will receive a cash dividend in an amount equal to the number of Dividend Shares that the shareholder would have received if it resided in a Qualifying Jurisdiction multiplied by $0.10 per share. Shore will distribute the cash dividend, subject to the deduction of the applicable 25% withholding tax for non-residents of Canada, subject to any applicable reduction (for example, the rate of withholding is reduced to 15% for a Shore shareholder who is a U.S. Resident for the purposes of the Canada U.S. Tax Treaty).

With respect to Shore shareholders who reside in Québec, Shore will make an application in Québec to obtain a discretionary order to allow the Dividend Shares to be distributed to Shore shareholders resident in Québec. Shore expects that such Order will be granted.

Tax Considerations: A Shore shareholder who receives Dividend Shares will be deemed, for tax purposes, to have received a taxable dividend from a taxable Canadian corporation, and to have acquired the Dividend Shares at a cost equal to the fair market value of such Dividend Shares. Recipients of the Dividend Shares should consult with their advisors on the implications of the Dividend. See "Canadian Federal Income Tax Considerations".

Agent: The Agent is not responsible for and is not acting as Agent in respect of the distribution of the Dividend Shares to the holders of Shore common shares. The Agent is acting as Agent only in respect of the distribution of Offering Shares pursuant to the Offering.

Use of Proceeds: The net proceeds from the Offering after deducting the Agent's Commission are expected to be $1,358,000.

The Corporation intends to use the proceeds for exploration and development of its Fork Lake property in Saskatchewan, for due diligence in the process of acquiring additional properties and for working capital. See "General Development of the Business of the Corporation" and "Use of Proceeds".

Qualifying Jurisdictions: The Offering Shares offered hereunder are qualified for sale to the public in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario (the "**Qualifying Jurisdictions**).

Management and Directors:

George W. Sanders	President
Kenneth E. MacNeill	Chairman of the Board of Directors and Chief Executive Officer
Harvey J. Bay	Chief Financial Officer, Secretary and a Director
Arnold E. Hillier	Director
Michael S. Carr	Director
Leonard W. Saleken	Director

Selected Consolidated Financial Information:

The following selected financial information is subject to the detailed information contained in the financial statements of the Corporation and the notes thereto appearing elsewhere in this prospectus. The Corporation has established December 31 as its fiscal year end.

Statement of Earnings

	Period Ended	
	March 31, 2004	**December 31, 2003**
	(unaudited)	
Revenue	0	0
Net Earnings (Loss)	(43,280)	(108,153)
Net Earnings (Loss) per Common Share	(432.80)	(1081.53)

Balance Sheet

	Period Ended	
	March 31, 2004	**December 31, 2003**
	(unaudited)	
Total Assets	535	535
Total Liabilities	151,968	108,688
Shareholders Equity (Deficiency)		
Share Capital	0	0
Deficit	(151,433)	(108,153)

For additional financial information see "Financial Statements".

Risk Factors:

An investment in the Offering Shares should be considered highly speculative due to the nature of the Corporation's business and its present state of development, and should be made only after a full review of this prospectus. **The Offering is suitable to those investors who are prepared to risk a loss of their entire investment. Prospective purchasers are urged to consider certain risks pertaining to investment in the Common Shares. Mining and mineral exploration involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The degree of risk increases substantially where an issuer's properties are in the exploration as opposed to the development stage. The Corporation's properties are in the exploration stage. All of the Corporation's mineral properties**

	presently are without a known body of commercial ore. See "Risk Factors".
Dividend Policy:	No dividends have been declared or paid on the Common Shares since incorporation and it is not anticipated that any dividends will be declared or paid on such Common Shares in the immediate or foreseeable future. Any decision to pay dividends on its Common Shares will be made by the Board of Directors on the basis of the Corporation's earnings, financial requirements and other conditions existing at such future time. See "Dividend Record and Policy".
RRSP, RRIF, RESP and DPSP Eligibility:	The Offering Shares offered hereunder, if and when listed on a prescribed stock exchange (which includes the Exchange), will be eligible for investment by registered retirement savings plans, registered retirement income funds and registered education savings plan or deferred profit sharing plans. See "Eligibility for Investment".

GLOSSARY

In this prospectus, unless the context otherwise requires, the following words and phrases shall have the meaning set forth below:

1933 Act means the *U.S. Securities Act* of 1933, as amended.

ABCA – means the *Business Corporations Act* (Alberta), as amended.

adit – means horizontal tunnel from surface.

Ag – means silver.

Agency Agreement – means the agency agreement to be dated effective as of July 26, 2004 between the Corporation and the Agent relating to the Offering.

Agent – means Wellington West Capital Inc., Suite 400, 200 Waterfront Drive, Winnipeg, Manitoba, R3B 3P1.

Agent's Commission – means the commission paid to the Agent as more fully described under "Plan of Distribution".

affiliate – has the meaning ascribed thereto in the *Securities Act* (Alberta), except as otherwise herein provided.

assay – means an analysis to determine the presence, absence or concentration of one or more chemical components.

associate – has the meaning ascribed thereto in the *Securities Act* (Alberta), except as otherwise herein provided.

Au – means gold.

base metal – means a metal, such as copper, lead, nickel, zinc or cobalt of comparatively low value and relatively inferior in certain properties (such as resistance to corrosion) compared to noble metals such as gold, silver, or platinum.

belt – means a specific elongate area defined by unique geologic characteristics.

Board of Directors - means the board of directors of the Corporation.

breccia – means a rock dominated with angular fragments within a finer-grained matrix.

calcite – means a common rock forming mineral: $CaCO_3$. It is the principal constituent of limestone and is commonly found as a gangue mineral in many ore deposits.

Canada – U.S. Tax Treaty – means the *Canada – United States Income Tax Convention, 1980.*

CBCA – means the *Canada Business Corporations Act*, as amended.

Closing – means the closing of the Offering and Dividend Share Offering.

Closing Date – means the date of the closing of the Offering and Dividend Share Offering which is expected to be on or about September 24, 2004 or at such other date as may be mutually agreed upon between the Corporation and the Agent.

Common Shares – means the common shares in the capital of the Corporation.

Corporation – means Wescan Goldfields Inc., a corporation incorporated under the ABCA.

Counsel – means Bennett Jones LLP, as counsel for the Corporation and Aikins, MacAulay & Thorvaldson, as counsel for the Agent.

Cu – means copper.

deposit – means a mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or reserves, until final legal, technical and economic factors have been resolved.

development – means the preparation of a known commercially mineable deposit for mining.

diamond drill or **"DD" –** means a type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock which is recovered in long cylindrical sections of an inch or more in diameter.

dip – means the angle at which a bed is inclined from the horizontal.

Distribution – means the distribution of the Offering Shares and the Dividend Shares.

Dividend – means the dividend of Shore to holders of Shore common shares comprised of the dividend-in-kind of Shore of the Dividend Shares to holders of Shore common shares other than Excluded Shareholders and the payment of the cash dividend to Excluded Shareholders.

Dividend Shares – means the maximum of 5,500,000 Common Shares to be distributed as a dividend-in-kind to certain of the Shore shareholders.

Effective Date – means the date of declaration of the Dividend by Shore.

Exchange – means the TSX Venture Exchange.

Excluded Shareholders – means holders of common shares of Shore who do not reside in a Qualifying Jurisdiction or Québec.

Final Exchange Bulletin – means the Exchange bulletin which is issued by the Exchange following the Closing and that evidences Exchange acceptance of the Distribution.

grade – means (1) the slope of the bed of a stream, or of a surface over which water flows, upon which the current can just transport its load without either eroding or depositing; or (2) the quality of an ore or metal content.

"g/t" – means grams per tonne.

hectare – means an area contained by a square of 100 metres.

host rock – means a body of rock in which mineralization of economic interest occurs.

Howe – means ACA Howe International Limited.

Howe Report – means the report by Howe entitled "Technical Review of a Portfolio of Properties in Saskatchewan" dated July 15, 2003.

intrusive – means something said of an igneous rock that invades older rocks.

kilometer – one kilometer = 0.62 miles.

lens – means a body of ore rock that is thick in the middle and converges toward the edges, resembling a convex lens.

metre – one metre – 3.28 feet.

mineral deposit – means an identified *in-situ* mineral occurrence from which valuable or useful minerals may be recovered. Mineral deposit estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence of mineralization and on the available sampling results.

mineralization – means the concentration of metals and their chemical compounds within a body of rock.

Offering – means the offering of 14,000,000 Common Shares at a price of $0.10 per Offering Share.

Offering Shares – means Common Shares sold pursuant to the Offering.

ore – means a metal or mineral or a combination of these of sufficient value as to quality and quantity to enable it to be mined at a profit.

ounces – troy ounces = 31.103 grams.

oz/ton – means troy ounces per short ton.

Payment Date – means the date on which the Dividend is paid.

Properties – means the properties described in the Howe Report.

prospect – means an area in which potential is suggested for economic mineralization.

Purchasers – means purchasers of Offering Shares under the Offering and purchasers of Dividend Offering Shares under the Dividend Share Offering.

pyrite – means a mineral, the composition of which is iron sulfide (FeS_2).

Qualifying Jurisdictions – means British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

quartz – means a mineral, the composition of which is silicon dioxide. A crystalline form of silica, which frequently occurs in veins.

Record Date – means September 10, 2004.

S – means sulphur.

sediment – means solid material that has settled down from a state of suspension in a liquid. More generally, solid fragmental material transported and deposited by wind, water or ice, chemically participated from solution, or secreted by organisms, and that forms in layers in loose unconsolidated form.

sericite – means a white, fine grained potassium mica occurring in small scales and flakes as an alteration product of various aluminosilicate minerals, having a silky luster, and found in wall rocks, fault gouge, and vein fillings of many ore deposits.

Shore – means Shore Gold Inc., a corporation incorporated under the CBCA.

stockwork – means a network of usually quartz veinlets diffused in the original rock.

strike – means the direction or trend of a geologic structure.

Subsidiary – has the meaning ascribed thereto in the *Securities Act* (Alberta).

Tax Act – means the *Income Tax Act* (Canada), and the regulations thereunder, as amended from time to time.

ton – means a short ton (2,000 pounds).

tonne – one tonne = 1,000 kilograms = 2204.6 pounds.

Trustee – means Valiant Trust Company.

TSX – means The Toronto Stock Exchange.

Valuation Report – means the valuation report of Dr. D. Patrick of Howe dated November 21, 2003.

vein – means a thin sheet-like intrusion into a fissure or crack, commonly being quartz.

volcanic – means rocks originating from volcanic activity.

CURRENCY PRESENTATIONS AND EXCHANGE INFORMATION

All dollar amounts referenced herein unless otherwise indicated are stated in Canadian dollars and referred to as "$".

References to United States of America dollars are referred to as "US$". For the purposes of this Prospectus, the exchange rate between $ and US$ is not floating exchange rate. It is fixed at US$1.00 being equal to $1.35.

CORPORATE STRUCTURE

Name and Incorporation

The Corporation was incorporated under the ABCA on January 17, 2003 as Shore Resources Inc. and its name changed to Wescan Goldfields Inc. on April 2, 2004. The Corporation is registered as an extra-provincial corporation in the Province of Saskatchewan. The Corporation's registered office is located at 4500 Bankers Hall East, 855 – 2nd Street S.W., Calgary, Alberta T2P 4K7 and its principal office is located at Suite 300, 224 - 4th Avenue South, Saskatoon, Saskatchewan S7K 5M5. The Corporation has no subsidiaries.

Intercorporate Relationships

Shore currently owns 100% of the Common Shares of the Corporation and Shore and the Corporation have 4 directors and officers in common: George Sanders, Kenneth MacNeill, Harvey Bay and Arnold Hillier. See "Directors and Officers". On the transfer of the Properties to the Corporation, Shore received 12,000,000 Common Shares. After the Distribution, it is anticipated that Shore will continue to hold approximately 25% of the Corporation. See "Details of the Distribution".

Following the Distribution, it is anticipated that the Corporation will conduct its exploration program through the offices currently maintained by Shore, which will be made available, together with certain administrative and technical support, by Shore. It is the intention of the Corporation to utilize project specific employees and consultants and, as such, the Corporation will not rely exclusively on Shore for technical support. See "Employees/Consultants".

Shore was incorporated under the CBCA on April 29, 1985. Shore's registered office and its principal office are located at Suite 300, 224 - 4th Avenue South, Saskatoon, Saskatchewan S7K 5M5. The common shares of Shore are listed and posted for trading on the Exchange under the symbol SGF.

GENERAL DEVELOPMENT OF THE BUSINESS OF THE CORPORATION

History

The Corporation was incorporated to facilitate the spinout from Shore of Shore's gold properties and the creation of a new public mining exploration company. Management of Shore believes that a new publicly traded gold exploration company will be better able to maximize the value of the Properties. Shore intends to continue operations with a focus on its diamond exploration properties. The Corporation currently has no assets other than the Properties.

Following the Distribution, it is anticipated that the Corporation will conduct its exploration program through the offices currently maintained by Shore, which will be made available to the Corporation, together with certain administrative and technical support, by Shore. It is the intention of the Corporation to utilize gold and project specific employees and consultants and, as such, the Corporation will not rely exclusively on Shore for technical support. Over the next 12 months, the Corporation estimates that a total of approximately $1,000,000 will be expended for exploration drilling and other geological work and administration in connection with the Properties.

Corporate Strategy

The Corporation believes that the proceeds of the Offering will provide sufficient funds to undertake all of its planned exploration programs for the next twelve months. If the exploration programs are

successful, additional funds will be required to develop the Properties and to place them into commercial production. There is no assurance that the Corporation will be able to obtain such additional financing or whether the terms of such financing would be favorable to the Corporation. Failure to obtain such financing could result in the delay or the postponement of development work on the Properties.

Description of Shore

Shore is a Canadian-based corporation engaged in the acquisition, exploration and development of mineral properties. Prior to 1993, Shore was engaged primarily in gold exploration and development, and was a former gold producer through its interest in the Jasper Gold Mine, which ceased production in December 1991. In 1994, management changed with the election of Mr. Ken MacNeill to the board of directors and his appointment as Chief Executive Officer. Between 1993 and 1995, Shore was still primarily engaged in gold exploration, entering into an option agreement with Shane Resources Ltd. to earn an interest in the Munro Lake gold property by funding exploration work. In December 1995, the exploration emphasis of Shore switched to diamonds with the acquisition of mineral claims in the Fort à la Corne area of Saskatchewan. Although Shore has also acquired and worked on base and precious metal properties since 1995, the majority of its exploration effort has gone into exploration for diamonds.

SIGNIFICANT ACQUISITIONS

The Corporation entered into an agreement with Shore on May 31, 2004 whereby the Corporation acquired the Properties in consideration for 12,000,000 shares of the Corporation. The shares acquired by Shore will be used, in part, to facilitate the Dividend. Pursuant to the requirements of Canadian GAAP, the value of the Properties will be recorded on the books of the Corporation at the cost thereof to Shore, which is $271,062.94. The Valuation Report indicates that the fair market value of the Properties is between $550,070 and $673,550.

TRENDS

In the opinion of management of the Corporation, the following general trends have developed in the mining industry in general.

The prices of precious and base metals have increased steadily since late 2000. Since 2002, exploration activities worldwide have been on the increase, particularly by junior mining companies. There currently exists a healthy investment climate necessary to raise equity financing for exploration activities.

New exploration techniques, as well as new geologic models, are being employed by exploration companies to further investigate mineral properties that were explored in the 1970s, 1980s and 1990s. The current commodity pricing environment, investment climate and advancement of geologic science make this an appropriate time for the Properties to be developed by a gold focused exploration company.

BUSINESS OF THE CORPORATION

Business Objectives and Milestones

The Corporation is in the business of acquiring, exploring, developing and, if feasible, mining metals from mineral properties. This process requires several levels of exploration and development over a period of several years.

Specifically, the Corporation will conduct exploration and development on the Fork-Jasper property.

On the Fork-Jasper property, the on strike and down plunge extensions of zones mined during the Jasper Mine operation will be tested with a surface drill program. Additionally, all of the Fork-Jasper property will be prospected, with particular emphasis on known structures, with a view to developing additional drill targets. This exploration will take place during the fall of 2004 and is budgeted for approximately $977,000.

If drill results on the Fork-Jasper property warrant further, more detailed exploration in 2005, the Corporation will require additional funds. There is no guarantee that the Corporation will be able to raise additional funds. Additionally, should the Corporation make an acquisition, additional funds may be required to complete the transaction and to conduct exploration.

Competitive Conditions

The main competitive areas in mineral exploration and development are in acquiring prospective lands for exploration and development projects and competition for investment capital with which to fund such projects. The Corporation's management has extensive experience in mineral exploration in Saskatchewan and as a result the Corporation has been very competitive in acquiring quality ground for exploration and development projects. The Corporation competes with other companies in the mineral exploration industry for capital and the industry as a whole competes directly with other junior capital sectors for investment funds.

Effect of Environmental Protection Requirements

All aspects of the Corporation's field operations are subject to environmental regulation and generally require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. With all projects at the exploration stage, the financial and operational impact of environmental protection requirements is minimal. Permission for exploration-stage projects is neither time consuming nor costly. Should any projects advance to the test-mining or feasibility stage then considerably more time and money would be involved in satisfying environmental protection requirements.

Employees/Consultants

The Corporation has no full-time employees and one consultant, George Sanders, who manages the operations of the Corporation on a daily basis. Additional consultants will be retained from time to time on a contract basis as needed.

PRINCIPAL PROPERTIES

The Corporation purchased a portfolio of mineral properties at various stages of development from Shore. The general strategy of the Corporation in carrying out mineral exploration is to: (i) identify quality target areas in which to acquire property interests; (ii) acquire a property interest in the identified area and prospect for determination of mineral showings with economic potential; and (iii) if the initial analysis is positive, either directly or with a joint venture partner, proceed with additional exploration and analysis to determine if the property is capable of commercial production. **None of these properties has any known ore body with current economic potential.**

A C A Howe International Limited

In anticipation of a transfer of the Properties from Shore to a subsidiary company, with further intent to spin out the subsidiary as a stand-alone, public exploration company, Shore commissioned an

independent mining report dated July 15, 2003 (the "**Howe Report**") prepared by David Patrick and John Langlands of A C A Howe International Limited ("**Howe**"), relating to the Properties. Certain portions of this prospectus, particularly as they relate to geology, have been summarized or derived from the Howe Report. With regard to the units of reporting assay results, due to historic usage and uncertainties in the type of ounces referred to, Howe uses the historic data verbatim (i.e. oz/ton Au and g/t Au) throughout the Howe Report. The full report is available for inspection at the head office of the Corporation and at the office of the Saskatchewan Financial Services Commission, 6th Floor, 1919 Saskatchewan Drive, Regina, Saskatchewan and the office of Bennett Jones LLP 4500 Bankers Hall East 855 – 2nd Street S.W. Calgary, Alberta, during normal business hours.

The scope of work for each property reviewed in the Howe Report included a review of the results of exploration work carried out to the date of the Howe Report, geological setting and exploration potential.

Shore commissioned a valuation report (the "**Valuation Report**") of the Properties prepared by Howe dated November 21, 2003. The Valuation Report indicates the fair market value for the direct and indirect interests of Shore in the Properties as at November 21, 2003 (the "**Valuation Date**") is between $550,070 and $673,550 depending on which valuation method is used. These conclusions are expected to change over time and with the acquisition of additional information from ongoing exploration, changes in market conditions, metal prices and other technical and economical factors. Neither the Corporation nor Shore is aware of any circumstances occurring since the Valuation Date which would have a material effect on the valuation since the Valuation Date.

Fork-Jasper-Transom-Tamar

The Fork-Jasper-Transom-Tamar property block area comprises three contiguous mining leases and a block of five mineral claims. For convenience this contiguous block of dispositions is called the Fork-Jasper-Transom-Tamar project and is sub-divided as required for detailed descriptions.

Property Description and Location

The Fork-Jasper-Transom-Tamar property block comprises three contiguous mining leases known as Fork Lakes ML 5453, Jasper Pond ML 5493, Transom Lake ML 5494 and the five Tamar Lake mineral claims, S98275 to S98279. The property is located 115 km northeast of La Ronge, Saskatchewan.

The Fork-Jasper-Transom area comprises ML 5453, ML 5493 and ML 5494 and extends in total to 6423 ha and is located in the Northern Mining District, north of La Ronge, Saskatchewan. Mineral Lease 5453 was converted from CBS 7430 on October 15, 1985 and ML 5493 was staked in October, 1988. ML 5494 was converted from CBS 7429 on August 15, 1990.

Howe understands from Shore that the properties have a combined assessment credit of $4,448,800 and that the total annual assessment cost is $353,900. Therefore the Fork-Jasper-Transom-Tamar property block is in good standing for some 12 years.

Through the terms of a bidding arrangement, Cameco and Shore Gold Fund Inc. (now Shore) acquired the interests of Golden Rule Resources Ltd., Goldsil Resources Ltd. and International Mahogany Corp. in the Fork-Jasper-Transom projects in January 1990. In 1992 the partners and participating interests in the project were: Cameco Corporation (80%) and Shore Gold Fund Inc. (20%). In 2003 the Fork-Jasper-Transom project was controlled 100% by Shore. Shore transferred the interest to the Corporation subsequent to the date of the Howe Report.

The Tamar claims lie 1.5 km south of the Star Lake mine. It should be noted that Tamar Lake itself actually lies to the west of the claim block in the Fork Lakes ML. The Tamar mineralized zone (also

referred to as "Vein 23") is mapped over 880m of strike length and centred within the Tamar claims block, between Tamar Lake and Sliver Lake. The SW part of the Tamar zone is on the Fork Lakes ML. In 1988 the Tamar Lake gold project consisted of five mineral claims, S98275 to S98279, totalling 80 hectares. In 1988 the Tamar Lake project within these claims was owned 51% by the Saskatchewan Mining Development Corporation, 34% by Claude Resources Inc. and 15% by Shore Gold Fund Inc. Subsequently Shore owned 66% and Claude owned 34%. In 2003 Shore held a 100% working interest in the Tamar claims. Shore transferred the interest to the Corporation subsequent to the date of the Howe Report. The claims are valid until January 28, 2023.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to Fork-Jasper-Transom is by all weather road, the Star Lake Mine access road, originating at km 128 on Highway 102, which is currently in excellent condition. Additional seasonal dirt roads and winter trails provide access to the property. The Jasper portal is accessed via an all weather road that leaves Highway 102 at kilometre 132 and continues to the Star Lake Mine road. The Jasper road requires some rehabilitation where it has been blocked or breached in five areas at outlets to lakes, though the major part of the road is in good condition. A Saskpower 25KV power line extends from La Ronge north to Missinipe, though it is understood that no commercial distribution is available from this at present. Grid power is also available 30 km to the north from the Island Falls Power Line, which is rated at 138KV and Saskpower do provide commercial distribution from this major line. Relief is generally moderate with some steep ridges 30 metres high above an average altitude of about 475m. The property is heavily forested. Poplar, jackpine and birch predominate on high ridges, with spruce and alder covering hillsides and low areas. Overburden in the form of glacial till and/or sphagnum is up to 10 metres thick with 2-3% outcrop, locally 10%. The southeast portion of the property was burned about 1977.

Highway 102 passes through the eastern portion of the Transom claim block. The Star Lake road and the all weather road to the Transom/Fork ore zone provided excellent year round access to the eastern half of the property in 1989. Access to the western portion of the property is by either float- or ski- equipped aircraft, which are available for charter from either La Ronge or Missinipe (Otter Lake). Numerous lakes of sufficient size provide excellent local access to all parts of the property.

Access to the Tamar claims is by all-weather road to David Lake, and by boat across David Lake to the northern portion of the claims. The nearest grid power is at Missinipe, 50 km to the south. The Tamar Lake area has 30 metres of topographic relief above an altitude of about 475m and is typified by rolling hills with mature spruce and birch timber. The bouldery glacial tills are frequently covered with sphagnum moss, Labrador tea and alder. Areas underlain by intrusives generally show rounded outcrops, whereas the volcanics tend to occur as linear scarps up to 4 metres high, controlled by the dominant north-trending foliation.

Local relief throughout the Transom property area is about 50 metres with a mean altitude of 470 metres. The topography is typical "Shield" terrain with numerous low rounded hills surrounded by flat-lying muskeg areas. The property is covered by a thin veneer of ground moraine. The most recent glacial ice advance was from the NNE with locally east to west movement. Relatively thick mature black spruce cover most of the property. Alders, Labrador tea and heavy moss are abundant in low lying areas and some muskegs do contain permafrost. Lichen and moss-covered bedrock exposures and areas of shallow till are common. The northeast portion of the property was burned in 1974 and was then littered with deadfall.

The climate is sub-arctic. During the winter period, which lasts from October to April, temperatures average –20° C. Summer temperatures average 20° C. Flooding of natural drainage and basins

commonly occurs during a three-week period at the end of the winter. Annual precipitation averages 360 mm of rainfall and 160 mm of snow.

History of the Property

Past producing mines in the area include:

- the Jasper Pond Deposit on the present Shore property, which went into production in June of 1990 and was mined out by Cameco in 1991 after producing 155,000 tons at 0.54 oz Au/ton.

- the Jolu Mine located off the Shore property 3 km to the north of the ML5473 boundary, mined out in 1990 after producing 376,400 tons at 0.40 oz Au/ton.

- the Star Lake 21 Zone, located off the Shore Gold property about 1 km north of the ML5473 boundary was mined out in 1989 after producing 182,000 tons at 0.46 oz Au/ton.

History of Fork-Jasper

This section relates largely to the Fork-Jasper property block defined above and excludes the historical details on Transom with which it is contiguous and which is described separately in the next section. The history of the Tamar mineralized zone is described in detail after Transom. Saskatchewan Mining Development Corporation ("**SMDC**") carried out mapping and prospecting programs throughout the area between 1986 and 1992 but their reports do not refer to earlier government geological surveys.

Prior to 1986, exploration programs on the Fork Lakes property were focused on the Tamar Structural Zone which straddles the Fork Lakes boundary with the Tamar Lake claims.

1986: Mapping in the Broeder Lake area of the Fork Lakes property located three major northeast trending shear zones which contain dykes, quartz veins and localized sulphide occurrences; a grab sample from one of these structures contained up to 0.346 oz Au/ton in a sheared intermediate dyke with minor amounts of ribbony quartz and up to 2% pyrite.

This area was covered by 23.8 km of VLF-EM, 25.4 km detailed total field magnetic and 24.2 km of gradiometer surveys. VLF-EM data readings were taken at 25m intervals and magnetic data readings were taken at 10m intervals on 100m and 50m spaced, NW-SE cut lines. Magnetic data were interpreted in terms of bedrock geology. The source of the VLF-EM responses was interpreted to be weakly conductive surficial material in topographic or bedrock features, such as faults or shear zones. Conductors interpreted by SMDC to be worthy of follow-up, by analogy with known gold bearing structures in the vicinity were drill tested by five holes for a total of 351m. No appreciable gold or sulphide mineralization was intersected.

1987: Detailed mapping, prospecting, bulk till, soil and geobotanical sampling as well as overburden stripping and trenching were conducted on ML 5453 (Fork Lakes) and CBS 7429 (Transom). The northern part of ML 5453, both east and west of the Tamar claims, was prospected and mapped in detail. An extensive mapping and prospecting program was carried out over the Island Lake intrusive. Ground magnetic and VLF-EM surveys were carried out in winter 1987 over the Broeder Lake grid and the southern part of the David Lake grid.

1987-91: Several diamond drilling programs were carried out by Cameco and Ingot Exploration on the Fork/Transom properties. These programs delineated the reserves of the Jasper Pond Deposit which straddles the property boundary, and tested regional targets identified by surface exploration programs in

1988, 1989 and 1990. Between the fall of 1987 and summer of 1990, a cumulative 348 holes totalling 46,362 metres were drilled. An underground exploration program was completed in December 1988, and the Jasper Pond Deposit went into production in June of 1990 and was mined out in 1991 after producing 155,000 tons at 0.54 oz Au/ton.

1988-89: Exploration on ML 5453 resulted in the discovery of three significant showings (DMZ.X, Boulder and CP) which were drilled in winter 1989. The structures intersected in the DMZ.X and DMZ.W areas contain potentially economic gold mineralization. These northeast-trending, steeply NW dipping structures typically consist of a 2 to 3 metres wide mylonite zone with cherty quartz, stringer and disseminated pyrite, molybdenite and visible gold. The DMZ.W structure with characteristics similar to those of the Jasper Pond Deposit returned a best result of 0.397 oz Au/ton over 3.0 m drilled width in a 45° angle hole drilled SE through a steep NW dipping structure. The DMZ, DMZ.W and DMZ.X are named portions of a steep structural zone of mineralized mylonites mapped and drilled over a strike length of 1 km, parallel to and 600m SE of the Jasper Pond structure.

As reported in the 'previous work' section of the winter 1992 drilling report, the Boulder showing sampled at surface in the summer of 1988 is a very steep mineralized quartz vein 2-4 metres wide containing visible gold which was traced over a minimum strike length of 150 m, with the best result being 0.134 oz Au/ton /4.0 metres, presumably from a channel sample. This value and interval were not, however reported in the 1988 summer program report which states, *"Values up to 2 oz/T Au (in grab) and 0.352 oz/T Au/1m were obtained from quartz boulders and veins (up to 3.5 metres wide) respectively."*

Despite encouraging surface results in the CP area which is northeast along strike from the Kamp zone on the Tamar claims block, drill testing of the gold bearing CP area quartz veins was unsuccessful.

In spring 1988, Cameco commissioned a helicopter-borne magnetic and VLF-EM survey over Fork Lakes ML 5453 including the Tamar claims area. Five magnetic signature units were interpreted and correlated with mapped rock types. Numerous magnetic lineaments with various azimuths were identified, some of which may be related to faults or shear zones. The VLF-EM results identified several conductive trends with various azimuths associated with topographical features, indicating these responses are primarily due to surficial conductivity, which may be related to structural features. Three target types were identified; 1) cross-cutting magnetic lineaments near the margins of the intrusives, 2) narrow magnetic lows possibly representing a reduction of magnetic minerals in a fault zone and 3) short strike length magnetic highs within intrusives possibly due to Tamar and CP type mineralization. Magnetic lineaments coincide with the Jasper Pond and Tamar gold deposits.

1989: A total field ground magnetic survey was conducted in January 1989 over part of Fork Lakes ML 5453, including a detailed survey over the Boulder prospect. Two magnetic signature domains were recognized: M2 equivalent to the Island Lake Intrusive over most of the area and M3 equivalent to mafic to ultramafic intrusives of the Fork Lakes Gabbro in the Boulder area. Numerous magnetic lineaments at various azimuths, but dominantly northeast to southwest, could represent either fault zones or rock type contacts. Magnetic signatures of known mineralization were used to identify targets for follow-up surveys. Zones of magnetic lows due to alteration were identified as prime targets by analogy with the Jasper-Roxy zone. It was concluded that exploration for Tamar and CP type deposits should target the flanks of magnetic highs in ultra-mafic and felsic intrusives. The known Boulder mineralization was not reflected in the ground magnetic survey at the data spacing used.

In winter 1989 fifteen areas with auriferous structures were tested by core drilling, The main targets were Boulder, CP, DMZ, DMZ.X and DMZ.W. Subsidiary targets were 3 West, FO 31, Contact, 12EE, 12E, 2S, 3 East, Roxy.X, JANIS and 10. Fifty seven NQ core holes totalling 6,923 metres were drilled. Holes were surveyed for angle and azimuth using a Tropari instrument.

The winter 1989 report notes that the DMZ.W area, approximately 450 metres north east of the Jasper Mine portal, had good economic potential with characteristics similar to the Jasper Pond Deposit. The best drill result of 0.397 oz Au/ton /3.0 m, was from a pyritic cherty quartz zone with visible gold. The BOULDER and CP areas produced poorer but potentially economic gold values (0.134 oz Au/ton /4.0 m, 0.223 oz Au/ton /l.0 m) and both zones remained open along strike and down plunge. Both reportedly had good potential for economic mineralization, particularly the Boulder area, which was to a large extent untested.

The JN Structure, the northern branch of the northeastern strike extension of the now worked out Jasper Pond deposit, was traced northeast along strike for 240 m, beneath Broeder Lake and beyond the limit of subsequent mining. Sub-economic "Roxy"-style ribbony quartz with minor sulphide mineralization was intersected in a wide structure at 170 metres vertical depth. There was thought to be a reasonable possibility of discovering economic mineralization at depth and along strike of this structure, which remains largely untested, north of Roxy.

1990-91: Drill targets were identified on the Lost Bay and Portage Linears and the interpretations postulated for the DMZ.W and Boulder areas were confirmed by the summer 1990 work program during which overburden stripping in the Boulder-Damnation Lake and DMZ.W areas confirmed previous geological interpretations inferred by drilling. These and other targets were drill tested (16 holes; 2,525 m) in 1990 and 1991 with nominal success. Trenching identified quartz veining, sulphides and an altered structure in the 2 West area. Despite surface values of 0.904 oz Au/ton /3.7 m, subsequent diamond drilling (4 holes; 450.7 m) did not intersect any significant mineralization or structures.

1991: Six areas with mineralized structures were tested by core drilling. The main targets were Portage, Lost Bay, 3WX, CP, Boulder and JN. Nine NQ core holes totalling 1,355 metres were drilled. Holes were surveyed for angle and azimuth using a Tropari instrument.

Drilling in the Portage and Lost Bay linear areas confirmed the presence of an extensive haematised fracture zone along the southeastern shore of upper Fork Lake. This fracture zone strikes approximately 070°, dips 45° west and was confirmed over 1.3 kilometres of strike length. The zone is, however, not mineralized with gold, leaving the Portage gold in till anomaly unexplained. The drill hole in the LOST BAY linear failed to identify any significant structural zone or mineralization in this feature and both areas were essentially written off.

The drill hole in the 3WX Area confirmed the 3WX structure and veins and identified a locally foliated, very broad cataclastic zone. No significant concentrations of gold were intersected.

In the CP Area, the single drill hole identified the CP Veins where they strike onto the Tamar property to the south of the previous drilling. A 0.5 metres quartz vein with up to 3% pyrite and 1 speck of visible gold was intersected. This returned a gold value of 0.765 oz Au/ton/0.5 m. Despite this encouragement, the sporadic nature of the veins and accompanying gold mineralization suggested that development of economic concentrations of gold would be unlikely in this area.

Drilling to the north of the Roxy area intersected the JN Structure over a core length of 37 metres. Typical Roxy style mineralization consisting of local quartz veinlets with minor pyrite and gold values up to 0.105 oz Au/ton/1.0 metres were intersected. The unchanging character of the JN Structure along strike indicated that any gold mineralization in this area may be similar to that found in the Roxy area (i.e. discontinuous and sub-economic).

Bulk till sampling, prospecting, and trenching were conducted in the summer and fall of 1991 in the northern portion of the Broeder Lake Grid. The Contact B structural zone, which had returned 0.125 oz

Au/ton in a grab sample, was confirmed over a 200 metre strike length. A review of previous data suggested that the south strike extent of the Boulder Veins in the Damnation Lake area and the Lost Bay areas were of interest.

1992: Three NQ core holes totalling 573 metres were drilled to test the Contact B structural zone at depth, and to test under thick overburden covered areas to the south of Damnation Lake for the strike extension of the Boulder structure/ mineralization.

Two of these holes, 75 metres apart along geological strike, tested the Contact B structural zone in dioritic rocks at about 80 metres vertical depth. Multiple shear zones were intersected in the first hole, including the Contact B structural zone with a drilled width of 0.5 metres with 0.582 oz Au/ton, up to 15% pyrite/chalcopyrite and 2 specks of visible gold. The second hole cut a 4.7 metre zone of shearing with <0.5% pyrite and up to 130 ppb Au/0.5 m. Deeper samples returned similarly low gold assays.

The third hole tested the strike extension of the Boulder structure south of Damnation Lake and cut intrusion breccia and intermediate volcanics. At 115 metres vertical depth a 14 metre-wide shear zone was intersected in volcanics with quartz veining, up to 1% pyrite, some chalcopyrite and 10-100 ppb Au in 0.5 metres sample intervals.

A further hole to test the southern portion of the Lost Bay Linear where an auriferous quartz vein (0.056 oz Au/ton /grab) was deferred because of bad ice conditions on Fork and Broeder Lakes.

History of Transom

1935-1960s: In 1935 McLarty mapped the Lac la Ronge sheet which includes the Transom Lake area and the 4 miles to the inch geological map was published in 1936. During the late 1950s and early 1960s, a number of gold discoveries were made to the north of the Transom property by Eric Partridge, Augustus Exploration Ltd., Nickel Rim Mines Ltd., Hydra Exploration, Triana Exploration Ltd., and Ventures Limited.

Early 1980s: A joint venture was formed in 1985 to explore the Transom Lake block. The ownership was Goldsil Mining and Milling Inc. 51%, Golden Rule Resources Ltd. 30% and Cameco 19%. Work by Cameco led to the discovery of visible gold in a 0.5 metre quartz vein on the west shore of Transom Lake. The 1:20,000 geological map of the Saskatchewan Geological Survey was published in 1985. Biogeochemical surveys by Colin Dunn of the Saskatchewan Geological Survey identified spruce bark gold geochemical anomalies which were reported in 1986.

1986: In late 1986, Aerodat Limited flew geophysical surveys over the La Ronge Belt properties on behalf of the various joint ventures.

1987: Mapping, prospecting, geochemical surveys and diamond drilling outlined two separate areas of significant gold mineralization, named James and Joyce. Subsequent work by Ingot and Cameco delineated a mineralized zone which became the James/Jasper deposit.

1988-89: In 1988, the Transom Lake Joint Venture and Fore Lake Joint Venture agreed to jointly develop their respective blocks. Summertime geological mapping, prospecting, trenching and bulk till sampling were done. Three new anomalous areas were indicated in the northern part of the Transom property where it is underlain by the Island Lake intrusion. In addition, the Joyce gold zone or the Transom South gold deposit was advanced to developed prospect status by the execution of overburden sampling, seven trenches and 32 drill holes. A strongly anomalous area was indicated by till sampling between the James

and Joyce areas. The following winter drill program extending into 1989 evaluated these new target areas and the James structure. A total of 4772.6 metres in 39 holes was drilled.

1989: The summer program, which is the most recent, consisted of trenching in the area of the James structure and Transom Central bulk till anomalies, detailed mapping and prospecting over the Transom Central Grid and drilling of selected targets on the James structure (SW of and contiguous with Jasper Pond deposit), Transom West structure and the Transom Central grid.

The Transom North grid trenching tested the extension of anomalous structures on the Fork Lake property between the Ross and James zones on the Transom Property and the possibility of a displacement of the James structure to the northwest along the fabric of 140°. Trenching along the property boundary area indicated the presence of shears with a northeast strike. However, none had a direction parallel to the Ross structure. On the Transom Central grid, Trench 5 gave the best results: 9.4 g/t Au over 0.50 metres in gossanous quartz diorite with trace pyrite; 5.91 g/t Au over 2.0 metres in black brown gouge; 8.61 g/t Au over 1.0 metre in intermediate altered green/brown diorite. The mineralized fault gouge lies directly beneath the bulk till sample with 213 gold grains. Trenching elsewhere on the Transom Central grid produced rock samples with anomalous but probably sub-economic gold grades.

Mapping and prospecting on the Transom Central grid was completed as follow-up to several strong bulk till anomalies. The drill program evaluated three areas, the James/James West, Transom Central and Transom West. The total number of holes completed was twenty-seven and the total metreage drilled was 3,639 metres. Best results were 41.42 g/t Au over 1.4 metres core length in DDH TN-73 in the James /James West area (contiguous with Jasper Pond deposit), 1.95 g/t Au over 1.0 metre core length in DDH TC-1 in the Transom Central area and 6.12 g/t Au over 0.7 metres core length in DDH TW-6 in the Transom West area.

A re-evaluation of the James structure data indicated that three lenses of mineralization were present, the H, C and F lenses. These lenses of mineralization correspond to intense mylonitic shears which form an anastomosing network that appears to be oblique to the general trend of the James structure, in both plan and sectional views. In plan view the two fabrics are approximately N030° E and N045° E. The sense of movement is dextral strike/slip and would appear to be associated with the N030° E fabric. This indicates a "tightening" along this plane whereas along the N045° E fabric, the zone tends to open. There is a strong correlation of gold mineralization and the N045° E fabric both in level plans near the boundary and on a more broad scale over the James structure on the property. In drill section a similar relationship may be present, however it is far more subtle. It appears there may be a reverse movement along the structure adding a dip component to the overall movement. The intersection plane of the two fabrics which both have a steep dip to the northwest form a plunge which is steep to the northeast. The mineralized lenses plunge in a similar way and appear to be controlled by this intersection. Oreshoot plunges are possible if the sense of movement varied from this simple model.

The late 1989 drill indicated 'reserves' in the three lenses of the James structure were calculated as 52,500 tonnes at 15.43 gm/tonne (57,800 tons at 0.45 oz Au/ton) or approximately 26,000 oz of gold using the following parameters:- Open mineralization was extrapolated to a maximum of 20m. A 5 g/t Au x metres cut-off was applied. Gold values were uncut except for DDH-1 where values were cut to 100 g/t Au. The estimation was based on longitudinal sections derived from 25m spaced drill sections and level plans. Dilution of 20% was applied. The categorization does not meet the criteria required by NI 43-101 for reserves.

Litigation due to the shared ownership of the Jasper/James gold deposit was ended by having the two factions bid for 100% of the complete project. Cameco (80%) and Shore Gold Fund (20%) submitted the

winning bid, carried out further drilling down-plunge of the main and 104 shoots and carried out a mining feasibility study.

1990-91: As a settlement to operating disputes, Cameco and Shore acquired the two joint ventures in January of 1990, split as to Cameco 80% and Shore 20%. The James structure on Transom and the Jasper Pond deposit on Fork Lakes were mined out together.

2002: Shore acquired a 100% interest in all the claims in May 2002.

Claim ownership through History

A description of claim ownership of the Transom property through history was outside the scope of work of Howe. The historical participations in the joint ventures are indicated above. It is acknowledged that the ownership history is complex but this is no longer relevant since Shore acquired 100% interest in 2002.

History of Tamar

The Tamar claims lie 1.5 km south of the Star Lake mine. It should be noted that Tamar Lake itself actually lies to the west of the claim block in the Fork Lakes ML. The Tamar mineralized zone (also referred to as "Vein 23") is mapped over 880m of strike length and centred within the Tamar claims block, between Tamar Lake and Sliver Lake. The southwest part of the Tamar zone is on the Fork Lakes ML.

1958-62: The Tamar Lake structure was discovered by prospecting in 1958. Trenching, mapping and five diamond drill holes were completed in 1961. A northeast-tending shear zone between granitoid intrusives and mafic volcanics was recognized. The two best downhole intersections were: 0.76 oz Au/ton over 1.9 metres and 1.16 oz Au/ton over 1.2 metres. The claims were optioned to Rio Tinto Canadian Exploration in 1962 and 788 metres were drilled in thirteen holes on the Tamar zone on the Tamar Lake claims. Mineralization was intersected over a strike length of approximately 500 metres and values of up to 0.71 oz Au/ton over a drilled length of 3.7 metres were obtained on these claims.

1982-1988: The Tamar Lake claims were re-staked by V. McCann in 1982, and purchased by Claude Resources in 1984. SMDC entered an option agreement with Claude Resources and Shore Gold Fund.

In winter 1986 SMDC carried out a ground geophysical survey, comprising VLF-EM and total field magnetics over the Tamar claims. Results indicated five NE trending shears or faults, one of which coincides with the known Tamar mineralized zone, and four cross-cutting faults.

SMDC drilled 267 metres in 3 holes in spring 1986 to test the Tamar structure on the Tamar claims following the ground magnetic and VLF-EM surveys. In 1986 nine holes, totalling 1,016 metres on the Tamar mineralized zone on the Fork Lakes property to the SW of the Tamar Lake claims, delineated a high grade shoot of gold mineralization that extended in depth but with minimal strike extent. In 1986 the various partners in the Tamar and Fork Lakes projects agreed to establish a "Common Area" covering the historically recognized Tamar mineralized zone which straddles the claim boundary.

In summer 1986 mapping, rock sampling and bulk till sampling were carried out which extended the known potential for shear zone hosted gold mineralization. Values up to 0.102 oz Au/ton over 2.5 metres were obtained from old trenches on the Tamar zone and the parallel Kamp structural zone was recognized.

In the summer and fall of 1986, a total of 2,637 metres of drilling in 21 holes was completed in the Tamar mineralized zone. All data obtained from this "Common Area" was available to both JVs to facilitate decision making. The summer and fall 1986 drilling programs in the "Common Area" extended the Tamar mineralized zone and identified two higher grade, very steeply plunging mineralized shoots. The better developed C-1 shoot returned intersections up to 0.248 oz Au/ton over 15.0 m representing 10.5 m true width in drill section. The C-1 shoot has been tested to and is still open below a vertical depth of 180 m. The gold mineralization occurs within the more extensively hydrothermally altered and sheared portions of the Tamar structure, and cuts all lithologies. The Tamar mineralized zone was systematically tested over a strike length of 250 metres and to an average depth of 75 m. The zone remained open to the northeast and at depth and further drilling was recommended.

These positive results led to 4,000 metres of core drilling in 1987 on the Tamar and Kamp zones. During the winter and summer drill programs of 1987 thirty TA series core holes and 7 FO series core holes were drilled into the Tamar zone on the Tamar claim block and on the Fork Lakes claim extensions of the zone. In the same year 3 TA series core holes were drilled into the Kamp zone on the Tamar claim block.

In the summer of 1987, on the Tamar claim block, eighty-five bulk till samples were collected and overburden was stripped along the SW shore of Sliver Lake and on the Tamar zone. Significant gold anomalies in till were identified and stripping clarified the structure and probable NE extension of the Tamar zone.

The till survey had identified several gold anomalies, typically with 20 to 40 locally derived gold grains and in the winter of 1988 an eleven hole, 781 metre core drilling program tested three of the anomalies, one of which appeared to coincide with the strike extension of the Kamp zone. Several new structures were discovered which contained sub-economic gold values. All three gold-in-till anomalies tested were of the same magnitude as the anomaly associated with the Tamar mineralized zone. The gold values from the structures beneath these anomalies did not reflect the magnitude of the anomalies and their sources were considered untested. The structures and the gold-in-till anomalies remain open along strike.

In summer 1988, areas along strike of the Kamp Structure and sub-parallel structures to the north and northwest were evaluated. Rock and soil samples were also collected from these areas. The best result (50 ppb Au in grab) was from a northeast trending mylonite with quartz pods, approximately 200 metres north of the Kamp Structure. Very little exposure was discovered.

Regional, Local and Property Geology

Regional Geology of Fork-Jasper-Transom-Tamar

The following description is derived from the Cameco report on the Fork Lakes winter drilling of 1991. The Fork-Jasper-Transom-Tamar project lies within the western part of the Aphebian (early Proterozoic) La Ronge lithostructural domain. It consists of supracrustals, of both sedimentary and volcanic origins, which are invaded by a diverse suite of intrusives ranging in composition from ultramafic to granite. Several cycles of mafic to felsic volcanism are evident locally. The generalized stratigraphy has ultramafic (komatiitic) flows at the base that are succeeded by Mg- and Fe-rich mafic volcanics and andesitic flows and pyroclastics. These rocks are overlain by felsic (dacitic and rhyolitic) flows and volcaniclastics. Sediments are intercalated with the volcanic rocks, but typically top the sequence. Mineralization within the belt is both synvolcanic and epigenetic. Massive sulphides (pyrite-pyrrhotite-chalcopyrite-sphalerite-galena) and/or iron formations generally occur at the felsic volcanic/sediment interface. Gold mineralization is hosted by iron formations (Wedge Lake), quartz veins (Waddy Lake) and in quartz filled shear zones and tension type structures (Jasper Zone, Star lake 21 Zone Mine). The regional metamorphic grade is transitional between upper greenschist and lower amphibolite facies.

The relatively small Tamar Lake project area is enclosed by the Fork area and is not described separately in terms of the regional geology.

Local and Property Geology of Fork-Jasper-Tamar

The western part of the Fork-Jasper-Tamar block is underlain by a well-bedded sequence of intercalated intermediate to mafic fragmentals (generally tuffs) with occasional flows and sedimentary horizons (locally turbidites). Felsic tuffs are rarely observed.

The southern part of the Star Lake-Island Lake intrusive complex occupies the major part of the property. As indicated by Thomas and Heaman (1994), the southern boundary of the small area of the Star Lake component on the Fork Lakes property runs along the northeast trending northwest shore of Fork Lakes. The Island Lake pluton appears to predate the emplacement of the Star Lake Intrusive, as indicated by felsic xenoliths of the former in the diorite margin of the latter.

The Island Lake pluton consists of three phases with the oldest being a coarse, plagiophyric gabbroic to locally ultramafic unit (Fork Lake Gabbro). It is succeeded outwards by meso to melanocratic diorites and in turn by monzodiorites to quartz monzonites. The contacts between different rock types of each individual phase are compositional and gradational. The intrusive contact with the host volcanics to the west, is generally irregular with numerous embayments. An intrusive breccia/net-veined migmatite is common at this contact. It consists of fragments of volcanics and/or gabbro within the intermediate to felsic phases of the intrusive.

The predominant regional deformation fabric is a D_2 foliation at 330° to 345°. This has been transposed in close proximity to major mineralized, northeast trending, steeply dipping D_3 ductile-brittle shear zones, such as the Tamar Structure. Mafic to intermediate dykes and quartz veins intrude all lithologies and are most common in D_3 shear zones.

Local and Property Geology of Transom

The eastern extremity of the Transom property contains McLennan Group arkoses which underlie the Central Metavolcanic Belt lying to the northwest despite being younger. This is due to the northeast trending McLennan shear, as named in the source report, which separates these units. Mafic to intermediate volcanic flows with subsidiary intercalated felsic volcanics and argillaceous sediments occupy a central, north northeast trending position. In general, the volcanic sequence is considered to be younging to the northwest. The northeast trending, lensoid, gabbroic Neyrinck Lake Intrusion lies within the western margin of the volcanics, mapped over an area of about 4 by 2 kilometres. The southeast margin of the gabbro body is more mafic than the centre and the northern part is medium to coarse leucogabbro and mesogabbro.

Intermediate to felsic intrusives underlie about a third of the area as parts of two plutons: the Gibbons Lake pluton in the northwest and the southwestern edge of the Island Lake pluton described above. These intrusions have an early phase of leucodiorite to monzodiorite with very minor monzogabbro to gabbro and a late phase of granite and monzonite. There are four types of contact between the plutons and the supracrustals: well-defined commonly with localized shearing; multiple granite sheet and migmatite zones; transitional granitisation; complex with large scale interlayering of volcanic and plutonic rocks. The margins of the Transom plutons are variably xenolithic, ranging from isolated rounded to subrounded inclusions less than 5 cm long to breccia masses consisting of individual blocks larger than 1 metre across. These are interpreted as intrusion breccias and are abundant along the southeast margin of the Island Lake Pluton.

Three small dioritic stocks intrude the southern part of the volcanic belt north of Ladd Lake, two of which lie within the southwest boundary of Transom. These stocks are considered to be similar in age and composition to the Star Lake intrusive. The Joyce showing or Transom South gold deposit and the Transom Central gold showing are associated with the easternmost of these stocks. Overlying metavolcanics are folded and faulted and are believed to be roof pendants.

The margins of the plutons are foliated. Narrow zones of intense tectonism marked by strongly foliated, submylonitic to mylonitic fabrics occur locally in all intrusions. These strongly foliated rocks occur in shear zones 3 to 50 metres wide and up to a kilometre or more long.

The volcanic belts in the Transom property are metamorphosed to lower to middle amphibolite facies and the flanking belts to middle to upper amphibolite facies. Localized upper greenschist facies retrograde metamorphism is associated with late shearing and faulting.

Local and Property Geology of Tamar

The relatively small Tamar Lake property is contiguous with the Fork-Jasper-Transom block. The Tamar mineralized zone straddles the Tamar-Fork boundary, The area is underlain by four major lithological units: volcanics, gabbroic intrusives, dioritic intrusives and felsic intrusives. Extensive intermixing of these units occurs through dyking and brecciation accompanying intrusion and assimilation. The volcanic rocks are the oldest units exposed and are intruded first by the gabbros then diorites and finally by the monzodiorites and monzonites. The intrusive rocks are phases of the Star Lake-Island Lake intrusive complex. The predominant regional deformation fabric is a D_2 foliation striking at 330° to 345°. This is transposed in close proximity to the major ductile-brittle shear zones. Two of these zones have been identified: the Tamar structural zone and the Kamp structural zone. These zones trend roughly 050°, dip steeply to the northwest and are approximately 550 metres apart.

Deposit Types

Jasper

The Jasper Pond deposit is classified as an intrusion-associated shear-hosted Au-Ag deposit in a sub-alkaline host. It is located in a siliceous shear zone within 1 km of upper greenschist and lower amphibolite facies sediments and volcanics which are invaded by a diverse suite of intrusive rocks. The Jasper Pond gold zone consists of pyrite-gold bearing quartz hosted by a northwest trending system of shears dipping northwestwards at 70° referred to as the Jasper South Structure, which cuts the Island Lake Pluton and has been traced over a strike length of more than 1,500 metres across a width ranging from 2.5 to 3.5 metres. The surface trace of the mineralized zone within the southern portion of this structure has been traced over a strike length of at least 550 metres. The mineralization at the Jasper Pond deposit is associated with sericitisation and pyritisation. An early quartz flooding event in the southern part of the Jasper South Structure appears to control gold mineralization. The gold mineralization is accompanied by tetrahedrite, galena, chalcopyrite, bornite and tourmaline.

Joyce zone or Transom South deposit

The Joyce gold zone or the Transom South gold deposit is a developed prospect, classified as an intrusion/metavolcanic-associated shear-hosted, mesothermal gold deposit. Three small dioritic stocks, which are considered to be of the same age as the Star Lake Pluton, intrude mafic to intermediate volcanic flows in the immediate vicinity.

Tamar zone

The Tamar gold showing is an intrusion-associated shear-hosted gold deposit within plutonic, metavolcanics in the La Ronge lithostructural domain. It occurs as a strong, persistent, 50°-trending, 80° northwest dipping shear zone, with a ribbon-like quartz schist texture that cross-cuts the eastern contact between a north striking band of carbonatised and chloritised mafic volcanic flows and the Star Lake Pluton. The 520 metres long and up to 24.5 metres wide shear zone transects the contact between metavolcanics to the southwest and granodiorite-diorite to the northeast. Pyrite and minor chalcopyrite mineralization occur within the shear zone in chloritised and carbonatised units, within quartz veins and lenses found in the shear zone and less commonly within sheared wall rocks. The gold bearing zones on the Tamar Lake Property are open along strike.

Mineralization

Fork-Jasper

Several favourable, northeast-trending shear zones up to 1 km long and up to 5 metres in width were discovered in the Broeder Lake area. Rock sample results indicated significant gold mineralization. Just south of David Lake two grab samples 20 strike metres apart of an outcropping, 0.5 metres to 1.0 metres wide, northeast trending, open ended quartz vein returned 0.304 and 0.330 oz Au/ton. The host is north trending pyritised intermediate tuff with slightly elevated gold values up to 30 ppb Au. Three auriferous zones; the Jasper, Muskeg, and Roxy averaging 2 metres in width were also identified in the Broeder Lake area within anastomosing structures over a strike length of 1 km. Channel samples over the Jasper and Muskeg zones returned from 0.242 oz Au/ton /3.0 metres to 3.33 oz Au/ton /3.5 metres. It is not known whether these represent true width of mineralization.

The steeply northwest-dipping Jasper Pond deposit was drilled, delineated and worked over a strike length of 370m and a vertical height from surface of 190m in four northeast-plunging oreshoots over variable true widths up to a few metres. Production was 155,000 tons at 0.54 oz Au/ton.

Transom

On the Transom property within the Island Lake Pluton and the peripheral metavolcanics, gold mineralization is present in shear zones with various orientations from 020° E to 140° E.

The most significant mineralization is located within the Island Lake Pluton along a pyritic, cherty, ductile shear with a strike of 035° and a vertical or steep dip to the northwest. This area has been termed the James structure (contiguous with Jasper Pond) and has been mined out. Diluted drill indicated reserves (which do not meet the criteria for reserves under NI 43-101) were 52,500 tonnes at 15.43 gm/tonne (57,800 tons at 0.45 oz Au/ton) or approximately 26,000 oz of gold.

The Joyce zone or Transom South gold deposit is classified as an intrusion/metavolcanic-associated shear-hosted, mesothermal gold deposit. Three small dioritic stocks, which are considered to be of the same age as the Star Lake Pluton, intrude McLennan Lake Group mafic to intermediate volcanic flows in the immediate vicinity. The Joyce zone or Transom South gold mineralization is located near the top of a dioritic plug. Overlying metavolcanics are folded and faulted and are believed to be roof pendants. A north-northeast striking, steeply westward dipping zone of shearing cuts the contact zone. Mylonitic zones and local shear zones host mineralized quartz veining and silicification. Up to 5% pyrite and local traces of galena and visible gold are concentrated in the quartz veining and are disseminated in the plutonic volcanic wallrock adjacent to the mineralized veining. Surface rock samples returned up to 20.5 g/t Au over a 2.3 metre wide quartz vein at a diorite-volcanic contact.

Diamond core drilling indicated continuous mineralization in two structures. One structure trends north-south and maps indicate an overall thickness of 1.5 to 2 metres and a westerly dip of 75°. The maximum depth intersection is some 45 metres vertical and the zone has been traced by drilling and mapping along approximately 100 metres of strike. A second zone trends northeast and is interpreted as being between eight and twenty metres wide. Mineralization occurs as 0.45 to 2.45 metre wide quartz-carbonate and sulphide veins within the zone which has been drilled to a vertical depth of some 45 metres. Mapping and drilling have defined some 100 metres of strike length and the structure is open to the east. Intercepts from the diamond drilling of greater than 5g/t Au can be summarized as follows:

Hole ID	From	To	Drilled Width	Grade (g/t Au)	Description
TS-11	16.80	17.70	0.90	5.9	Mixed mafic volcanic and QFP with quartz carbonate floods
TS-13	17.40	19.00	1.60	5.3	Quartz carbonate floods through intermediate volcanic
TS-14	61.40	61.90	0.50	8.5	Quartz carbonate flooding with 2% pyrite in foliated diorite
TS-15	9.80	10.30	0.50	7.5	Quartz carbonate flooding with 2% pyrite in intermediate volcanic
TS-15	18.70	19.30	0.60	10.4	Quartz carbonate flooding with 2% pyrite in chloritised intermediate volcanic
TS-15	28.40	29.00	0.60	11.6	30cm quartz flood with clustered pyrite
TS-16	25.30	26.60	1.30	7.4	Contorted intermediate volcanic with pyrite, chalcopyrite and pyrrhotite
TS-16	31.30	34.00	2.70	17.4	Intermediate volcanic, foliated
TS-18	16.80	18.00	1.20	5.2	Sheared biotite-chlorite volcanic with 3% pyrite
TS-18	24.20	24.35	0.15	7.9	Quartz flooded pegmatoidal feldspar zone
TS-20	28.50	28.70	0.20	16.5	Grey quartz vein with minor pyrite
TS-20	42.70	45.80	3.10	12.0	Sheared biotite-chlorite volcanic with 3% pyrite
TS-23	65.90	66.90	1.00	11.1	Hornblende rich mafic volcanic with 2% pyrite
TS-33	71.80	72.10	0.30	13.5	Quartz flooded diorite with 10% pyrite

The Joyce zone displays good continuity of structurally complex mineralization but no resource exists.

Tamar

The Tamar structural zone is mapped continuously at surface over a northeast trending strike length of 880m on the Tamar claims and ML 5493 to the southwest. It is coincident with a positive magnetic anomaly axis over a similar distance. The structure is a northeast-trending shear zone between granitoid intrusives and mafic volcanics, dipping steeply to the northwest. Values up to 0.102 oz Au/ton over 2.5 metres were obtained from old trenches. Mineralization has been intersected by drilling over a strike length of approximately 500 metres and values of up to 0.71 oz Au/ton over a drilled length of 3.7 metres were obtained on the zone within the claims.

Drilling has identified two shoots in the Tamar zone. The C-1 mineralized shoot has been interpreted to extend from surface to a minimum depth of 200 metres, with a minimum strike length of 60 metres. From 60 metres to 150 metres vertical depth the strike length is less than half of this, while below 150 metres vertical it is open in both directions. A second mineralized shoot, C-2, appears to develop about 125 metres to the northeast.

The Tamar zone is described as moderate to high strain zones intermixed with horsts of deformed material. The gold mineralization is generally associated with ribbony quartz and sulphide development in the high strain zones. Three narrow mineralized zones were reportedly located, namely Hanging Wall, Central and Footwall. The strike extent of this mineralization is a minimum of 150 metres, though drilling failed to indicate an appreciable depth or strike continuity to the gold-rich zones. Chip/channel

samples from a trench on the Tamar structure within sheared volcanics, on the east side of Tamar Lake, contained 0.014 oz Au/ton/4.5 m, 250 metres west of the main mineralized zone.

The Kamp structure is located 550 metres southeast and sub-parallel to the Tamar zone. It is a steep shear zone mapped continuously at surface, with a gap of 100m by the southeast shore of Lily Lake, over a northeast trending strike length of 750m on the Tamar claims. The zone dips steeply to the northwest and is up to 10 metres wide with locally 1% to 2% chalcopyrite and pyrite. Anomalous gold values were intersected in one drill hole in the northeast end of the Kamp zone (0.033 oz/ton Au over 0.5m and 0.048 oz/ton Au over 0.5m, 38m further downhole) and in another drill hole probably cutting a parallel structure on the hangingwall side of the Kamp structure, to the northwest (0.014 oz/ton Au over 0.5m). The known Kamp mineralization is relatively narrow and low grade.

Exploration

The current issuer has conducted no exploration on the properties.

Drilling

The historic drilling conducted on the area is summarized in Section 3.3 of the Howe Report and drill collar locations are shown on Figures 3 and 4 of the Howe Report. The current issuer has conducted no drilling on the area.

Sampling Method and Approach

In the historic drill holes summarized in Section 3.3 of the Howe Report, continuous sludge samples were reportedly collected in all of the holes at the end of each 3m drill run, when available and analysed for gold. Core was split on site and transported to Saskatoon for analysis. From drill logs, it appears that the sampling was continuous within zones of mineralization or alteration, with sample lengths of 0.5 metres. Isolated zones were sampled to geological boundaries with a maximum sample length of 0.5 metres.

Drill sludges were split to provide 1-assay ton sub-samples.

1988 grab rock samples were obtained from outcrops and boulders, while soil samples were collected from the "B" Horizon. The only element analyzed was gold, as previous work indicated no significant quantities of any other metals.

No details are available on sample quality, recovery or other factors, though from the reports it appears that the work was conducted professionally and to industry standards of the time.

Sample Preparation, Analyses and Security

Core and sludge samples of 1986 were sent to TSL Laboratories in Saskatoon for analysis. Checks were sent to Bondar Clegg in Ottawa, Acme Analytical in Vancouver and Ecotech Laboratories Ltd. in Creighton. Assay results were included with the geological logs and the Certificates of Analysis were with the project report.

Sludge samples were analyzed for gold by flame AA following a fire assay pre-concentration of a 1-assay ton sub-sample. All core samples were assayed and those containing an abundance of sulphides or visible gold, were subjected to a metallic gold assay.

Gold only was analyzed in all holes in 1987. Silver was analyzed if galena was observed in core and platinoid analyses was carried out on some of the mineralized intersections in the Kamp zone; where the host rocks are diorites and layered gabbros.

1988 core and sludge samples were sent to TSL Laboratories in Saskatoon for analysis. Pyrite was the dominant sulphide present, with only minor amounts of chalcopyrite. Sludge samples were analyzed for gold by flame AA following a fire assay pre-concentration of a 1-assay ton sub-sample. All core samples were assayed and those containing an abundance of sulphides were subjected to a metallic (V.G.) gold assay.

1988 rock and soil samples were sent to TSL Laboratories in Saskatoon for analysis.

Gold in soil samples was assayed by the following procedures:

1) dry & sieve to - 200 mesh
2) one assay ton sub-sample
3) fire assay pre-concentration
4) aqua regia extraction
5) atomic absorption finish

Gold in grab rock samples was assayed by the following procedures:

1) grind & sieve to -100 mesh
2) one assay ton sub-sample
3) fire assay pre-concentration
4) aqua regia extraction
5) atomic absorption finish

From the descriptions of the methodologies, drill logs and assay certificates in the available reports the last of which is dated 1992, it appears that sampling was conducted in a professional manner and that assay checks were conducted to the industry standards then in place. The accreditation status of these laboratories at the time has not been researched but it is understood that all are Canadian certified assayers and their accreditation should not be an issue with regard to this historical review of work carried out by companies other than the issuer. Based on the available historical reports, it appears that sampling methods, sample preparation, analytical and quality control procedures were adequate. Descriptions of the arrangements for the physical security and care of samples have not been seen in the source reports.

Data Verification

No verification was possible other than cross-referencing of sample numbers, assay sheets and plotted data, which indicated that the results had been plotted correctly, permitting the interpretations detailed above. No drill core was located and as the property is heavily overgrown adjacent to the access roads, it was not possible to identify the showings with certainty at the time of the visit. It was not therefore considered practicable to collect check samples because of the positional uncertainties. However, extensive shearing was observed on roadside outcrops, mineralization was observed on the reclaimed tips at the known mines and production records and extensive documentation from both company and Saskatchewan Geological Survey sources confirm that gold mineralization is present on the property.

Adjacent Properties

Fork-Jasper-Transom

No information is available on adjacent properties except the Tamar claims enclave which is part of the current project as indicated immediately below and in the property descriptions above.

Tamar

The Tamar Lake claims are enclosed within the Fork Lakes project area and the Tamar structure is mapped southwestward into Fork Lakes and possibly northeastwards across a corner of Fork Lakes. The Kamp zone and associated parallel structures on the Tamar Lake claims appear to extend northeastwards into the CP target area of Fork Lakes.

Mineral Processing and Metallurgical Testing

Fork-Jasper-Transom

Reports of mineral processing and metallurgical testing are available for the mined Jasper Pond deposit but since the mine has been closed and decommissioned these have not been reviewed.

Tamar

No reports of mineral processing or metallurgical testwork have been provided and it is inferred that this type of work has not been conducted on samples from the property.

Mineral Resource and Mineral Reserve Estimates

Fork-Jasper-Transom

No resources or reserves are currently identified by the Corporation on the Fork-Jasper-Transom property. The Jasper Pond Deposit was worked out and the mind closed down and the Corporation has not yet carried out any resource estimates or any new resources drilling.

Tamar

No resources or reserves are currently identified by the Corporation on the Tamar Lake property.

Other Relevant Data and Information

Fork-Jasper-Transom

The properties were overflown at low altitude during the visit and the various exploration grids described above could still be observed and it appeared that they could be re-located without too much difficulty on the ground.

Tamar

Tamar Lake itself lies westwards off the property block known as Tamar Lake claims. Mineralization and structures and targets on the Tamar Lake claims extend southwest and NE into the Fork Lakes area.

Interpretation and Conclusions

Data density and reliability

Howe was engaged to provide a technical review of the properties and some guidance as to the nature and cost of future exploration activity. The type and density of exploration data is highly variable in the different prospects. Target justifications are given below in this section. While there are sufficient drilling data at suitable spacing for estimation of limited resources in some prospects, it is Howe's opinion that further drilling to confirm the potential should first be carried out. There are no resources for disclosure at this stage. Accordingly, a detailed numerical analysis of the sample data density has not been attempted.

A detailed analysis of drill logs and drill sample assay data has not been undertaken to assess reliability. It is understood that drill core is not available or accessible for resampling. Nevertheless, Howe is of the opinion that the data is sufficiently reliable for the purposes of target identification and prioritization in this preliminary assessment of potential with a view to further desk study and ground follow-up surveys and new drilling in selected areas to confirm potential and to start to assess resources.

Analysis of the density and reliability of existing data will be carried out at a later stage on selected prospects when resources are formally identified following successful confirmatory drilling.

Fork - Jasper - Transom -Tamar

The named prospects considered by Howe to have significant exploration potential for further desk study with a view to ground follow-up if justified, in the Fork - Jasper - Transom -Tamar contiguous block are as follows:

- Jasper Pond Deposit down-plunge extensions
- DMZ, DMZ.W and DMZ.X
- Contact B
- Damnation Lake
- Boulder
- Lost Bay Linear
- North of ET Lake
- Portage, the Portage/Lost Bay gold-in-till anomaly remains unexplained.
- CP Veins and KAMP zone on Tamar
- Tamar structure
- Joyce or Transom South showing
- Transom Central Showing and gold in till anomaly
- The S 97953 claim Au-Ag-Mo showing

Fork-Jasper

The mineralized structures at the DMZ.W, DMZ.X and Boulder Areas were considered to have a good potential of containing additional reserves, which could compliment those of the Jasper Pond Deposit. The results in these areas justify data computerization and compilation into a modern geographical information system ("**GIS**") and reinterpretation with a view to additional ground follow-up and diamond drilling. A satellite interpretation would assist the structural interpretation and provide a base map for the GIS compilation.

The CP Veins were intersected on the Tamar property boundary, where a quartz vein with pyrite and visible gold returned a gold value of 0.765 oz Au/ton/0.5 metre. A hole drilled in the JN Structure returned two intersections in the order of 0.1 oz Au/ton/1.0 metre. The Portage and Lost Bay drilling identified a barren, broad and haematised fracture system over 1.3 km of strike length. No appreciable structure associated with the Lost Bay Linear was identified. The Portage/Lost Bay gold in till anomaly remains unexplained. In 1991 the best potential on the Fork Lakes property was believed to lie to the north of ET Lake which is 1.5 km south of the eastern end of Fork Lakes, where the claim had not been fully evaluated by surface work.

Drilling of the Contact B and Damnation Lake areas intersected wide structural zones at both places, though the only significant result was 0.582 oz Au/ton/0.5 metres from the Contact B area. The potential of identifying an economic deposit in either of these areas was considered to be limited at the time, though the targets at the time were high grade vein-type deposits and there could be potential for lower-grade, possibly open-pittable deposits. The data should be reviewed in a regional context and digitized to enable their incorporation into a computer modelling package. The Lost Bay Linear target was not drilled because of bad ice conditions and remains a viable diamond drill target.

Jasper

The Jasper Pond Deposit was worked by Cameco from June of 1990 and was mined out in 1991 after producing 155,000 tons at 0.54 oz Au/ton which converts to an equivalent grade of 18.5 g/tonne Au. This is a high average grade and it is possible that potentially economic but lower grade mineralization may have been left in place adjacent to the mined stopes.

Of the 13 main stopes, nine mined higher grade or tonnage, or both higher grade and higher tonnage than reserves. It is reported that Stope 1-03 mined almost double the reserve grade. The Stope 4-01 crown pillar appears from Figure 6 to have been left in place.

Only the relatively small Stope 1-00 at the near-surface southeastern extremity mined less than drill indicated reserves. Underhand mining of limited reserves in an isolated narrow shoot below Level 1 in Stope 1-04 was reported to be uneconomic. Stope 1-05 at the northeastern extremity of development, worked an isolated pod above Level 1. Stope 2-03 was partly unrecoverable due to the proximity of Stope 2-02. The Stope 1-01 crown pillar and a portion of the Stope 3-01 crown pillar were not recoverable due to hangingwall slough. Stope 2-00 at the southern south end split into 3 en-echelon unmineable zones. Stope 3-03 was partly unrecoverable due to highly erratic gold distribution.

The Jasper VLP depicts the contour values 5 and 20 of the metal accumulation product of gold grade (g/t Au) and true thickness (m) for the main footwall mineralization, calculated for drill pierce-points of the Jasper structure. This gives a preliminary indication of the possible location and trend of oreshoot drill targets.

Possible extensions of the Jasper mineralization in the immediate vicinity of the mine may be considered under four headings:

Jasper pillars between stopes

While there are some high grade values in places in the pillars between the stopes, the lack of continuity and/or significant thicknesses suggest that the decision to leave them in place was probably correct.

Jasper northeast extensions

Eight drill intercepts at or about Level 1 in the 120 metre strike length to the northeast of the Stope 1-04 shoot are not of interest. However, at about 160 metres northeast of Stope 1-04 at the northeastern limit of the VLP, there is a drill intersection with 6.1 g/t Au over 2.0 metre true thickness, which may be significant. Four additional intercepts with 3.9 to 7.7 g/t Au have been drilled over a strike length of 80 metres northeast beyond the VLP but true widths are narrow and the intercepts do not attain a metal accumulation value of 5. These intercepts are surrounded by trace values of Au. Accordingly, it is concluded that there are no shallow northeast extensions of the Jasper Pond deposit within 240 metres of the stopes.

Jasper southwest extensions

There are 20 drill intercepts between surface and Level 2 in the 140 metre strike length to the southwest of the Stope 1-00 and 2-00 shoot immediately southwest of where the Jasper zone split into 3 en-echelon unmineable zones. Four intercepts with interesting grades over narrow widths are isolated by poor intercepts and it appears that the possibility of significant adjacent extensions to the worked mineralization has been eliminated within this area.

Jasper down-plunge extensions

The stoping pattern indicates four main oreshoots were worked, named here after the stopes as follows: the 00, 01, 02-03 and 04 shoots. As indicated by the metal accumulation contour values on the VLP and inspection of the drill intercept values, down plunge extensions and targets are identified from southwest to northeast as follows:

1. A minor southwest plunging extension of the 00 shoot for about 30 metres down-plunge.

2. Substantial northeast plunging extensions and possible convergence of the 01 and the 02-03 shoots for 50 to 70 metres down-plunge over a strike length of 150 metres and a vertical height of 80 metres, partly open at depth, with grades in the range 3.4 to 55.5 g/t Au and true thicknesses in the range 0.5 to 2.9 metres.

3. A large area of the VLP down-plunge and to the northeast of the drilled but not mined extensions of the 01 and 02-03 shoots, described at 2 above, remains untested by drilling over a strike length of 170 metres and a height of 180 metres at depths between 190 and 370 metres and more. Ore grade intersections over mineable true thicknesses have been drilled at lesser and greater depths than this untested area of the VLP and scope remains for substantial discoveries in a part of the VLP approaching the area already mined, as indicated in the VLP in Figure 6 and the cross section in Figure 7b of the Howe Report.

4. A minor northeast plunging extension of the Stope 04 shoot for about 60 metres down-plunge over a limited strike of 50 to 25 metres, which is closed at depth by several 20 to 40 metre spaced drill intercepts.

5. A minor northeast plunging, disconnected extension of the Stope 04 shoot from a depth of 70 metres for 150 metres down-plunge over a limited strike of about 20 to 40 metres, which is open at depth.

Transom

The focus of the most recent exploration on Transom was to delineate and explore the James resources for the Jasper Pond Mine. Reserves were defined and mined out with the Jasper Pond reserves. The down

plunge potential is described immediately above under Jasper. The Transom West, Slushy and Ross showings and the areas between were included in this project but drilling did not locate additional reserves although narrow gold veins were intersected.

Elsewhere in the Transom property, the following three targets are of interest for follow-up work:

1) The Joyce gold zone or the Transom South gold deposit is a developed prospect, classified as an intrusion/metavolcanic-associated shear-hosted, mesothermal gold deposit. Three small dioritic stocks, which are considered to be of the same age as the Star Lake Pluton, intrude McLennan Lake Group mafic to intermediate volcanic flows in the immediate vicinity. Despite all the work done, including overburden sampling, seven trenches and 32 drill holes and later bulk till sampling between the Joyce and the Jasper/James Zones, no resources or reserves have been identified due to the structural complexity. The varied style and high gold grade of the mineralization and the geological setting indicates a polymetallic porphyry gold mineralization environment modified or accompanied by shearing. Data compilation and reinterpretation may enable complex structures to be resolved or lower grade bulk resource potential for underground or open pit mining to be recognized.

2) Transom Central grid, Trench 5 area, with trench rock samples which returned 9.4 g/t Au over 0.50 metres in gossanous quartz diorite with trace pyrite; 5.91 g/t Au over 2.0 metres in black brown gouge and 8.61 g/t Au over 1.0 metres in intermediate altered green/brown diorite. The mineralized fault gouge lies directly beneath the bulk till sample of 213 gold grains. This may be related to the Joyce showing 1 km southwest. This showing may be part of a porphyry-shear mineralized system which includes the Joyce showing.

3) The S 97953 claim 500 metres southwest of the Joyce showing contains four separate areas of shear-hosted quartz veining which returned anomalous gold, silver and molybdenum values. Surface rock samples contained up to 3 g/t Au in pyritic sheared metavolcanics. This showing may be part of a porphyry-shear mineralized system which includes the Joyce and Transom Central showings.

Tamar zone

A considerable amount of drilling has been carried out since 1961 and two oreshoot targets in the Tamar Structural Zone had been identified at depth by 1986. However, drilling in 1987 reportedly failed to increase appreciably the (unstated) grade and tonnage of the zone. The structure had been explored to a vertical depth of 200 metres. Accordingly, the possibility of defining near surface economic reserves within the Tamar Structure was judged as slight. Indeed the 1988 drilling report does not even mention the ore shoots, concentrating instead on shallow targets below gold-in-till anomalies. However, the auriferous shoot C-l which extends to a vertical depth of 200 metres is open at depth. A second mineralized shoot (C-2) appears to develop some 125 metres grid north with intercepts of 0.070 oz Au/ton/2.0 metres and 0.124 oz Au/ton/2.0 metres.

The few holes drilled on the Kamp zone intersected a 10 metre wide structure locally with 1-2% sulphide mineralization and only a small portion has been drill tested. A limited prospecting program was carried out over 1988 drill roads and along strike of the Kamp and sub-parallel structures. The best result (50 ppb Au) was from a grab sample of a northeast trending mylonite with quartz pods. The Kamp and several other known structures were extended along strike. Prospecting along winter drill roads did not uncover any significant mineralization. A planned overburden drilling program could not be carried out in 1988 and, as a result, the eastern portion of the property which is covered by extensive till, has not yet been fully evaluated. Surface projections of structures intersected during the winter 1988 core drilling program are beneath thick overburden. This area remains an interesting exploration target.

Fork-Jasper-Transom-Tamar Recommendations

Fork-Jasper-Transom

The winter 1989 Fork Lakes drilling report recommended extensive prospecting and overburden stripping over the DMZ.W target area to test the strike extent of the mineralized zone and locate other structures, followed by core drilling. A systematic mapping and prospecting program was recommended over the Boulder Area and the newly established western and northeastern portions of the Broeder Lake grid and selective soil geochemistry and overburden stripping. Favourable interpretations postulated for the DMZ.W and Boulder areas were confirmed by the summer 1990 work program but drilling in 1990 and 1991 met with only limited success. Trenching identified mineralization in the 2 West area with up to 0.904 oz Au/ton/3.7 metres but drilling did not intersect any significant mineralization or structures. Despite the lack of drilling success on these targets, Howe recommends a detailed data compilation and review to assess whether these targets have been adequately drill tested.

The winter 1991 Fork Lakes drilling report recommended that further core drilling on the Fork Lakes property should be deferred until the results of the 1991 summer program were available and that the Portage/Lost Bay till anomaly should be followed up with further ground surveys. The 1991 summer-fall program of bulk till sampling, prospecting and trenching led to recommendations to drill Contact B, southern Damnation Lake (southern strike extent of the Boulder vein) and the southern portion of the lost Bay Linear.

The winter 1992 Fork Lakes drilling report, which is the most recent, concluded that the Lost Bay Linear drill target remained a viable target and should be core drilled and that other drilling on the Fork Lakes property was not warranted at that time. The southern portion of the Lost Bay Linear where drilling of an auriferous quartz vein with 0.056 oz Au/ton/grab was deferred because of bad ice conditions on Fork and Broeder Lakes in 1992, should be re-assessed with a view to drilling.

Jasper

The down-plunge extensions below the old Jasper Pond stopes, which have already been drilled but not mined, and targets in the large untested area of the VLP down-plunge from these drilled extensions should be investigated by drilling based on the existing VLP. A northeast strike extension target based on an isolated drill intercept should be investigated in conjunction with all available data with a view to drilling if justified.

Transom

The exploration data for the eastern part of Transom containing the Ladd Lake diorites, the Joyce showing, the Transom Central showing, the Claim S 97953 gold-silver-molybdenum showing and northeastwards through the gold in till anomalies to the gold showings and occurrences adjacent to the Fork Lakes property, should be compiled and reinterpreted. The purpose would be to resolve complex high grade structures and/or assess the potential for lower grade bulk resource potential for underground or open pit mining based on a polymetallic porphyry gold mineralization model modified or accompanied by shearing.

Tamar zone

According to the available reports, it was concluded by SMDC from the winter and summer 1987 drill programs that the possibility of delineating significant shallow economic gold mineralization in the Tamar structure was low. However, one shoot is reported to extend from surface to a vertical depth of

200m and another has been identified at depth. Therefore, it is now recommended that the Tamar zone drill data on the Tamar and Fork Lakes properties be compiled in combination on a VLP and reinterpreted to determine the significance of resources and targets.

In 1988, specific targets were identified for follow-up:

- the C-l auriferous shoot within the Tamar structure, to be tested by deep drilling,
- mineralization extending westwards onto the Tamar claims from the CP area of Fork Lakes, to be tested by appropriate methods

Recommended Program and Budget

The Howe Report recommends that the following program should be conducted:

A program of diamond drilling should be conducted to test the known mineralization at depth and along strike on the Jasper property by drilling based on the existing VLP, to investigate the Tamar C-1 shoot at depth and to investigate the Lost Bay Linear drill target. The proposed drill sites at the Tamar C-1 shoot and the Lost Bay Linear are shown on Figures 3 and 4 of the Howe Report and the proposed holes on the Jasper property are shown on Figures 5 and 6 of the Howe Report.

The large area of the Jasper VLP down-plunge and to the northeast of the drilled but not mined extensions of the 01 and 02-03 shoots, described above, over a strike length of 170 metres and a height of 180 metres at depths between 190 and 370 metres and more should be drill tested. Three fences of diamond drill holes includes at 60° each comprising a 280m hole, a 350m hole and a 400m hole would enable the zone to be drilled on approximately 50 m centres. This would amount to a total of 3,090m.

The Tamar C-1 shoot should be investigated by a 300m hole inclined at 60° to determine whether the known shoot extends to depth.

The Lost Bay Linear should be tested by 3 holes of 100 metres inclined at 45° to determine whether the known showing has depth potential and linear continuity.

The new drilling should be merged with the original data set and a resource estimation should then be conducted for the Tamar Zone. The extensions and potential targets within and around the previously mined Jasper Pond Deposit Mine should also be combined on a new longitudinal section with the historic data to permit a new resource estimation to be made and identify additional areas with potential for the development of additional resources.

It is also recommended that a satellite interpretation is carried out and the exploration data are digitised and entered into a GIS database, using the satellite imagery as a base. This will enable the identification of structural sites and systems that control the mineralization and anomalous zones and could identify additional targets for more detailed exploration. The DMZ, Boulder and 2 West targets and other targets on the Broeder Lake grid should be re-identified on the ground by a prospector/geologist team and the necessity for further work on the projects should be assessed; this would also permit the ground truthing of the remote sensing data.

The northeast end of the bulk till anomaly on the Fork Lakes property should be explored by basal till sampling up ice from the anomalous sites. Some 25 samples would be required. The program of overburden drilling which could not be carried out in 1988, should also be conducted over the eastern portion of the Tamar property, which is covered by extensive till.

The exploration data in the eastern part of Transom from the Ladd Lake diorites (Joyce showing, etc) northeastwards through the gold in till anomalies to the gold showings and occurrences adjacent to the Fork Lakes property, should be compiled and reinterpreted to identify priority targets, resolve complex high grade structures and/or assess the potential for lower grade bulk resource potential for underground or open pit mining.

The estimated budget for this work is as follows:

		US$
Satellite interpretation		8,000
Data compilation and computerization		20,000
Prospect re-identification and ground truthing, 10 team days @ $450		4,500
Assays, 200 samples @ $12		2,400
Road and grid re-habilitation		10,000
Till sampling: 25 samples @ $25		625
Overburden drilling: 500 meters @ $50		25,000
Geologist 100 days @ $300		30,000
Diamond drilling: 3,690 metres @ $125 inclusive		461,250
Assaying 4,165 samples @ $12		49,980
Accommodation and subsistence		6,500
Transport		10,000
Data computerization 15 days @ $150		2,250
Resource estimation 15 days @ $250		3,750
Reporting		1,500
	Sub-total	**635,755**
Contingency @ 15%		95,365
	Fork-Jasper-Transom-Tamar Total	**US$731,120**

Jojay Lake Block

Property Description and Location

The Jojay Lake property covers an area of 198 hectares and is located approximately 150 km northeast of La Ronge, Saskatchewan. The National Topographic System designation is NTS 74 A/1. The centre of the property lies at 56° 03' N latitude and 104° 15' W longitude. It comprises eleven contiguous Quartz Mining Leases (Q4446 to Q4455 and Q4458) held under Grouping Certificate GC No. 44947. In 2003 Shore had a 15% interest in the property, Claude Resources Inc. held 34% and Cameco held 51%. Shore transferred its interest to the Corporation subsequent to the date of the Howe Report. Howe was advised by Shore, in preparation of the Howe Report, that the properties have an assessment credit of $298,500 and that the total annual assessment cost is $14,850, therefore the block is in good standing for some 18 years, until August 2022. The property has not been legally surveyed. The current planned work program will be sufficient to keep the claims in good standing for several additional years. It was not within the scope of the Howe Report to conduct a legal due diligence on the property, so Howe has taken this information in good faith.

Shore's initial interest in the Jojay property increased from 15% to 25%, such change being registered on May 18, 2004 and on June 28, 2004 the change reflecting the transfer of ownership to the Corporation was registered. This increase occurred at no cost to Shore or the Corporation. The Corporation continues to hold a minority non-operating interest in the Jojay property. Although the increase in ownership

occurred after the date of the Howe Report and the Valuation Report, the Corporation feels that this change will not affect materially the Valuation Report or the Howe Report.

Each claim may be held for two years and thereafter from year to year subject to the holder expending the required amounts in exploration operations on the claim lands. There are no charges for the first year of the claim, but there is a $12 per hectare fee for the second to tenth year and a $25 per hectare fee for every year after**.**

Four zones of potentially economic gold mineralization have been recognized and are described in the section entitled "*Mineralization*". These are Red Zone, Blue Zone, Orange Zone and Purple Zone. A new zone of gold mineralization, termed the Footwall Zone was encountered in the most recent (1988) drilling campaign.

No royalties, payments or other agreements or encumbrances are reported and there are no known environmental liabilities.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The property is accessible from La Ronge or Missinipe (Otter Lake) via float-equipped aircraft to Bog Lake. Highway 102 lies some 13 km east of the property. The road to the now closed Star Lake Mine affords access by four wheel drive vehicles to the south end of Jojay Lake located approximately 3 kilometres to the south of the property, on a year round basis from Highway 102 and could be and extended. Howe flew into Bog Lake and followed a road on foot from the old camp to the centre of the property. Although in poor condition, the road could be rehabilitated. Cut lines were observed that could be re-furbished and foot-trails afford access to the rest of the property.

The climate is sub-arctic. During the winter period, which lasts from October to April, temperatures average –20°C. Summer temperatures average 20°C. Flooding of natural drainage and basins commonly occurs during a three week period at the end of the winter. Annual precipitation averages 360 mm of rainfall and 160 mm of snow.

La Ronge is the largest community near the project and in the early 1990s provided services for mineral exploration and mining activities in the area, though these have gradually been replaced by tourism. A pool of skilled and unskilled mining personnel is still available within the many small towns in the area, which have traditionally supplied miners to the Saskatchewan potash industry and to the gold and uranium mines in northern Saskatchewan.

The Jojay Lake project area is characterized by low to moderate relief ranging from 10 to 65 metres above lake levels. Larger hills in the area attain elevations of up to 550 metres above sea level. Glacial drift, muskeg and lakes cover most of the property resulting in only 10 to 15 percent bedrock exposure. Poorly developed and disrupted drainage has resulted in numerous swamps and muskeg on the property. Drainage is eastwards and southwards, ultimately into the Churchill River system. Much of the property is forested with stands of scrub and pulpwood-size black spruce. Jack pine and tamarack are less common while white spruce, birch, poplar and balsam fir are relatively rare.

History of the Property

The property lies in the southeast corner of the Foster Lake Sheet (East Half), the geology of which was first mapped by R. McMurchy in 1937 on a scale of 4 miles to the inch (1:253,440). In 1949 Miller described the geology of the Windrum Lake area (Maribelli Lake Sheet — East Half) which includes the

east half of the property. In 1986 C. Harper of Saskatchewan Energy and Mines completed geological mapping of an area including the property, at 1:20,000 scale.

Economic interest in the area was sparked by government reconnaissance surveys from 1926 to the mid-thirties, which confirmed the presence of gold mineralization in the southern part of the La Ronge Domain. Consolidated Mining and Smelting Company of Canada Ltd, latterly Cominco, acquired the property and over the next twenty years conducted the following exploration activities:

1946- 1947:

- Prospecting/discovery of the Jojay deposit
- claim staking
- trenching (on Jojay deposit)
- geological mapping (1:4800 scale), prospecting and panning (on and around the Jojay deposit)
- diamond drilling totalling 5900 metres (SE of Jojay Claims)

1953:

- claim surveying

1962:

- diamond drilling 6 holes totalling 508 metres to the north of the Jojay Lake property (Windrum Lake Project)
- detailed geological mapping on north and central parts of the Windrum Lake project

1967:

- completion of one diamond drill hole on the Jojay deposit of 139 metres .

By the late 1960s, Cominco had reportedly estimated 'reserves' of 110,000 tons grading 0.26 oz Au/ton ('indicated') and a further 90,000 tons grading 0.26 oz Au/ton ('inferred') for the Jojay deposit. The reliability of these figures is unknown and they are not in accordance with the categories set out in NI 43-101. The auriferous zone(s) were traced over 300 metres strike length and drill tested to a depth of approximately 75 m. The deposit was considered to be open at depth.

Claude Resources Inc. acquired 100% of the mineral rights to these claims from BEC International Corporation who had acquired the claims from Cominco. Claude Resources Inc. subsequently sold a 66% interest to SMDC. Shore Gold Fund Inc was entitled to earn a 15% interest in the property by funding certain expenditure commitments. SMDC took over the Jojay Lake project as operators in April 1986 and carried out ground magnetic and VLF-EM surveys. Numerous magnetic anomalies were noted on the property, including several in direct association with known gold-pyrrhotite mineralization. Trenches were re-established, geological mapping and sampling were conducted and a 2,068 metres diamond drill program was completed. The latter was designed to confirm the results of previous work by Cominco. Detailed topographic and down-hole survey work, bulk till and humus geochemical orientation studies, limited grid preparation and prospecting were also completed.

During the winter of 1987, SMDC conducted additional magnetic and VLF-EM surveys resulting in full coverage of the property with measurements every 10 metres along east-west traverses spaced 50 metres apart. The results assisted the mapping of the geological contacts and indicated a geophysical signature for the known mineralization, which was repeated elsewhere around the known deposit. A trial Induced Polarisation (IP) survey was conducted over the known mineralization using gradient and pole-dipole arrays. The gradient array appeared to respond largely to overburden and did not delineate the known mineralization. The pole-dipole array produced a strong chargeability anomaly across the known mineralization and also identified a resistivity low that correlated with the Jojay Fault. Eighteen diamond drill holes totalling 2,673.7 metres were completed to continue testing the known mineralization along strike and at depth (120 to 160 metres vertical), and to test unexposed, positive, short strike length

magnetic anomalies in the vicinity of the deposit. They also conducted bulldozer stripping and trenching to expose sections of the deposit. Six trenches were completed during this program and a winter road was constructed.

In 1987, Claude commissioned Kilborn to prepare a preliminary economic analysis of the Jojay deposit. A resource was inferred from drilling results announced by SMDC which 'outlined reserves in the range of 500,000 to 1,000,000 tons of yet to be specified grade'. Statistical analysis of the drill intercepts suggested that a grade of 0.24 oz Au/ton could be inferred. The analysis therefore assumed inferred reserves of 750,000 tons at a grade of 0.24 oz Au/ton. These 'reserves' do not meet the criteria of reserves required by NI 43-101. The reserve base was revised and amended later that year and a more precise geological model was established which indicated three main mineralized zones termed the Red, Blue and Orange Zones. A probable mineable reserve of 313,174 tons at a grade of 0.264 oz Au/ton was estimated using a cross-sectional polygonal method, based on additional drilling and utilizing a 1.2 metre mining width and a cut off grade of 0.1 oz Au/ton, which met the criteria of National Policy 2A. The estimate was based on a cross-sectional polygon method. As no economic criteria were applied, this does not meet the criteria of NI 43-101 for reserves.

Later in 1987, following additional definition drilling, a computerized geostatistical resource estimate was conducted. This concluded that a geological reserve of 294,500 tons grading 0.24 oz Au/ton was present to a depth of 150 metres. Utilizing a cut-off grade of 0.15 oz Au/ton, minimum mining width of 1.2 metres, dilution of 10% and a maximum depth of 100 metres, probable mineable reserves of 129,100 tons grading 0.26 oz Au/ton were estimated for the Red and Blue Zones and possible mineable reserves of 16,500 tons at a grade of 0.30 oz Au/ton were estimated for the Orange Zone under National Policy 2A guidelines. These do not meet NI 43-101 criteria for reserves. Based on these figure, a prefeasibility study was conducted in November 1987, assuming custom milling at the nearby Star Lake mill which has subsequently been decommissioned. The study concluded that a small operation to high-grade certain pockets of mineralization would be viable at the then current gold price of $600 Cdn, but recommended additional drilling to delineate a peripheral mineralized zone prior to proceeding to a full feasibility study.

The following summer, geological mapping at 1:2500 and 1:500 scale was completed and prospecting and humus geochemical surveying was conducted over the entire property. Additional diamond drilling was conducted on the Jojay deposit comprising 18 definition holes (1738 m) which further tested the known portion of the deposit and 7 exploration holes totalling 1620 metres that primarily tested the deposit down-plunge to the north. An additional mineralized lens, termed the Purple Zone, was partially defined.

In the winter of 1988, SMDC conducted exploration diamond drilling, comprising 19 holes totalling 3,194.5 metres, designed to test the continuity of the main mineralized zones through definition drilling, and to continue exploration drill testing of the Purple Zone and a newly discovered Footwall Zone down-plunge to the north-northeast, at depth beneath known mineralization, and along strike to the south. Positive magnetic anomalies on or near the volcanic-sedimentary contact away from the immediate vicinity of the Jojay deposit were also tested, though no significant mineralization was intersected.

The following summer SMDC conducted detailed prospecting, a humus and soil geochemical verification survey and a bulk till survey.

This program was designed to test two geophysically, and in part geologically defined lineaments/structures known as the Jojay and Parallel structural zones. In addition, prospecting was carried out in the vicinity of gold-in-humus anomalies detected during the 1987 program.

The results of the prospecting program were generally disappointing. The most significant gold value obtained was 120 ppb from a sample of pyritiferous quartz vein stockwork hosted by dacite well off the interpreted structural zone trend(s). The humus and soil geochemical survey was completed to check the validity of gold-in-humus anomalies obtained during the 1987 program. All gold-in-humus anomalies were resampled and bracketing samples were taken 10 metres away from the anomalous sample site. Wherever possible, a soil sample was also taken from each humus sample site (1988). Geochemical results indicated that there was very poor correlation between gold-in-humus (1987 versus 1988) data. In general, humus collected at the same sample sites in 1988 contained significantly lower gold contents possibly due to gold volatilisation during ashing or seasonal variation in gold content of humus.

The bulk till survey was designed to systematically test for gold-in-till dispersion trains throughout the property. Ninety-five BM and C horizon tills were collected from 0.5 to 1.0 metre deep pits on a 100 metre (east-west) by 150 metres (north-south) grid pattern. Twenty-four bulk till samples had already been collected during 1986 and 1988 in the vicinity of the Jojay deposit.

Surficial deposit mapping indicated that suitable basal tills dominate the southern and northern portions of the grid while ablationary tills are dominant in the central portions. Ice transport direction, based on striae and pebble orientation studies, appears to be from N30°E.

Glacial till survey geochemical results indicated the presence of two anomalies:

- one anomaly over and up to 100 metres down-ice of the Jojay deposit (till samples with up to 3118 delicate grains, indicating limited transport)
- a southern anomaly located 400 to 1300 metres due south of the deposit (up to 43 gold grains, 27% of which were irregular and delicate).

These anomalies were separated by 300 to 400 metres of ablationary till and swamp and could only be tested by overburden or diamond drilling. Minor anomalies were also detected proximal to the cross-cutting Gnat Lake Fault along strike from the Jojay deposit, and close to the Park Lake fault, proximal to the Parallel Structural Zone.

At the beginning of 1989, SMDC changed its name to Cameco. No further exploration work appears to have been conducted on the property. The last available report on the property, dated March 1989 details a proposal to conduct a bulk mining test, access road upgrading and milling at the Star Lake Mill. This does not appear to have been carried out.

Cameco no longer has an interest in the block.

Regional, Local and Property Geology

The project area is located in the west central portion of a north-northeasterly trending, steeply west dipping, early to mid-Proterozoic sequence of metamorphosed supracrustal rocks known as the La Ronge Domain. This Domain comprises three distinct sub domains or belts. From northwest to southeast they are: the Crew Lake, Central Metavolcanic and MacLean Lake Belts.

The Crew Lake Belt comprises psammitic to pelitic sediments and greywackes with subordinate volcanics and volcaniclastics.

The Central Metavolcanic Belt consists of ultramafic flows at its base (Waddy Lake area) followed by several cycles of mafic to felsic volcanics and subordinate volcaniclastics.

The MacLean Belt comprises two contrasting lithological assemblages: feldspathic arenites of the MacLennan Group which occur along the northwestern margin of the MacLean Lake Belt, and an assemblage of psammitic to pelitic sediments, greywackes and amphibolitic gneisses to their southeast.

The supracrustal rocks have been intruded by a diverse suite of ultramafic to felsic rocks including compositionally zoned plutons (ranging from gabbro-diorite margins to granite cores); syn- to post-volcanic mafic dykes and sills; and late dykes and sills related to plutonic granodiorite-granitic bodies.

Most of the supracrustal rocks have been metamorphosed to upper greenschist and lower amphibolite facies while the MacLennan Group feldspathic arenites have attained middle to upper amphibolite facies. Locally, retrogressive metamorphism to greenschist facies mineral assemblages accompanied later shearing and faulting.

Property Geology

The following account is based on reports by SMDC geologists. The Jojay Lake project area straddles the north-northeasterly trending contact between a sequence of interbedded mafic to felsic volcanic rocks and an extensive package of immature psammitic and pelitic sedimentary rocks. These supracrustal rocks were intruded by (in chronological order); subvolcanic gabbro/diorite intrusions, quartz (eye)-feldspar porphyry, feldspar porphyry, and mafic dykes.

The volcanic rocks, which dominate in the eastern two-thirds of the property, consist of approximately equal amounts of andesite-basalt and dacite. The traverse by Howe confirmed the presence of these geological units.

The hornblende porphyroblast-bearing andesitic-basaltic volcanics typically occur as relatively thin flows, within sequences dominated by felsic pyroclastic rocks in the southeast and east or as much more extensive and readily traceable flow units in the central and east central parts of the property. Andesitic ash, crystal and lapilli tuffs, and tuff-breccia do occur but are relatively rare. Primary volcanic textures and structures such as pillows and amygdales are only locally preserved in the flow units.

Felsic volcanics, predominantly of dacitic composition, are most common in the extreme southern and eastern parts of the property. Pyroclastics, such as ash crystal and lapilli tuffs, are dominant: although massive to feldspar phyric dacitic and rhyo-dacitic flows are not uncommon.

Rocks mapped as gabbro/diorite, outcrop in two narrow subparallel bands, varying between 100 to 200 metres in width in the central and the southern portions of the property. These rocks are generally massive, medium to coarse-grained and porphyroblastic. Dark green to black hornblende porphyroblasts 3 to 10 mm, frequently comprise 20 to 30 percent of these rocks. The gabbroic rocks are compositionally similar to the andesite-basalts and are interpreted to be subvolcanic intrusive equivalents. Alternatively, the coarse-grain size could be due to metamorphism and these rocks could be thick mafic flows. Interpretation of these rocks is difficult but because of the apparent crosscutting/discordant relationships between this unit and distinct volcanic units, the subvolcanic intrusive origin is preferred.

Sedimentary rocks occur principally in the western third of the property and consist of a package of epiclastic rocks, mainly non-calcareous psammite to pelite, interbedded with argillite tuffaceous siltstone, volcanic and lithic arkosic sandstones, grit, greywacke and intraformational conglomerate. Polymictic conglomerate with a greywacke matrix is exposed at the northern corner of the property, immediately adjacent to the sedimentary-volcanic contact.

The sedimentary rocks, with the exception of the conglomerate, are predominantly fine grained clastics (pelite, argillite) in the immediate vicinity of the sedimentary-volcanic contact. Most of the finer grained sedimentary rocks commonly contain biotite and garnet porphyroblasts. The sedimentary assemblage becomes progressively coarser grained, mainly interbedded psammite and pelite, towards the western boundary of the property.

Primary bedding and other sedimentary structures are well preserved on and just off-property and include load casts, flame structures, slump structures, graded and cross bedding, and small channel scours.

Quartz (eye)-feldspar porphyry dykes were mapped intruding both sedimentary and volcanic rocks along their contacts.

Primary depositional fabrics are locally well preserved in both the clastic sedimentary and the epivolcaniclastic rocks. A subsequent brittle deformation event resulted in the formation of a north-northeast-trending breccia-stockwork zone paralleling stratigraphic trends; this was subsequently infilled by quartz with minor carbonate, pyrrhotite, galena, sphalerite and native gold. A tensional event coeval with the injection of north-northeast-trending quartz-feldspar porphyry sills followed. A ductile shear zone, known as the Jojay Structural Zone is localised along the sediment-volcanic contact. This zone of deformation trends north-northeast and dips steeply to the west. The affect of this shearing can be observed over a 20 metre width. Evidence of plastic deformation is apparent along this structural zone. A second shear, termed the Parallel Structural Zone, occurs some 250 metres east of the Jojay Zone.

Further reactivation of movement along these north-northeast trends occurred during brittle tensional events coeval with the injection of feldspar porphyry sills and mafic sills.

Peak metamorphism was attained after intrusion of these sills, resulting in the development of most of the present mineral assemblage.

A late deformation event affecting all known lithologies at the deposit, resulted in the formation of steeply dipping northeasterly 040°-060° and northwesterly (145°-160°) trending brittle faults. Dextral slip of approximately 35 metres was estimated on a major northeast-trending fault zone, which displaces the Jojay deposit. An opposite sense of movement (sinistral) was noted on the northwest trending faults. The indicated strike slip on one of these sinistral faults was typically less than 1 metre. These brittle faults appear to represent a related (conjugate) set. A retrograde greenschist facies metamorphic event resulted in the local formation of calcite and chlorite along the fault/fracture systems.

Several episodes of alteration and vein development were imprinted on the andesitic volcanic rocks and to a lesser extent on all supracrustal rocks, soon after their deposition. A progression of alteration events has been interpreted, commencing with pervasive biotite (metamorphic equivalent to original alteration mineral) and carbonate formation in the andesite. The intensity of the biotite/calcite alteration increases with proximity to the hanging wall (stratigraphically upwards) and the main zones of gold mineralization. Pale blue-grey coloured quartz veining which is present in minor amounts (<1%) throughout the andesite, increases in volume in the biotite/calcite alteration zone (5 — 15%) and eventually becomes so intense that a quartz (sulphide-gold bearing) stockwork breccia is formed. Local zones of quartz replacement with sulphide and gold (silica flooding) occur, particularly near or adjacent to the feldspar porphyry sills. Relicts of biotite altered andesite occur in the silica flooded zone.

Later generations of carbonate-chlorite veining, milky quartz veins, carbonate/sericite veins and locally vuggy quartz-carbonate veins occur. Only the carbonate/sericite and vuggy quartz-carbonate veins were observed in the porphyritic and mafic sills. The porphyritic sills appear to predate peak metamorphism and post-date the most significant alteration (biotitisation, carbonitisation and silicification). A major

metamorphic event, of amphibolite facies, resulted in the formation of a stable secondary mineral assemblage including hornblende porphyroblast and biotite development in the andesites.

Geology of the Jojay Gold Deposit

The Jojay gold deposit consists of a group of volcanic hosted, steeply (80°-89°) west dipping, gold, pyrrhotite, pyrite, galena, sphalerite and chalcopyrite bearing quartz vein stock work/silica flooded zones, located adjacent to and paralleling an intensely deformed, north-northeasterly (015°) trending volcanic-sedimentary contact.

The host supracrustal assemblage, which dips steeply (80°-85°) and apparently faces to the west, consists of the following lithologies (in order of decreasing age):

- Andesite — massive to porphyroblastic tuff and flows.
- Andesite/dacite-tuff and lapilli tuff.
- Epivolcaniclastic sediment.
- Graphitic and pyritic pelite.
- Pelite/greywacke.

The Jojay gold deposit is hosted entirely within brecciated, veined, and carbonate and biotite altered andesite, near the contact with the clastic sedimentary unit. Howe observed brecciation and shearing proximal to the baseline.

Quartz-feldspar porphyry, feldspar porphyry and mafic sills (in chronological order) trend ~025°, dip subvertically and thus cut the gold bearing zone as well as the supracrustal assemblage at a low angle.

The trend of the gold bearing zones also parallels the Jojay Structural zone which is centred on the contact between the volcanic/epivolcaniclastic rocks and the pelitic sedimentary units and extends the entire length of the property and continues beyond the boundaries. A second structurally deformed zone, termed the Parallel Structural Zone, lies some 250 metres east of the Jojay zone.

A prominent northeasterly striking late brittle fault set (Gnat Lake fault) displaces the Jojay deposit and host assemblage in a dextral sense and several other faults with similar trend displace the host shear to the north and south of the deposit. Northwesterly striking faults of similar appearance but displaying sinistral movement also cut the assemblage.

Glacial Geology

Glacial drift, muskeg. Swamp and lakes cover approximately 90% of the property area. Rock outcrop or thinly covered (moss) outcrop comprise the remaining 10 to 15% of the surface area.

Glacial drift consists almost entirely of a relatively thin (up to 3 metres) mantle of boulder-sand till over approximately 50% of the property. A lower till, (possible weathered bedrock) consisting of angular cobbles of local bedrock, sand and minor silt, was exposed in trenches across the Jojay deposit. Stratified glaciofluvial deposits have also been recognized in the trenches overlying the lower till. An upper bouldery, ablationary till of distal origin forms a discontinuous mantle over the lower till and locally directly on bedrock.

Deposit Types

The target type is structural/stratigraphic gold mineralization, comprising chalcopyrite-bearing quartz-carbonate vein stockwork/silica flooded zones, adjacent to and paralleling an intensely deformed north-northeasterly-trending volcanic-sedimentary contact.

Mineralization

At least four separate zones of potentially economic gold mineralization have been recognized. These include the following in order of increasing distance from the volcanic-sedimentary contact:

- The **Red Zone**, traced over a north-northeast strike length of 300 metres and to a depth of approximately 200 metres. Gold bearing intercepts in this zone range from 0.099 to 0.622 oz Au/ton over estimated true thicknesses of 0.4 to 7.8 metres. Drill holes completed to test the zone at depth to the north-northeast confirmed its down-plunge continuity to a vertical depth of 320 metres and gold contents in several of these drill holes were of potential economic significance. The Jojay deposit Red zone remains open down-plunge.
- The **Blue Zone**, traced over 250 metres along strike (north-northeast) to a vertical depth of approximately 130 metres. The Blue zone contains gold intercepts ranging from 0.145 to 1.317 oz Au/ton over estimated true thicknesses of 0.36 to 2.6 metres. It is essentially closed, though narrow intercepts at a depth of 200 metres some 100 metres north of the main Blue Zone lens indicate that an additional lens may be developing in this area.
- The **Orange Zone,** intersected in two drill holes at relatively shallow depth (~25 metres). An intersection of 0.322 oz Au/ton was obtained over an estimated true thickness of 4.36 metres. The Orange zone was also intersected in a hole drilled 25 metres along strike to the south. In this hole a 3.5 metres wide mineralized zone was intersected. The mineralized zone is cut by a brittle fault zone and related alteration (sericite-epidote-carbonate). Sub-economic gold values were obtained in this hole and in drill holes testing the Orange zone at depth. Diamond drill holes completed to bracket the original intersection all intersected narrow, sulphide bearing quartz veins at or near the expected location of the Orange zone. The best gold value obtained was 0.375 oz Au/ton over 0.65 metres drilled width, (0.50 metres approximate true width). Based on these results, it was concluded that the significantly initial intersection may have been the result of fault or drag fold repetition of a relatively narrow mineralized quartz vein system. The portion of the Orange zone containing economically significant gold is limited to the area of the original intercept and, as a consequence has little tonnage potential.
- The **Purple zone**, traced over a strike length of greater than 100 metres and to a depth of approximately 100 metres vertical. This zone is open at depth and along strike to the north and south. Gold bearing intercepts in this zone range from 0.092 to 0.203 oz Au/ton over estimated true thicknesses of 0.35 to 1.4 metres.

A new zone of gold mineralization, termed the **Footwall zone** was encountered in the most recent (1988) drilling campaign. Significant gold contents were noted; up to 0.688 oz Au/ton over 2.5 metres down-hole. Appreciable gold mineralization was intersected at a similar stratigraphic location in the Footwall andesites. However, a hole drilled to test the Footwall Zone 50 metres beneath the initial intersection encountered the Gnat Lake fault, resulting in significant deviation of the drill hole and significant but unusual gold intersections. This gold mineralization, hosted within the fault, did not resemble typical Jojay style mineralization but consisted of a series of white pyritiferous quartz veins. This represented the first clear case of gold mineralization related to the Gnat Lake fault. Footwall zone style gold mineralization was also intersected at depth but, because of the deviation of the drill hole and the offset due to the Gnat Lake fault, correlation with results from the original intercept was problematic.

The results of the 1988 drill program, which was the last recorded exploration, indicated that the main mineralized zones remained open down-plunge at depths greater than 250 metres and a new zone of gold mineralization, termed the Footwall zone was present in the northern part of the drilling area. It was recommended that further drilling should be conducted down plunge of the Red zone, along strike of the Footwall Zone and along the Gnat Lake Fault.

Diamond drill testing completed to the south along strike of the Red Zone intersected appreciable gold mineralization 100 metres to the south of the previously known extent of the zone.

Exploration diamond drilling completed to test positive magnetic anomalies away from the Jojay deposit gave geologically interesting but disappointing results. A silicate/oxide facies iron formation was intersected in one hole, while a second encountered a broad zone of sulphide-bearing (pyrrhotite, pyrite, sphalerite, galena, arsenopyrite, chalcopyrite) sericitised felsic volcanic rocks. Only elevated background gold contents were detected.

Exploration

The current issuer has conducted no exploration on the Jojay property.

Drilling

The historic drilling reported above was conducted on sections 25 metres apart along the major part of the mineralized zone, with more widely separated sections beyond the extremities of the known shoots. Holes on the sections were collared a nominal 40 metres apart and in the earlier campaigns, inclined to the west at approximately 45°. In later exploration drilling, hole spacings and inclinations varied. There is no record of sample replication, though repeat assays were conducted on all samples returning 0.10 oz Au/ton or greater.

To ensure accurate topographic control for the results of diamond drilling a detailed topographic survey was carried out by R. Middleton of the Star Lake Mining Company. Survey co-ordinates and elevation were determined for each diamond drill hole.

All diamond drill holes completed were surveyed down-hole by the Tropari method. The Tropari surveying indicated a significant number of erroneous azimuth readings. Accordingly, azimuth readings in all open holes were measured utilizing a light log which was unaffected by magnetic minerals and sections were corrected prior to resource estimation.

Drill logging was conducted utilizing a computerized data entry system on site.

The current issuer has conducted no drilling on the property.

Sampling Method and Approach

Trench samples were collected as continuous chips over variable, but contiguous intervals up to 1.0 metre.

Contiguous 0.5 metre samples of drill core were taken throughout mineralized intervals. The core was split on site then shipped to TSL Laboratories for fire assay. Sludge samples were taken after each three metre drill run and also shipped to TSL for assay.

Bulk tills samples are defined as 5-8 kg samples, collected from basal till where possible. They were collected from hand-excavated pits up to 1 metre deep. Each sample position, type, horizon and pebble content was recorded on field data cards. The samples collected in 1986 were processed by Overburden Drilling Management Labs (ODM) in Ottawa, while those collected in 1988 were shipped to the Saskatchewan Research Council Laboratories (SRC) in Saskatoon for processing. ODM utilized methylene iodide to produce a concentrate after the shaking table. At SRC, the –10 mesh fraction was treated by shaking table and super-panner. Gold grain frequency and morphology was then described, the grains recombined with the heavy minerals concentrate and analyzed by neutron activation at the Bondar Clegg laboratories in Ottawa.

391 humus samples were collected across the property, though check sampling demonstrated that they were of limited use, particularly in areas of thicker till cover.

A total of 105 rock samples were collected during 1987 and assayed at TSL laboratories by FAAA. Selected samples were assayed by FAGR. All anomalous samples were followed up.

No further details are available.

Sample Preparation, Analyses and Security

Trench samples were assayed by the fire-assay/gravimetric method at TSL Laboratories, Saskatchewan and all samples with elevated gold values were check assayed. Howe has viewed the relevant assay certificates and confirms that the sample reproducibility is generally acceptable, with occasional nugget effects.

A total of 554 split NQ core samples and 84 sludge samples were collected and shipped to TSL Laboratories of Saskatoon, Saskatchewan for gold assay/analysis. Sludge samples were collected only in exploration drill holes. Core samples were assayed for gold utilizing the fire assay-gravimetric (FAGR) method while sludge samples were analyzed using the fire assay-atomic absorption (FAAA) method. Sludge samples containing greater than 1,000 ppb Au (FAAA method) were re-run immediately, utilizing the FAGR method.

Core samples with significant gold contents were then checked at Loring Laboratories of Calgary, Alberta by FAGR., and samples with very high gold contents were checked at TSL by means of a metallic gold assay (FAGR-VG method), after renumbering by SMDC staff. While the checks were generally close enough to be acceptable, assays of those samples with multiple checks were based on an arithmetic mean of the fire assay values plus an arbitrary two times weighting of the FAGR-VG results.

Reasonable correlation was achieved between the TSL (FAGR), and the TSL (FAGR-VG) gold in core assays. The increased amounts of visible gold observed in core, necessitated a significant number of FAGR-VG assays. The FAGR-VG gold assay value was taken as the accepted value for all samples assayed by this method.

No further details are available regarding the quality control of sampling, though from the descriptions of the methodologies, drill logs and assay certificates it appears that sampling was conducted in a professional manner and assay checks were conducted to the industry standards then in place.

Data Verification

The drill core is still present at the camp on the shore of Bog Lake. The core boxes are clearly and legibly marked with aluminium strips and while a number of the racks on which the boxes are stored have

collapsed, the core is still generally in good order and it appeared that at least 80% of the core boxes could be salvaged. This should be done as a priority. Where accessible, sampling dockets were still legible and half-core splits remained in place in the boxes. Two random samples of core were collected and are held as referee samples should they be required, though it was considered that it would be preferable to leave the majority of the core in situ to preserve the physical record. Drill logs and assay certificates have been cross-referenced and no errors have been identified.

Adjacent Properties

Not applicable.

Mineral Processing and Metallurgical Testing

In September 1987, limited metallurgical testwork was conducted on a representative sample of the Jojay mineralization. The only information available is a photocopied abstract of the summary of a technical report by an unknown organisation. Following assaying by unknown methods to determine head grades, which indicated 9.21 g/t Au, 5.3 g/t Ag, 5.45% Fe and 1.79% S, a 'semiquantitative spectrographic analysis' of the ore sample was conducted. The latter indicated 1% Pb and Zn, 0.3% Cr, 0.1% Mn and Ti and trace amounts of V, Cu, As, Tl, Ga, W, Cd, Ni, and Sr.

The Bond Work Index was determined by a standard ball mill closed circuit grindability test. The mill feed was –6 mesh and the ‘fineness of classification’ was 200 mesh. The Work Index was calculated as 15.48kWh/ST (kilowatt hour/short ton). 80% of the test product passed a 59 micron sieve, while 80% of the test feed passed a 2150 micron sieve. A series of 1,000 g charges was ground for predetermined intervals to study the effect of fineness of grind on cyanidation and gravity separation. Each sample was then tabled on a Mozley Mineral Separator to produce a low-weight (0-1%), high grade (3,000 to 14,000 g/t Au) concentrate. The concentrate was filtered and cut into 500 gm samples for cyanidation tests, involving bottle roll testing for 2x24 hour stages. Cyanide and lime consumptions were determined to be 2.5 and 4.35 kg per tonne respectively. Average gold recoveries after 24 hours were 97.75% and after 48 hours 98.45%.

A carbon adsorption test was carried out utilizing a 1.0kg sample ground for 25 minutes to 73% passing 400 mesh which was tabled on the Mozley Mineral Separator to produce a gravity concentrate. After dewatering, the concentrates were repulped to 33% solids in a 2 litre bottle, cyanide and lime were added and cyanidation tests conducted for 48 hours. The slurry was then split into four and activated carbon (GRC-22) was added to give 5, 10, 20 and 30 g/L concentrations and roll tests conducted for four hours. The gravity-cyanidation results from the four tests averaged 99.06% and the carbon adsorption averaged 99.0%.

Mineral Resources and Mineral Reserves

No recent resource estimates have been conducted on the Jojay Property. Historic reserves were reported by the SMDC in 1987 and these are described in the section entitled "*History*".

Other Relevant Data and Information

Not applicable.

Interpretation and Conclusions

A gold resource was delineated historically on the Jojay zone; this appears to be hosted by a clearly-defined, continuous shear structure at a volcanic-sedimentary contact. At least four sub-parallel mineralized zones were identified, though the major resource was confined to two of these, namely the Red and Blue Zones. The last drilling conducted on the property indicated that the Red Zone remained open down-plunge at depths greater than 250 metres and a new zone of gold mineralization, termed the Footwall zone was present in the northern part of the drilling area. It was recommended that further drilling should be conducted down plunge of the Red zone, along strike of the Footwall Zone and along the Gnat Lake Fault, where drilling had intersected a new style of mineralization.

Diamond drill testing completed to the south along strike of the Red Zone intersected appreciable gold mineralization 100 metres to the south of the previously known limit of the zone.

Exploration diamond drilling completed to test positive magnetic anomalies remote from the Jojay deposit gave geologically interesting but disappointing results. A silicate/oxide facies iron formation was intersected in one hole, while a second encountered a broad zone of sulphide-bearing, sericitised felsic volcanic rocks. Only elevated background gold contents were detected.

Detailed prospecting in 1988, the last reported exploration date, tested the Jojay and Parallel structural zones and prospecting was carried out in the vicinity of gold-in-humus anomalies detected during the 1987 program but results were disappointing in that no significant gold values were located in exposed bedrock sampling. Check sampling of the earlier humus sampling indicated that seasonal variations prevented reproducibility and no significant targets were identified.

A bulk till survey designed to systematically test for gold-in-till dispersion trains on an approximate 100 by 200 metre grid in those parts of the property where muskeg was absent identified two prominent anomalies:

- one anomaly over and up to 100 metres down-ice of the Jojay deposit
- a second anomaly located 400 to 1300 metres due south of the deposit

These anomalies were separated by 300 to 400 metres of ablationary till and swamp and could only be tested by overburden or diamond drilling, though this does not appear to have been done and they remain valid exploration targets. Additional, more subtle anomalies were also identified coincident with the Gnat Lake and Park Lake Faults.

A number of the original exploration objectives remain to be completed. The deposit is still open in a number of areas. The presence of the core on site provides an opportunity to check the results and enable the planning of additional drilling to further delineate the deposit. This would enable a modern resource estimation to be conducted. This would enable a modern resource estimation to be conducted. The till sampling program has outlined a number of targets that merit further examination by closer spaced sampling and trenching. The existing geophysical data should be re-interpreted to determine whether additional geophysical surveying using deeper penetration methods should be conducted.

The current issuer has conducted no exploration on the Jojay property.

Jojay Lake Recommendations

Following the June 28, 2004 transfer of ownership from Shore, the Corporation currently holds only a 25% interest in the property so any program and budget proposals are outside of the Corporation's control. However, Howe recommends that the following phased program should be conducted.

In **Phase 1**, a satellite interpretation should be conducted to identify structural controls and assist the re-interpretation of the available exploration data. It is recommended that the geophysical data are re-interpreted to determine whether further work should be conducted and to determine whether any subtle targets merit additional testing. The existing exploration data should be digitized and combined with the interpretations recommended above using the satellite imagery as a base. The existing core should be carefully catalogued and transferred to new racks, with selective sampling for verification purposes and if the historic drill data proves accurate it should be computerized and a VLP constructed to identify areas where additional drilling is required. During this period, the drill sites should be relocated.

In **Phase 2,** a program of diamond drilling should be conducted to test the known mineralization at depth and along strike and investigate targets identified during the earlier phase to enable the merging of the data with the new drilling information. For budgetary purposes, it is estimated that 3,000 metres of core drilling could be required initially. A resource estimation should then be conducted. This second phase is not contingent on positive results from the first phase but is a natural extension of the first phase. The proposed drill metreage will be assigned according to the findings of Phase 1.

The till sampling anomalies should be tested by closer spaced sampling and trenching.

The estimated budget for this work is as follows:

PHASE 1

		US$
Satellite interpretation		8,000
Geophysical re-interpretation		3,000
Data computerization 15 days @ $150		2,250
Sampling and restacking of core and re-location of drill collars: 20 days @ $150		3,000
Construction of new core racks		5,000
Flights, subsistence		2,500
	Sub-total	**23,750**

PHASE 2

		US$
Till sampling: 50 samples @ $25		1,250
Trenching: 500 meters @ $50		25,000
Diamond drilling: 3,000 metres @ $125 inclusive		375,000
Assaying: 3,550 samples @ $12		42,600
Resource estimation 15 days @ $250		3,750
Accommodation and subsistence		6,500
Transport		10,000
Reporting		1,500
	Subtotal	**465,600**
Contingency @ 15%		73,402
	Jojay Lake Block Phases 1 + 2 Total	**US$562,752**

Munro Lake

Property Description and Location

The project area comprises claim disposition No S-101081 which covers an area of 2,480 Ha and was recorded on May 14, 1990. It lies 80 air miles northeast of La Ronge, Saskatchewan and approximately 7 kilometres northeast of the Seabee Mine/Mill complex. The property is located on NTS Sheet 63- M-11 and 12 NE. In 2003 Shore had a 51% interest and Shane Resources Ltd. ("**Shane**") held 49%. In 2003 Shore was the operator. Shane obtained its Munro Lake interest from Currie Rose Resources and subsequently Shore earned a 51% interest. Shane has not yet executed the registration of the title. Shore transferred its interest to the Corporation subsequent to the date of the Howe Report. Howe is advised that the property is in good standing, with no outstanding fees, environmental liabilities, royalties or other encumbrances.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The area is accessible from La Ronge or Otter Lake by float or ski-equipped aircraft. It is also possible that Claude Resources would permit access from their Seabee minesite, which has an all weather airstrip. The property could be accessed from Seabee Mine via winter drill roads. The mine is connected to a 115 KV hydro electric power line from Island Falls. A small fly-in fishing camp is situated at the southern tip of the peninsula on the west side of the property and would be available as a base for exploration activities..

The physiography of the area is typical of Precambrian terrain of the Canadian Shield. The property occurs within an area of low relief, rising to a maximum elevation of 150 metres. The area has been glacially scoured and comprises rocky, ice-moulded ridges separated by lake or swamp filled depressions. Ice movement was from the north-northeast indicated by glacial striations, glacial grooving and glacially moulded outcrops. Lakes in the area are generally small, and are often aligned with faults or major structural lineaments.

The area lies within the northern boreal forest ecoregion. The vegetation is essentially spruce and pine with an occasional aspen grove. A variety of willows, bog birches and occasionally alders form narrow bands about the perimeters of muskegs.

The climate for the area is assumed to be essentially that of the nearby Environment Canada weather stations at Island Falls and Brabant Lake. The mean monthly temperatures for these stations between 1951 and 1980 ranged from minus 25° C in January to plus 17° C in July. Extreme maximum temperatures for the same period were 6 to 10° C in January and 30 to 36° C in July. Extreme minimum temperatures for these months were minus 49° C and plus 1°C respectively. The mean annual precipitation varies from 514 millimetres at Island Falls to 530 millimetres at Brabant Lake. Mean annual snowfall is 467 centimetres at Island Falls and 233 centimetres at Brabant Lake. The median date for the first snow cover in excess of 25 millimetres is October 31, and April 20 for the last such cover. In excess of 250 millimetres of snow remains for a period of 160 days, and the median depth of maximum snow cover is about 500 millimetres.

History of the Property

1956-1957 E. L. Morley drilled five diamond drill holes totalling 245 feet into copper-gold showings in the south of the property. Values of 0.44% Cu and 0.02 oz Au/ton are recorded from the first two holes, but the old logs note that 'none of the material intersected in the other holes warranted cost of assay'. Minor copper and pyrite mineralization was noted.

1958-1960 E. L. Morley carried out minor trenching of some copper-gold showings. No results of this work are recorded. The claims were then allowed to lapse.

In 1984, the property comprised claim dispositions S-97991 to 98040 and was registered to Claude Resources, though ownership was recorded as 30% Claude Resources and 70% by Rapparee Resources. By 1986, Claude was the 100 % owner and had acquired additional claims S-99270 and S-99271.

From 1985 to 1988, Claude Resources Inc. carried out regional prospecting to trace the pyrite-chalcopyrite mineralization that occurs throughout the metavolcanic and meta-sedimentary rocks underlying the property. Magnetometer and VLF-EM surveys were conducted in 1988. Several VLF-EM anomalies either flanking or coincident with magnetic highs were outlined. The responses appeared to outline the contact between the central granodiorite and the flanking metavolcanic, and indicated possible folding of the metavolcanic rocks around the granodiorite at the south end of the property. The survey distinguished the major rock types underlying the property.

The five diamond drill holes completed in 1956 were drilled in the vicinity of the south end of a magnetic high at the southern end of the property. The mineralization and quartz veining intersected occurred within metavolcanics and granodiorite.

In 1990, the claims had been amalgamated into a single mineral disposition S-101081 and was registered to Shore (51%) and Shane Resources Ltd (49%). Subsequently, Shore has conducted prospecting work in the vicinity of the Morley trenching on the west shore of Munro Lake (1994) and geochemical soil surveying, prospecting, trenching and sampling of mineralized showings (1996).

Regional, Local and Property Geology

Regional Geology

Regional and property geology was described in a January 1997 report by Nanook Exploration Ltd. (the "**Nanook Report**"). The Nanook Report summarizes the 1996 exploration program and references earlier reports by the same author (1996, 1988). Information is also taken from Lewry, J.F., 1977. The Geology of The Glennie Lake Area; Saskatchewan Department of Mineral Resources, Report No.143.

The property lies within the Glennie Lake area that forms part of the Churchill Structural Province. All rocks in the area are of Precambrian age.

The area lies within a triangular area referred to as the Glennie Lake Domain. This domain is bounded on the west by the north-northeast trending Stanley Lake Fault and on the east by the north-south trending Tabbernor Lake Fault. The area consists of non-linear, discontinuous mixed metavolcanics and metasedimentary belts within dominantly granitic and granodioritic gneisses, migmatites and younger granitic bodies.

The distinctive characteristics of the Glennie Lake Domain are considered to be the result of large scale diapiric remobilisation of either totally reconstituted supracrustal rocks or older basement; probably both. Less than 20% of the Glennie Lake area is underlain by recognisable metavolcanics and metasediments and possibly another 10% to 15% by their ultrametamorphosed and reconstituted equivalents. Approximately half of the remainder comprises much coarser grained dioritic, granodioritic and tonalitic gneisses that may be reconstituted equivalents of observed supracrustal rocks or much earlier remobilised basement material.

Emplaced within this complex are younger basic and ultramafic bodies and more massive and homogeneous tonalites, granodiorites and granites. Some of the granitoid rocks may be true magmatic bodies, but others are considered to be derived from older gneisses. Essentially diapiric mobilisation of these later granodiorites is thought to have been a major factor in producing the non-linear character of the regional structural pattern. At least three phases of folding can be distinguished, punctuating an extended period of high-grade metamorphism, migmatisation and anatexis. While it is not certain that all of these events belong to the Hudsonian Orogenic Episode, no evidence of any major time break within the recorded sequence of tectonic, metamorphic and intrusive events is seen in the area.

Property Geology

Regional and property geology was described in the Nanook Report. The Nanook Report summarizes 1996 exploration program and references earlier reports by the same author (1996, 1988). Information is also taken from Lewry, J.F., 1977. The Geology of The Glennie Lake Area; Saskatchewan Department of Mineral Resources, Report No.143.

The Munro Lake property exhibits less than 15% outcrop. Most of the area is either forest or lake covered. Rock types on the property include basic to intermediate volcanics that are massive and fine to medium grained, and amphibole-plagioclase-quartz rocks. There is commonly a definite foliation and well developed hornblende lineation.

Layered metapyroclastics occur within the Pine Lake metavolcanics. These include laminated hornblendic rocks interpreted as volcanic tuffs, ash, impure tuffaceous sediments and greywackes with small intercalations of quartzo-feldspathic sandstones, pelites and calcsilicates.

Migmatitic hornblendic gneisses occur in the area. These rocks retain evidence of derivation from original metavolcanic and metasedimentary lithologies but are now very highly recrystallised.

Granodioritic and dioritic gneisses are present on the property. These rocks appear coarse grained in the field, but the apparent individual crystals are commonly crystalline aggregates. A streaky gneissosity, accompanied by preferential crystal orientation is usual. Biotite granodioritic gneisses occur as either homogeneous foliated rocks or less homogeneous types with abundant inclusions of biotite gneiss and granulite. Some of these may represent pre-tectonic intrusives, but most appear to be reconstituted supracrustal gneisses. The elongate body of biotite granodiorite gneiss lying to the west of Munro Lake is thought to be a pre tectonic intrusive.

Most of the foliations in the immediate vicinity of Munro Lake trend to the northwest and dip steeply to the west.

Deposit Types

The Munro property covers the northeast projection of the Laonil Lake shear zone. The shear zone hosts the Seabee gold mineralization where it is a composite, one mile wide group of parallel faults trending N 70° E. The zone is mapped as deviating to a west northwest trend and passing to the south of the Munro property, however a brief inspection of satellite imagery posted on the internet indicates that there is structural continuity of the east northeast trending shears through the Munro permit and that the west northwest trending structure is a separate feature. Known gold mineralization on the Munro property coincides with the structures identified on the satellite imagery and there are additional unexplored targets along the structures' strike length. The Seabee gold mineralization is characterized by quartz-tourmaline-carbonate-pyrite-chalcopyrite-gold mineralization in talc-chlorite and biotite schists which are locally

conformable with, or represent, interflow sedimentary-tuffaceous rocks. These favourable lithologies also occur on the Munro property. Several known copper gold occurrences are reported in the area.

Mineralization

Mineralization is described with reference to the Nanook Report.

Prospecting of the area in 1996 located the trenches excavated between 1956 and 1958 now termed Trench A and Trench B. Mineralization exposed in these two trenches included pyrite, chalcopyrite, bornite and malachite staining within sheared mafic volcanics flanked by foliated granodiorite. To date no surface exploration has been carried out to determine the strike length or down dip extent of any gold showings on the property.

A 9.5m interval sampled in trench A in 0.5m intervals through a gold-copper rich interval of 5.5m is recorded with 3 separated 1m intervals with "best" gold values of 1.10 g/t Au, 2.55 g/t Au and 1.325 g/t Au, respectively.

An 18m interval sampled in Trench B in 0.5m intervals through gold-copper mineralisation is recorded. The Nanook summary of "best" gold values appears to count some sample results more than once and has been disregarded by Howe. An inspection of the sample descriptions and the tabulated assays indicates four separate trench intercepts based on a cut-off of 1g/t Au with intervals of up to 1m below cut-off included if "carried" by adjacent values. These intercepts are 1.76 g/t Au over 8.5m, 2.04 g/t Au over 1.0m, 1.31 g/t Au over 0.5m and 2.41 g/t au over 2.0m.

Trench C, 55m west of A and B, exposed a sheared mafic volcanic approximately 4m in width with up to 3% pyrite and minor chalcopyrite, flanked by granodiorite and diorite. Reported gold assays are low with up to 360 ppb Au and not of sufficient interest to justify fire assay.

Trench D exposed a rusty sheared pyroxenite with associated sulphides. An inspection of the sample descriptions and the tabulated assays indicates three separate trench intercepts based on a cut-off of 1g/t Au. These intercepts are 1.37 g/t Au over 1.0m, 1.50 g/t Au over 2.6m and 1.45 g/t Au over 1.0m.

Trench E exposed a rusty quartz vein 0.2m to 1.0m wide with disseminated pyrite, in contact with sheared volcanics and gneiss, which was traced for 7m of strike. Reported gold assays are low with up to 900 ppb Au and not of sufficient interest to justify fire assay.

Exploration

A reconnaissance prospecting program in 1994 conducted on behalf of Shore re-located the historic trenches in the southwest of the property and a grab sample from one of the excavations returned a value of 0.414 oz Au/ton. No details are available about assay methods.

The 1996 Munro Lake mineral exploration program commenced on August 9,1996 and was completed on August 25, 1996. The exploration program was restricted to the southern part of the grid area and covered the trenching done between 1956 and 1958. Exploration of the area consisted of soil geochemistry, prospecting, trenching and sampling of mineralized showings identified by prospecting.

The soil geochemical survey identified several areas that contain anomalous gold values. The prospecting program relocated the copper/gold showing trenched between 1956 and 1958 and discovered three additional showings that host anomalous gold, copper and nickel values.

1996 Soil Geochemistry Program

The 1996 soil geochemistry program is described with reference to the Nanook Report. The sampling program was conducted by Shore contract field personnel with the soil sampling being supervised by Terrance Chubak, soil sampler and drill operator. Technical Services Laboratories Ltd. (TSL) of Saskatoon provided analytical services.

A total of 180 soil samples were collected at 25 metre intervals where possible along 10 east-west section lines which were spaced 100 metres apart, commencing in the southwestern corner of the claim block. All of the samples were analyzed for copper, gold and nickel.

Howe's examination of the data indicates that copper values ranged from 1 ppm to 1900 ppm with spot values greater than 100 ppm occurring on several lines. High copper values are coincident with high gold values on 3 lines in the vicinity of the historic trenching. Both copper and gold values appear to be slightly elevated along contact zones, particularly between hornblendic and biotitic phases of the granodiorite on the east of the claim block and hornblende migmatite and biotite granodiorite on the west of the area, with highest values at the south of the area where the phases appear to converge.

Gold values range from < 5 ppb to 480 ppb. The highest values coincide with the trenched mineralization, though a discrete area of elevated gold values occurs in the north of the survey area where values ranging from 15 ppb to 70 ppb extend for 100 meters across geological strike and appear to follow a northwest trend for at least 100 metres; this trend cross-cuts the geological strike at shallow angle and though it narrows to the southeast, it appears to extend for a further 3-400 metres in that direction; continuity is disrupted by a gap in the sampling in an area of marsh. The zone is open to the northwest. Two hundred meters west of this zone a second anomalous area some 50 metres wide trends north-northeasterly and is open to the north and south.

Nickel values range from 3 ppm to 99 ppm. The average nickel value is 25.8 ppm for the area surveyed and some of the higher values are associated with small sheared pyroxenites or more mafic phases of the granodiorite.

1996 Prospecting Program

Detailed prospecting was carried out on the peninsula in the southwestern part of the property with the objective of locating quartz veining, rock exposures containing sulphides and any gold mineralization. The trenches excavated between 1956 and 1958 were re-located.

From Howe's examination of the rock descriptions given in the reports and on hand-drawn plots, and examination of the accessible trenches, the following discoveries were also made:

- A sheared mafic volcanic, approximately 4 meters in width containing up to 3% pyrite and minor chalcopyrite was discovered approximately 55 metres west of trenches A and B. This shear zone is flanked by granodiorite and diorite.
- A rusty, sheared pyroxenite was located at the contact of mafic to intermediate volcanics and amphibolite on the west side of the surveyed area, 300 metres northwest of trenches A and B. Mineralization associated with this showing included pyrrhotite, pyrite, traces of disseminated chalcopyrite and traces of disseminated pentlandite. A rusty quartz vein, containing disseminated pyrite, was identified 150 metres farther north along strike at the contact between moderately sheared intermediate volcanics and amphibole-feldspar- biotite- quartz gneiss.

All of the mineralized areas were stripped, trenched, mapped and sampled by Shore's contracted exploration field team.

1996 Trenching Program

The following descriptions have been modified from those in the field reports, based on Howe's examination of the data and field observations.

Trench A

The sulphide mineralization occurs within a sheared mafic volcanic, flanked on the east by a foliated granodiorite. Rock geochemical results indicate a gold-copper relationship. Gold mineralization occurs within the granodiorite and the sheared volcanics. Contiguous chip samples were collected at 0.5 metre intervals perpendicular to the sheared contact zone. Three 1 metre zones within a 5 metre length of trench contained gold values in excess of 1 g/t. Results are shown in Table 1:

TABLE 1. SAMPLING RESULTS FROM TRENCH A, MUNRO LAKE

SAMPLE	WIDTH m	Au ppb	Au g/t	Cu ppm	Cu %	Ni ppm	GEOLOGY
7851	1	190		440			Granodiorite
7852	1	50		99			Granodiorite
7853	1	40		120			Granodiorite
7854	0.6	60		260			Granodiorite
7855	0.4	120		500			Mafic Volcanic, 1-2% pyrite
7856	0.5	240		1400			Granodiorite, 1% pyrite
7857	0.5	1000	1.03	3200			Granitised volcanics
7858	0.5	1000	1.17	4700			Granitised volcanics, 2% pyrite
7859	0.5	560		2800			Oxidised contact shear, 3% pyrite
7860	0.5	210		1600			Sheared mafics/granodiorite, 1-2% pyrite
7861	0.5	635		4600			Sheared mafics
7862	0.5	1000	1.59	5000	0.57		Sheared mafics, 5% pyrite
7863	0.5	1000	3.52	5000	2.43		Sheared mafics
7864	0.5	220		630			Sheared mafics
7865	0.5	1000	1.31	3300			Quartz vein,3% pyrite
7866	0.5	1000	1.34	1400			Sheared mafics

Trench B

Sulphide mineralization occurs within a mix of sheared mafic volcanics, amphibolites and minor quartz veining; flanked by foliated granodiorite on the east and west sides. Rock geochemical results indicate a copper-gold relationship combined with elevated nickel values. Significant gold mineralization occurs within the sheared volcanics and adjacent granodiorite. The results are shown in Table 2:

TABLE 2. SAMPLING RESULTS FROM TRENCH B, MUNRO LAKE

SAMPLE	WIDTH m	Au ppb	Au g/t	Cu ppm	Cu %	Ni ppm	GEOLOGY
7815	05	1000	2.07	5000	0.52	58	Mafic volcanics, trace pyrite
7816	05	1000	1.38	5000	0.52	75	Mafic volcanics, 1% pyrite
7817	0.5	1000	1 59	2900		77	Mafic volcanics, trace pyrite
7818	0.5	1000	2.9	5000	1.69	190	Quartz vein 2% pyrite, chalcopyrite
7819	0.5	1000	1.03	3900		110	Sheared pyroxenite 15% quartz veining and 2 % pyrite
7820	0.5	1000	3.72	5000	1.05	170	Mafic volcanics, 1% pyrite
7821	0.5	1000	2.21	5000	1.17	220	Mafic volcanics, 2% pyrite,0.5% chalcopyrite
7822	0.5	730		2000		120	Mafic volcanics 1% pyrite
7823	0.5	920		3600		100	Mafic volcanics, 1% pyrite
7824	0.5	1000	1.86	4200		130	Mafic volcanics with quartz veining, 1% pyrite + chalcopyrite
7825	0.5	1000	2	3900		90	Granodiorite, minor pyrite
7826	0.5	1000	4.14	5000	0.72	84	Granodiorite, 3% pyrite, trace chalcopyrite
7827	0.5	1000	2.38	5000	0.61	52	Mafic volcanics 1% chalcopyrite
7828	0.5	1000	1.03	2000		42	Granodiorite, trace pyrite
7829	0.5	390		1100		35	Felsic volcanic, 1% pyrite
7830	0.5	1000	2.62	5000	0.86	46	Granodiorite, 3% pyrite
7831	0.5	1000	1.03	2100		26	Granodiorite, 1% pyrrhotite, 1% pyrite
7832	0.5	750		1600		30	Granodiorite, 1% pyrite
7833	0.5	375		930		22	Mafic volcanics, 1% pyrite
7834	0.5	1000	1.03	2000		23	Granodiorite, 1% pyrite
7835	0.5	1000	3.04	4500		31	Granodiorite, 2% pyrite
7836	0.5	120		620		20	Granitised volcanic
7837	0.5	160		540		17	Granodiorite
7838	0.5	170		570		26	Mafic volcanics + quartz stringers, 1-3% pyrite
7839	0.5	455		58		32	Mafic volcanics
7840	0.5	25		12		110	Mafic volcanics
7841	0.5	690		2600		120	Mafic volcanics
7842	0.5	1000	1.31	5000	0.85	100	Amphibolite+malachite+1-2% pyrite
7843	0.5	890		5000	1.11	65	Mafic volcanics 3% pyrite, 0.5% chalcopyrite

SAMPLE	WIDTH m	Au ppb	Au g/t	Cu ppm	Cu %	Ni ppm	GEOLOGY
7844	0.5	210		940		50	Mafic volcanics
7845	0.5	1000	1.86	5000	0.53	92	Mafic volcanics, 2% pyrite
7846	0.5	690		5000	0.51	59	Granodiorite, 1% chalcopyrite
7847	0.5	1000	6.73	420		19	Quartz vein in volcanic
7848	0.5	1000	1.03	630		23	Granodiorite, 2% pyrite
7849	0.5	640		1700		29	Quartz vein in granodiorite, 3% pyrite
7850	0.5	340		990		27	Mafic volcanics, 2% pyrite

Trench C

This trench was sampled on two east-west, parallel lines three metres apart across a northwest trending shear zone. Sulphide mineralization occurs across a zone some 3 metres in width within the shear, hosted by mafic volcanics in contact with granodiorite to the west and a massive diorite to the east. Gold values are elevated over the width of the shear zone and range from 25 ppb to 360 ppb. Results are shown in Table 3:

TABLE 3. SAMPLING RESULTS FROM TRENCH C, MUNRO LAKE

SAMPLE	WIDTH m	Au ppb	Au g/t	Cu ppm	Cu %	Ni ppm	GEOLOGY
North line							
7888	0.7	120		450		21	Sheared diorite
7889	0.5	30		260		23	Sheared mafic volcanic
7890	0.5	85		430		28	Sheared mafic volcanic
7891	0.5	50		1200		32	Mafic volcanic
7892	0.5	75		1200		24	Sheared granodiorite
South line							
7894	0.5	50		280		30	Mafic volcanic with quartz veinlets
7895	0.5	25		190		35	Sheared mafic volcanic
7896	0.5	65		500		32	Sheared mafic volcanic, 1% pyrite
7897	0.5	350		960		26	Sheared mafic volcanic, 1% pyrite
7898	0.5	220		750		29	Mafic volcanic, 1% pyrite
7899	0.5	200		880		34	Sheared mafic volcanic, 2% pyrite
7900	0.5	360		1400		25	Granodiorite

Trench D

Sulphide mineralization including disseminated pentlandite and significant gold values occur within brecciated and sheared pyroxenite, mafic volcanics and amphibolite. The trench bifurcated to the north, with the western branch following a shear and the east following the geological strike. The trench was sampled on four east-west lines, two metres apart with contiguous chip samples of variable widths

controlled by geological features. A single grab sample was collected from the most intense shearing. Table 4 shows the results of the sampling.

TABLE 4. SAMPLING RESULTS FROM TRENCH D, MUNRO LAKE

SAMPLE	WIDTH m	Au ppb	Au g/t	Cu ppm	Cu %	Ni ppm	GEOLOGY
North line							
7867	0.5	680		430		450	Sheared mafic volcanic/pyroxenite
7868	1	1000	1.37	1200		620	Sheared mafic volcanic/pyroxenite, 2% pyrrhotite
2m south							
7869	1	280		670		340	Sheared mafic volcanic/pyroxenite
7870	1	760		1200		660	Sheared pyroxenite, 1% pyrrhotite
7871	0.6	1000	1.45	2100		710	Sheared pyroxenite, 1% pyrrhotite
7872	0.9	1000	1.24	1800		810	Sheared pyroxenite, trace pentlandite
4m south							
7873	0.5	1000	1.36	520		580	Sheared pyroxenite, trace pyrite
7874	0.3	1000	1.79	420		430	Sheared pyroxenite, 2% pyrrhotite
7875	0.3	1000	2.34	1100		1000	Sheared pyroxenite, 1% pyrite
7876	0.6	490		720		670	Sheared pyroxenite, 1% pyrite
7877	0.7	95		80		240	Sheared pyroxenite
7878	1	1000	1.45	870		540	Sheared pyroxenite
6m south							
7879	grab	1000	1.02	1100		1100	Sheared pyroxenite, 1% pentlandite

Trench E

Sulphide mineralization occurs within a north-trending, rusty quartz vein ranging in width from 0.2 metres to 1.0 metres that was traced for approximately 7 metres along strike. The quartz vein was in contact with intermediate volcanics to the west and with amphibole-feldspar gneiss on the east. Anomalous gold values ranging from 20 ppb to 900 ppb occurred within the quartz vein and amphibole-feldspar gneiss. The trench was excavated along strike of the vein and samples were collected across the vein and wall rocks at two metre intervals. Results are shown in Table 5:

TABLE 5. SAMPLING RESULTS FROM TRENCH E, MUNRO LAKE

SAMPLE	WIDTH m	Au ppb	Au g/t	Cu ppm	Cu %	Ni ppm	GEOLOGY
7880	0.5	390		85		8	Quartz, trace pyrite
7881	0.5	210		170		8	Quartz, trace pyrite
7882	0.7	270		450		7	Quartz, trace pyrite
7883	0.6	35		82		7	Quartz-tourmaline, trace pyrite
7884	0.3	900		780		33	Pyroxenite, 1% pyrite

SAMPLE	WIDTH m	Au ppb	Au g/t	Cu ppm	Cu %	Ni ppm	GEOLOGY
7885	0.5	50		53		10	Quartz in contact with amphibolite
7886	0.5	25		56		18	Quartz in mafic volcanic
7887	0.5	20		130		13	Gneiss

Drilling

The logs for the historic drilling confirm the general geological setting, but only three samples of unknown length were assayed. Samples from hole 1 returned 0.02 oz Au/ton and 0.31 % Cu and trace gold and 0.44% Cu. The second hole returned a sample with 0.02 oz Au/ton and 0.44% Cu. No further sampling was considered justified. No more recent drilling has been conducted. The historic drill holes were sited to the north of the known and trenched showings and appear to have been directed on a structure or horizon subparallel to the geological strike.

Sampling Method and Approach

The soil survey, trenching and sampling parameters are given under the heading "1996 Soil Geochemistry Program" above. No details are available on assay methodologies. Assays were conducted at TSL Laboratories of Saskatoon.

Sampling Preparation, Analyses and Security

Samples from the Shore surveys were submitted directly to the assay house by the contractor. No details are available concerning sample preparation, analyses or security.

Data Verification

The positions of samples collected from the accessible trenches could not be identified with certainty at the time of the visit. However, secondary copper minerals were observed on fractures and along foliation planes and sulphide mineralization, including chalcopyrite was observed in both gneisses and sheared metavolcanics. Grab samples were collected for referee purposes should they be required, but these could not be related to the previous sampling. Cross-referencing of sample numbers, assay sheets and plotted data, indicated that the results had been plotted correctly, permitting the interpretations detailed above.

Adjacent Properties

Claude is the most active exploration company in the immediate area. Information obtained from public disclosure documents for the second quarter of 2004 describes activity on two nearby projects, Porky Lake and Santoy.

At Porky Lake infill drilling of the Porky Main Zone was carried out to increase confidence and determine continuity in preparation for underground bulk sampling. The newly discovered Porky West Zone (GAS Zone) was also drilled. It is located 1.2 kilometres on strike to the west of the Porky Main Zone. Drilling results defined a 350 metre long, 1.5 to 5 metre wide gold bearing zone in the silicified feldspathic arenite, similar in mineralisation style to the Porky Main Zone. The down-dip and strike extensions of the GAS Zone will be tested further during the next drill program.

Two drills were working on the Santoy Lake 7 and 8 Zones east of the Seabee mine as follow-up to the 2003 prospecting program in which sampling along a 4 kilometre corridor returned encouraging gold values. Drilling results are not yet available.

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testwork has been conducted on samples from the Munro Lake property.

Mineral Resource and Mineral Reserve Estimates

No resources or reserves are currently identified on the Munro Lake property.

Other Relevant Data and Information

Exploration of the property is at a very early stage though targets have been identified for further examination.

Interpretation and Conclusions

The 1996 mineral exploration program carried out by Shore at Munro Lake located the copper gold showings trenched between 1956 and 1958. In addition three gold mineralized showings were discovered within the grid area prospected. To date the most significant showing is trench B. Sampling of this trench indicates l.55g/t Au/14.5 metres and includes a 3.5 metre interval that averages 2.13g/t Au.

Trenches C, D and E all contain anomalous gold values.

The soil geochemical survey identifies several individual gold anomalies. The gold soil anomaly is open to the northwest and additional work will be required to determine the size and source of the anomaly.

Munro Lake Recommendations

Howe considers that all available data should initially be compiled into a GIS package. A satellite interpretation of the area should be conducted and used as the base map for the GIS compilation. This would enable structural controls to be interpreted and determine whether any major shearing is present on the property. A reconnaissance survey should be conducted to ground truth the interpretation and prospect any target areas indicated by the GIS compilation.

The previous geochemical survey should then be extended to the north and east to cover the remainder of the property, with closely spaced sampling over any identified structures and geophysical surveys should be conducted across known structures and any additional target areas identified in Phase 1, with allowance for extensions. The areas of anomaly identified in the earlier survey should be re-located and confirmation sampling should be conducted. Anomalous areas should be trenched and tested by shallow reconnaissance drilling. For budgetary purposes, a total of 1,500 metres is allowed.

The budget for this program is estimated to be:

PHASE 1

	US$
Satellite interpretation	8,000
Data computerisation: 15 days @ $150	2,250

Reconnaissance and prospecting: 20 team days @ $450		9,000
Flights and accommodation		1,000
200 samples @ $ 12		2,400
	Subtotal	**22,650**
PHASE 2		
		US$
Ground geophysical survey: 120 line km @ $125		15,000
Soil sampling: 1500 samples @ $10		15,000
Trenching: 500 meters @ $50		25,000
Diamond drilling: 1,500 metres @ $125 inclusive		187,500
Assaying: 5,000 samples @ $15 (Au,Cu)		75,000
Accommodation and subsistence		6,500
Transport		5,000
Reporting		1,500
	Subtotal	**330,500**
Contingency @ 15%		**52,973**
	Munro Lake Phase 1 + Phase 2 Total	**406,123**

The second phase is not contingent on positive results from the first phase but is a natural extension of the Phase 1 work, which will be used to plan the second phase to maximum efficiency and cost-effectiveness. The Howe Report states that the Munro Lake property has sufficient merit to justify the program.

MINING REPORT AND VALUATION REPORT

Shore commissioned the Howe Report prepared by Howe, relating to the Properties. Certain portions of this prospectus, particularly as they relate to geology, have been summarized or derived from the Howe Report. The full report is available for inspection at the head office of the Corporation and at the office of the Saskatchewan Financial Services Commission, 6th Floor, 1919 Saskatchewan Drive, Regina, Saskatchewan and the office of Bennett Jones LLP 4500 Bankers Hall East 855 – 2nd Street S.W. Calgary, Alberta, during normal business hours.

The scope of work for each property reviewed in the Howe Report included a review of the results of exploration work carried out to the date of the Howe Report, geological setting and exploration potential.

Shore commissioned the Valuation Report prepared by Howe dated November 21, 2003. The Valuation Report indicates that the fair market value for the direct and indirect interests of Shore in the Properties as at November 21, 2003 (the "**Valuation Date**") is between $550,070 and $673,550 depending upon which valuation method is used. These conclusions are expected to change over time and with the acquisition of additional information from ongoing exploration, changes in market conditions, metal prices and other technical and economical factors. Neither the Corporation nor Shore is aware of any circumstances occurring since the Valuation Date that would have a material effect on the valuation as at the Valuation Date.

USE OF PROCEEDS

Funds Available

The net proceeds to the Corporation from the Offering, after deducting the Agent's Commission are estimated to be $1,358,000. The Agent will pay all proceeds from the Dividend Share Offering to

Valiant Trust Company for distribution to holders of Shore common shares resident outside of the Qualifying Jurisdictions and Québec.

On the completion of the Offering the Corporation will have available the following funds:

Net Proceeds of the Offering	$1,358,000
Working Capital as at March 31, 2004	$535
Total Funds Available	**$1,358,535**

Principal Purposes

The Corporation is in the business of acquiring, exploring, developing and, if feasible, mining metals from mineral properties. This process requires several levels of exploration and development over a period of several years.

Specifically, the Corporation will conduct exploration and development on the Fork-Jasper property. On the Fork-Jasper property, the on strike and down plunge extensions of zones mined during the Jasper Mine operation will be tested with a surface drill program. Additionally, all of the Fork-Jasper property will be prospected, with particular emphasis on known structures with a view to developing additional drill targets. This exploration will take place during the fall of 2004 and is budgeted for approximately $987,000.

The Corporation intends to seek out additional exploration projects and has budgeted $100,000 for property visits, reviews and other due diligence activities. This activity will commence immediately upon completion of the Offering.

If drill results on the Fork-Jasper property warrant further, more detailed exploration in 2005, additional money would have to be raised by the Corporation. There is no guarantee that the Corporation will be able to raise that money. Additionally, should the Corporation make an acquisition, additional money may be required to complete the transaction and to conduct exploration.

The Corporation will use the net proceeds of the Offering to fund exploration and development of its mineral properties in Saskatchewan as recommended in the Howe Report, for due diligence in the process of acquiring additional properties and for working capital as follows:

Current Work	
Fork-Jasper	$987,012.00
Acquisition Due Diligence	$100,000.00
General Working Capital	$270,988.00
Total	$1,358,000.00

SELECTED FINANCIAL INFORMATION

The following tables set forth selected financial information of the Corporation for the period from incorporation to December 31, 2003 and for the three months ended March 31, 2004. The following summary of selected financial information is derived from the financial statements of the Corporation and should be read in conjunction with such statements, including the notes thereto, and Management's Discussion and Analysis of Financial Condition and Results of Operations. See "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Statement of Earnings

	Period Ended	
	March 31, 2004	**December 31, 2003**
	(unaudited)	
Revenue	0	0
Net Earnings (Loss)	(43,280)	(108,153)
Net Earnings (Loss) per Common Share	(432.80)	(1081.53)

Balance Sheet

	Period Ended	
	March 31, 2004	**December 31, 2003**
	(unaudited)	
Total Assets	535	535
Total Liabilities	151,968	108,688
Shareholders Equity (Deficiency)		
Share Capital	0	0
Deficit	(151,433)	(108,153)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the consolidated financial statements and the related notes thereto which appear elsewhere in this Prospectus. All figures are in Canadian dollars unless otherwise noted.

Since its incorporation, mineral exploration has been the sole business of the Corporation. The Corporation has not conducted any exploration activities to date. General and administrative expenses have been modest, befitting a company with no meaningful income and whose continued existence is dependent on raising equity capital to finance its speculative exploration activities. As at December 31, 2003, the Corporation had no long-term debt and had a deficit of $108,153 and as at March 31, 2004, the Corporation had no long-term debt and had a deficit of $151,433. The Use of Proceeds has provided for unallocated working capital for a period of one year. Working capital requirements beyond one year will have to be realized through additional equity offerings. There is no guarantee that additional equity offerings can be completed.

Investment in the Offering Shares is speculative and there is no possibility of short-term profit. (See "Rick Factors"). A majority of funds from this Offering have been committed to expenditures related to a work program recommended by the Corporation's consulting geologist. (See "Principal Properties – Fork – Jasper – Transom - Tamar – Recommended Program and Budget"). The Offering provides sufficient funds for an initial drill program. There will be no funds available for any further drilling or any other follow up exploration that may be warranted. The Corporation will be required to complete additional equity offerings to realize sufficient funds for additional exploration. Unallocated working capital from the Corporation's treasury as available from time to time may also be used to defray the cost of programs of acquiring, staking, exploring and developing other properties either alone or in concert with others, to carry out exploration programs as opportunities and finances permit and to make investments in other resource issuers.

The Corporation does not intend to fund recommended expenditures on Jojay Lake or Munro Lake in the immediate future. The Corporation is not the operator of Jojay Lake and no expenditures are required.

No expenditures are required on Munro Lake. Should the Corporation decide to conduct exploration on one or both of these properties an additional equity offering would be required in order to fund the exploration. Additionally, the Issuer does not have sufficient funds to acquire and explore additional properties. Should the Issuer decide to make such an acquisition, both the acquisition costs and subsequent exploration would require funding from additional equity offering. There is no guarantee that such an offering can be completed.

PLAN OF DISTRIBUTION

Offering Shares

Pursuant to the Agency Agreement the Agent has agreed to act as sole and exclusive agent of the Corporation to offer 14,000,000 Offering Shares and for sale on a "best efforts" basis to the public resident in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario at a price of $0.10 per Offering Share. The subscription price for the Offering Shares was established through negotiation between the Corporation and the Agent.

The Agent has agreed to use its best efforts to secure subscriptions for all the Offering Shares offered hereunder on behalf of the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets or upon the occurrence of certain stated events.

Pursuant to the Agency Agreement, the Corporation has agreed to pay the Agent's Commission of 3% of the gross subscription proceeds of the Offering received by the Corporation and will also reimburse the Agent for certain expenses incurred in connection with the Offering. The obligations of the Agent under the Agency Agreement may be terminated at the Agent's discretion upon the occurrence of certain stated events, including their assessment of the state of the financial markets.

It is expected that the Closing will be on September 24, 2004 or such other date as the Corporation and the Agent may agree, but not later than 90 days from the issuance of a receipt for the Prospectus. If the Offering is not fully subscribed for on or prior to the date that is 90 days from the issuance of a receipt for this Prospectus, the proceeds of subscriptions will be returned to the Purchasers without interest or deduction unless such Purchasers have provided contrary instructions. The Offering will be discontinued if a Closing in respect of the full Offering has not occurred before the expiry of this 90 day period, unless the Agent and each of the persons or companies that subscribed for Offering Shares during that period and applicable regulatory authorities consent to a continuation of the Offering.

Until the Closing, all subscription funds received by the Agent will be held by the Agent, pursuant to the provisions of the Agency Agreement. If the Offering has not been fully subscribed for prior to the expiry of the 90-day period, the Agent shall promptly return the proceeds of subscriptions to the Purchasers without interest or deduction unless such Purchasers have otherwise instructed the Agent.

Dividend Shares

On the Effective Date, Shore will declare a Dividend to each shareholder of record of Shore common shares as at the close of business on the Record Date. Other than in respect of the Excluded Shareholders (discussed below), the Dividend will consist of a portion of the Common Shares now held by Shore and will be payable on the basis of 1/10 of a Dividend Share for each Shore common share held on the Record Date. As at August 24, 2004, 53,388,596 Shore Common Shares were issued and outstanding. Shore anticipates a number of warrants will be exercised from August 24, 2004 to the Record Date resulting in an estimated maximum of 55,000,000 Shore Common Shares issued and outstanding at the Record Date.

Shore will retain a significant amount of Common Shares after the Dividend (see "Principal Shareholders"). Fractional Dividend Shares will not be issued. The number of Dividend Shares of the Corporation to be distributed to Shore shareholders will be rounded down to the nearest whole number of Dividend Shares. The deemed price of the Divided Shares was determined on the basis of the Valuation Report (See "Valuation Report").

It is expected that the Payment Date will be on or about September 24, 2004, but in any event will not be earlier than the Closing. If the Offering is not fully subscribed, no distribution of the Dividend will be effected. The share certificates representing the Dividend Shares will be distributed on, or as soon as practicable following, the Payment Date.

Excluded Shareholders

The securities of the Corporation are not registered under the laws of the United States of America or any of its territories or possessions. Therefore, certificates representing the Dividend Shares will not be delivered to any person who appears to be, or who Shore has reason to believe is, a resident of the United States or any of its territories or possessions ("**U.S. Resident**"), but holders of common shares of Shore who are U.S. Residents shall receive cash in the same manner as Canadian shareholders who do not reside in the Qualifying Jurisdictions, as described below.

In Canada, this prospectus will only be filed in the Qualifying Jurisdictions. Accordingly, holders of common shares of Shore who do not reside in the Qualifying Jurisdictions (except those resident in Québec, who will be treated in the manner described below) will not receive the certificates representing their entitlement to the Dividend Shares. Instead, shareholders outside of the Qualifying Jurisdictions and Québec will receive a cash dividend in an amount equal to the number of Dividend Shares that the shareholder would have received if it resided in a Qualifying Jurisdiction multiplied by $0.10 per share. Shore shall distribute the cash dividend to such shareholders, subject to the deduction of the applicable 25% withholding tax for non-residents of Canada, subject to any applicable reduction (for example, the rate of withholding is reduced to 15% for a Shore shareholder who is a U.S. Resident for the purposes of the Canada – U.S. Tax Treaty).

With respect to Shore shareholders who reside in Québec, Shore will make an application in Québec to obtain a discretionary order to allow the Dividend Shares to be distributed to Shore shareholders resident in Québec. Shore expects that such Order will be granted.

General

The Offering Shares and Dividend Shares distributed under this prospectus have not been and will not be registered under the 1933 Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to any U.S. Person (as that term is defined in Regulation S under the 1933 Act) without registration or exemption from registration. Accordingly, the Offering Shares may not be offered, sold or delivered in the United States.

Subscriptions for the Offering Shares will be received subject to rejection or allotment in whole or in part by the Corporation. The Corporation reserves the right to close the subscription books at any time without notice. Certificates representing the Offering Shares will be available at Closing.

The Corporation has applied for but has not yet received conditional approval to list all shares qualified by this prospectus on the Exchange. The Closing is conditional upon, among other things, the receipt of conditional listing approval from the Exchange.

DESCRIPTION OF SECURITIES DISTRIBUTED

The Corporation is authorized to issue an unlimited number of Common Shares, of which 12,000,100 Common Shares are issued and outstanding as fully paid and non-assessable Common Shares as of the date hereof (including all Dividend Shares and the shares which will remain with Shore). See "Consolidated Capitalization".

Holders of Common Shares are entitled to dividends if, as and when declared by the directors, to receive notice of and to attend all meetings of shareholders and to exercise one vote for each Common Share held, and are entitled upon liquidation, dissolution or winding-up to receive on a pro rata basis such assets of the Corporation as are distributable to the holders of Common Shares.

CONSOLIDATED CAPITALIZATION

As of the date of this Offering there are 12,000,100 Common Shares of the Corporation issued and outstanding.

The following table sets forth the capitalization of the Corporation as at the dates indicated and after completion of the Distribution:

Description	Authorized	Outstanding as at March 31, 2004 before giving effect to the Distribution	Outstanding as at • after giving effect to transfer of the Properties and the Distribution
Common Shares	Unlimited	$0.10 (100 Common Shares)	$1,529,063 (26,000,100 Common Shares)

STOCK OPTION PLAN

On July 23, 2004 the Board of Directors approved the Stock Option Plan. The Corporation has not yet issued stock options at this time, however, pursuant to the Stock Option Plan the Board of Directors of the Corporation may from time to time, in its discretion grant to directors, officers, consultants and employees of the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares and will be exercisable for a period of up to 5 years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Corporation and no later than 30 days following cessation of the optionee's position with the Corporation for any optionee engaged in investor relation activities, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. See "Escrowed Securities".

PRIOR SALES

Since incorporation and prior to the date of this prospectus, the Corporation has issued Common Shares as follows:

Date	Number of Shares	Issue Price Per Share	Aggregate Issue Price	Consideration Received
January 17, 2003	100	$0.001	$0.10	Cash
May 31, 2004	12,000,000	$0.0226	$271,062.94	Properties

All of the 12,000,100 Common Shares issued to Shore which are not distributed pursuant to the Dividend will be held in escrow. See "Escrowed Securities". See "Valuation Report" and "Principal Properties."

ESCROWED SHARES

In accordance with the Canadian Securities Administrators National Policy 46-201 *Escrow for Initial Public Offerings* (the "Policy") and pursuant to an agreement (the "Escrow Agreement") to be entered into among Shore (the "Principal"), the Corporation and Valiant Trust Company (the "Trustee"), a minimum of 6,500,100 Common Shares will be deposited into escrow with the Trustee as escrow agent on Closing of the Offering assuming that the maximum number of Dividend Shares are distributed (the "Escrowed Securities"):

Designation of Class	Number of Escrowed Securities (assuming maximum Dividend Shares)	Percentage of Class After Completion of Offering
Common Shares	6,500,100	25%

Under the Policy, the Corporation will be an "emerging issuer". An emerging issuer is an issuer that does not meet the "established issuer" criteria (including an issuer listed on The Toronto Stock Exchange in its non-exempt category and an issuer that meets Tier 1 listing requirements of the TSX Venture Exchange).

The Escrow Agreement provides that the Escrowed Securities will be released from escrow over a period of three years following the date on which the Corporation completes this Offering (if the Corporation's shares are not listed on a Canadian exchange immediately after completion of the Offering) (the "**Notice Date**") as follows:

Date of Release	Amount of Release
Notice Date	1/10 of the Escrowed Securities
6 months after the Notice Date	1/6 of the remaining Escrowed Securities
12 months after the Notice Date	1/5 of the remaining Escrowed Securities
18 months after the Notice Date	1/4 of the remaining Escrowed Securities
24 months after the Notice Date	1/3 of the remaining Escrowed Securities
30 months after the Notice Date	1/2 of the remaining Escrowed Securities
36 months after the Notice Date	The remaining Escrowed Securities

This escrow release schedule is subject to acceleration in accordance with the Policy.

The Escrowed Securities cannot generally be transferred or otherwise dealt with while in escrow. Permitted transfers or dealings within escrow include: (i) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Corporation or of a material operating subsidiary, with approval of the Corporation's board of directors; (ii) transfers to a person or company that, before the transfer, holds more than 20% of the Common Shares; (iii) transfers to a person or

company that, after the transfer, holds more than 10% of the Common Shares and has the right to elect or appoint one or more directors or senior officers of the Corporation or any of its material operating subsidiaries; (iv) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse, children or parents; (v) transfers upon bankruptcy to the trustee in bankruptcy; and (vi) pledges to a financial institution as collateral for a *bona fide* loan, provided that upon a realization the securities remain subject to escrow. Tenders of Escrowed Securities to a take-over bid would be permitted provided that, if the holder of the Escrowed Securities is a principal of the successor issuer upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor issuer's escrow classification.

PRINCIPAL SHAREHOLDERS

The following table lists those persons who own 10% or more of the issued and outstanding Common Shares of the corporation as at the date hereof:

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Number of Common Shares after the Dividend	Percentage of Common Shares Owned Before Offering and Dividend	Percentage of Common Shares Owned After Offering[(1)] and Dividend
Shore Gold Inc. *Saskatoon, Saskatchewan*	of record	12,000,100	a minimum of 6,500,100 (assuming that the maximum number of Dividend Shares are distributed)	100%	25%

Notes:

(1) Assumes that all of the Dividend Shares will be distributed on the Closing of the Offering.

As of the date hereof, before giving effect to the Offering, the directors and senior officers of the Corporation and corporations controlled by them, as a group, beneficially own no Common Shares. After giving effect to the Offering and the Dividend, not including any shares acquired under the Offering, the directors and senior officers will own, as a group, approximately 1.1% of the issued and outstanding Common Shares.

DIRECTORS AND OFFICERS

The following table sets forth the names and municipalities of residence of all directors and officers of the Corporation, as well as the positions and offices with the Corporation held by such persons and their principal occupations.

Name and Municipality of Residence	Office(s) with the Corporation now Held	Principal Occupation or Employment for the Last Five Years	Became a Director / Officer	Common Shares Beneficially Owned [(1)]	Percentage of Issued and Outstanding Common Shares
George Sanders Kelowna, British Columbia	President and a Director	Registered Representative – Canaccord Capital Corp. (an investment dealer) from July 1997 to May 2001; Exploration/ Financial consultant since May 2001 and VP-Corporate Development for Shore since September 2003.	June 1, 2004	Nil	Nil

Name and Municipality of Residence	Office(s) with the Corporation now Held	Principal Occupation or Employment for the Last Five Years	Became a Director / Officer	Common Shares Beneficially Owned (1)	Percentage of Issued and Outstanding Common Shares
Kenneth E. MacNeill Saskatoon, Saskatchewan	Chairman of the Board of Directors and Chief Executive Officer	Chief Executive Officer of Shore since June 30, 1993 and President of Shore since September 11, 2003; President of MacNeill Brothers Oil & Gas Ltd. (a private oil and gas exploration and production company).	January 17, 2003	Nil	Nil
Harvey J. Bay CMA Saskatoon, Saskatchewan	Chief Financial Officer, Secretary and a Director	Chief Financial Officer of Shore since November 2002; President, Baywatch Industries Inc. since 1993.	June 1, 2004	Nil	Nil
Arnold E. Hillier(2) Southey, Saskatchewan	Director	Chief Executive Officer and Chief Financial Officer (retired) of Claude Resources Inc.	June 1, 2004	Nil	Nil
Michael S. Carr(2) Vancouver, British Columbia	Director	President and a director of Bitterroot Resources Ltd. since 1992; Vice President of Red Mile Resources Fund Limited Partnership since December 19, 2003.	June 1, 2004	Nil	Nil
Leonard W. Saleken(2) Vancouver, British Columbia	Director	Chief Executive Officer, President, director and a major shareholder of Goldcliff Resource Corporation since July 21, 1986.	June 1, 2004	Nil	Nil

Notes:

(1) There are no Common Shares owned by Directors and Officers that are the subject of escrow or pooling arrangements.

(2) Member of the Audit Committee. The Corporation does not have an Executive Committee.

MANAGEMENT AND KEY PERSONNEL

Mr. Sanders will devote 100% of his time during regular business hours to the management of the Corporation. Mr. MacNeill and Mr. Bay each intend to devote as much time as necessary to effectively manage the Corporation, such time commitment not to exceed 10% of each of their time during regular business hours.

Mr. George Sanders – President and a Director

Mr. Sanders, age 47, is the President and a director of the Corporation and has served as the VP-Corporate Development of Shore since September 2003. Mr. Sanders has 25 years experience as a mining analyst, resource specialist investment advisor, and in managing a range of exploration finance activities. While employed by a major independent Canadian investment dealer, Mr. Sanders worked as a precious metals specialist on the U.S. trading desk from 1985 to 1987, and then as Mining Assistant to the Chairman from 1987 to 1994. He later held the position of Director of Corporation Development for

Richmont Mines Inc., during 1995-1996, where he was responsible for Western Canadian and US acquisitions as well as liaison activity with analysts and institutional investors.

Mr. Kenneth E. MacNeill – Chairman of the Board of Directors and Chief Executive Officer

Mr. MacNeill, age 42, is the Chairman of the Board of Directors and Chief Executive Officer of the Corporation and has served as the Chief Executive Officer and a director of Shore since June 30, 1993 and as President of Shore since September 11, 2003. Mr. MacNeill also serves as President of MacNeill Brothers Oil and Gas Ltd., a private oil and gas company. Mr. MacNeill has considerable experience in the exploration for and production of oil and gas, and has served on the boards of directors of a number of public and private companies. Mr. MacNeill was a director of Claude Resources Inc. ("Claude"), a public gold and oil and gas corporation whose shares are listed and posted for trading on the TSX, from July 1993 to September 1994. Mr. MacNeill also served as a director of Red-Tail Infotech Inc. (now Life Sciences Institute Inc.), a public Internet company specializing in educational content whose shares are listed and posted for trading on the Exchange, from February 1997 to September 2002 and as a director of Skeena Resources Inc., a public mining company whose shares are listed and posted for trading on the Exchange, from December 2001 to October 2002.

Mr. Harvey J. Bay, CMA – Chief Financial Officer, Secretary and a Director

Mr. Bay, age 51, has served as Chief Financial Officer of Shore since November 4, 2002 and as a director of Shore since May 15, 2003. Mr. Bay acquired his Certified Management Accountants' ("CMA") certification in November 1987. His career in the mining industry spans more than 20 years and includes senior financial services positions with several well known mining companies including SMDC (predecessor to Cameco Corp.) from 1980 until 1989, serving as Site Administrator at SMDC's Star Lake Gold Mine. Since 2001, Mr. Bay has served as the Chief Financial Officer of Electra Gold Ltd., a public mining company whose shares are listed and posted for trading on the Exchange, and served as the Chief Financial Officer of Cliotools.com Ltd., a public software company whose shares were listed on the Exchange, from September 2000 to June 2001. He also served as Corporate Controller from October 1991 until March 1994 for Hudson Bay Mining & Smelting Co. Ltd., a private mining company, and as Corporate Controller from March 1994 until March 1997 for Claude Resources Inc.

Mr. Arnold E. Hillier – Director

Mr. Hillier, age 64, has been a director of the Corporation since June 18, 2003 and a director of Shore since June 18, 2003. A native of Saskatchewan and a chartered accountant, Mr. Hillier has been the Chief Executive Officer, Chief Financial Officer and Vice Chairman of Claude Resources Inc. since April 1996. Mr. Hillier held the position of President with Claude from December 1993 to April 1996. From December 1991 to December 1993, Mr. Hillier worked as a consultant with KPMG, providing consulting services primarily to mining ventures. Prior thereto, Mr. Hillier held the position of Vice President, Finance with SMDC. Mr. Hillier also currently sits on the board of directors of Pacific & Western Credit Corp., a public financial services company that has recently acquired federally chartered bank status, and whose shares are listed on the TSX.

Mr. Michael S. Carr – Director

Mr. Carr, age 46, has been the President and a director of Bitterroot Resources Ltd. since 1992. From 1988 to 1992, Mr. Carr worked as an investor relations consultant to Cominco Resources International Limited. From 1985 to 1988, Mr. Carr was a registered representative of the investment firm of Burns Fry Limited in Vancouver, British Columbia. Mr. Carr has also worked as an exploration geologist for companies such as Billiton Metals Canada, JMT Services, SEREM Ltd. and Denison Mines.

Mr. Leonard W. Saleken – Director

Mr. Saleken, age 60, is the founder, Chief Executive Officer, President, director and a major shareholder of Goldcliff Resource Corporation. Mr. Saleken is a professional geoscientist with over 35 years of mining experience in all phases of exploration, development and production of ore bodies world-wide. Mr. Saleken has been associated with several major gold mining projects that have gone into production, including, Sterling Mine (Nevada), Nickel Plate (B.C.), Jolu Mine (Saskatchewan), Mount Polley (B.C.) and Bajo de la Alumbrera (Argentina).

Technical Personnel

The Corporation employs both internal and external sources for technical and engineering expertise. Externally, Howe provides consulting services on an "as-needed basis". Going forward, the Corporation expects to hire additional engineering and technical personnel and consultants as required.

Corporate Cease Trade Orders or Bankruptcies

On February 23, 2001, the British Columbia Securities Commission issued an order that Mr. Kenneth E. MacNeill cease trading in the securities of Shore until such time as duly completed insider reports were filed. Such order was revoked on March 1, 2001.

Penalties or Sanctions

No director, officer, Insider or Promoter of the Corporation, or any shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director, officer, Insider or Promoter of the Corporation, or any shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such persons, has, within the 10 years preceding the date of this prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

EXECUTIVE AND DIRECTOR COMPENSATION

Summary of Compensation

The information contained below is provided as required under Form 51-102F6 contained in National Instrument 51-102 (the "**Form**").

The Corporation had two Named Executive Officers during its most recently completed fiscal year. The following table sets forth information concerning the total compensation paid to the Chief Executive Officer, Mr. Kenneth E. MacNeill and Chief Financial Officer, Mr. Harvey J. Bay for the year ended

December 31, 2003. The Corporation does not have any other "Named Executive Officers" (as defined in the Form) given that no executive officer receives total salary and bonus in excess of $150,000.

Name and Position of Principal	Year	Annual Compensation			Long Term Compensation	
		Salary ($)	Bonus	Other Annual Compensation	Securities Under Options/SAR's Granted	All Other Compensation
Kenneth E. MacNeill Chief Executive Officer	2003	Nil	Nil	Nil	Nil	Nil
Harvey J. Bay Chief Financial Officer	2003	Nil	Nil	Nil	Nil	Nil

Long-Term Incentive Plans

The Corporation has no long-term incentive plans.

Options and Stock Appreciation Rights

The Corporation currently has no stock options outstanding. See "Options to Purchase Securities".

Indebtedness of Directors and Executive Officers

None of the Corporation's directors or senior officers, nor any associate of such director or senior officer are indebted to the Corporation or any of its subsidiaries. In addition, none of the indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Corporation or its subsidiaries.

Compensation of Directors

The Corporation has no standard arrangement pursuant to which directors of the Corporation are compensated by it for their services in their capacity as directors, except for the payment of reasonable expenses incurred by the directors in attending directors' meetings and the granting from time to time of incentive stock options under its stock option plan. Since incorporation no options to acquire Common Shares were granted to directors of the Corporation under the stock option plan. See "Options to Purchase Securities".

Employment Agreements

The Corporation currently has no formal employment agreements with its senior officers.

DIVIDEND RECORD AND POLICY

No dividends have been declared or paid on the Common Shares since incorporation and it is not anticipated that any dividends will be declared or paid on such Common Shares in the immediate or foreseeable future. Any decision to pay dividends on its Common Shares will be made by the Board of Directors on the basis of the Corporation's earnings, financial requirements and other conditions existing at such future time.

RISK FACTORS

The purchase of the Offering Shares for sale hereunder should be considered a highly speculative investment due to the nature of the Corporation's business and its present state of development and is subject to a number of risks, including those set forth herein. The degree of risk increases substantially where the issuer's properties are in the exploration as opposed to the development stage. The Corporation's properties are in the exploration stage. All of the Corporation's mineral properties are without a known body of commercial ore. Potential investors should carefully review the following factors together with the other information contained in this prospectus before making an investment decision. Only investors that can stand a complete loss of their investment should consider purchasing Offering Shares in this Offering.

Industry Specific Risks

The exploration, development, and production of minerals are capital-intensive businesses, subject to the normal risks and capital expenditure requirements associated with mining operations, which even a combination of experience, knowledge and careful evaluation may not be able to overcome.

No Commercial Production

All of the Corporation's mineral properties are without a known body of commercial ore.

No Assurance of Production

Mineral exploration is highly speculative in nature, involves many risks, and frequently does not lead to the discovery of commercial reserves of minerals. While the rewards can be substantial if commercial reserves of minerals are found, there can be no assurance that the Corporation's past or future exploration efforts will be successful, that any production therefrom will be obtained or continued, or that any such production which is attempted will be profitable.

Company at Exploration Stage Only; Limited Experience with Development-Stage Mining Operations

The Corporation has limited experience in placing resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Corporation will have available to it the necessary expertise when and if the Corporation places its resource properties into production.

Factors Beyond Corporation's Control

Location of mineral deposits depends upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The exploration and development of mineral properties and the marketability of any minerals contained in such properties will also be affected by numerous factors beyond the control of the Corporation. These factors include government regulation, high levels of volatility in market prices, availability of markets, availability of adequate transportation and refining facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

Uninsured Risks

The Corporation's mining activities are subject to the risks normally inherent in mineral exploration, including but not limited to environmental hazards, industrial accident, flooding, periodic or seasonal interruptions due to climate and hazardous weather conditions, and unusual or unexpected formations. Such risks could result in damage to or destruction of mineral properties or production facilities, personal injury, environmental damage, delay in mining and possible legal liability. The Corporation may become subject to liability for pollution and other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. The payment for such liabilities would reduce the funds available for exploration and mining activities and may have a material impact on the Corporation's financial position.

Title to Assets

Although the Corporation has obtained title opinions with respect to certain of its properties and has taken reasonable measures to ensure proper title to its properties, there are no guarantee that title to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Corporation's interest.

Regulation

Mining operations in Canada are subject to extensive regulation by provincial and federal governments. Future changes in governments and regulation could adversely affect mining in Canada. The development of mines and related facilities is contingent upon government approval which must be obtained through statutory review processes.

Competition

There is a high degree of competition in the exploration and development of mineral properties, and many of the Corporation's competitors have substantially greater technical and financial resources than the Corporation.

Future Financing

The Corporation has limited financial resources and has no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that the Corporation 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 delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Lags

The Corporation is unable to predict the amount of time which may elapse between the date when any new mineral reserve may be discovered and the date when production will commence from any such discovery.

Uncertainty of Estimates

Reserve estimates of minerals are inherently imprecise and depend to some extent on statistical inferences drawn from limited drilling, which may prove unreliable. Although estimated recoveries are based upon

test results, actual recovery may vary with different rock types or formations in a way which could adversely affect operations.

Key-Man

The Corporation has not purchased any "key-man" insurance with respect to any of its directors or officers to the date hereof. The loss of any key officer of the Corporation could have an adverse impact on the Corporation, its business and its financial position.

Dividends

The Corporation does not anticipate paying dividends on its Common Shares in the foreseeable future.

Dilution

Investors participating in the Offering will incur immediate dilution in their investment of $0.0574 or 57.44% per Common Share. See "Dilution".

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. The directors and officers of the Corporation are engaged and will continue to be engaged in business activities on their own behalf and situations may arise where the directors and officers of the Corporation will be in direct competition with the Corporation. The conflicts of interest will be dealt with in the manner required by the laws applicable to the Corporation.

DILUTION

Purchasers of Common Shares will experience immediate dilution in net tangible book value per Common Share of $0.0574 or 57.44% under the Offering. The Corporation may in the future grant to some or all of its directors, key employees and consultants options to purchase Common Shares at exercise prices equal to market prices at times when the public market is depressed. To the extent that significant numbers of such options are granted and exercised, the interests of then existing shareholders of the Corporation will be subject to additional dilution.

CONFLICTS OF INTEREST

Certain directors of the Corporation are associated with other companies, which may give rise to conflicts of interest. In accordance with the ABCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and abstain from voting on any resolution to approve that contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Corporation.

LEGAL PROCEEDINGS

The Corporation is not aware of any material legal proceedings against it nor are any such proceedings against the Corporation known by the Corporation to be contemplated, except as described herein.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise described in this prospectus, no director or officer of the Corporation, or any associate or affiliate of such persons, has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction, or proposed transaction which has materially affected or will materially affect the Corporation.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by the Corporation within two years prior to the date hereof or to be entered into in connection with the Offering which can reasonably be regarded as material are:

1. Agency Agreement to be dated effective as of July 26, 2004 between the Corporation and the Agent. (See "Plan of Distribution").

2. Transfer Agreement dated May 31, 2004.

3. Escrow Agreement to be dated as of the Record Date between Shore, the Corporation and Valiant Trust Company.

Draft copies of the aforementioned agreements will be available for inspection at the registered office of the Corporation, 4500 Bankers Hall East, 855 – 2nd Street S.W., Calgary, Alberta T2P 4K7, at the head office of the Corporation located at 300, 224 - 4th Avenue South, Saskatoon, Saskatchewan S7K 5M5 and at the offices of the Saskatchewan Financial Services Commission, 6th Floor, 1919 Saskatchewan Drive, Regina, Saskatchewan during normal business hours.

EXPERTS

Certain legal matters relating to the Distribution will be passed upon by Bennett Jones LLP on behalf of the Corporation and by Aikins, MacAulay & Thorvaldson LLP on behalf of the Agent. **Purchasers of Offering Shares are advised to consult with their own financial or legal advisors concerning an investment in the Offering Shares and the tax consequences thereof.** As at the date hereof, the partners and associates of Bennett Jones LLP as a group and of Aikins, MacAulay & Thorvaldson LLP as a group do not beneficially own, directly or indirectly, more than 5% of the outstanding Common Shares.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Bennett Jones LLP, counsel to the Corporation ("**counsel**"), the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations which will apply to each holder of Shore common shares who receives Dividend Shares, or, to a person who acquires Offering Shares (collectively, a "**holder**") (collectively, the "**Shares**").

This summary is based upon the current provisions of the Tax Act, the regulations thereunder (the "**Regulations**"), the Canada-U.S. Tax Treaty, counsel's understanding of the current published administrative practices of the Canada Revenue Agency (the "**CRA**") and all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposals**"), although there is no certainty that such Proposals will be enacted in the form proposed, if at all. This summary does not take into account or anticipate any other changes in law, whether by way of judicial, legislative or governmental decision or action, nor does it take into account provincial, territorial or foreign income tax considerations. No assurances can be given

that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary is generally applicable to holders who will acquire and hold the Shares as capital property for the purposes of the Tax Act. The Shares will generally constitute capital property to a holder unless such Shares are held in the course of, or as a part of, carrying on a business or were acquired in a transaction or transactions which constitute an adventure or concern in the nature of trade.

This summary is not applicable to holders whose Shares are subject to the mark to market rules contained in the Tax Act, or, to a holder an interest in which would constitute a "tax shelter investment" as defined in the Tax Act. Such holders should consult their own tax advisors.

Canadian Resident Holders

This portion of the summary is applicable to each holder who is, or is deemed to be, a resident of Canada for the purposes of the Tax Act or any applicable income tax treaty or convention. Provided that the Corporation qualifies as a "public corporation" for the purposes of the Tax Act, certain Canadian resident holders whose Shares might not otherwise qualify as capital property may make an irrevocable election, pursuant to subsection 39(4) of the Tax Act, which will result in such Shares being deemed to be capital property.

Dividend in Kind

Each holder who receives Dividend Shares will be considered to have received a taxable dividend from Shore in an amount equal to the fair market value of such Shares at the time of the receipt. Where the recipient holder is an individual, the amount of such dividend will be required to be included in the income of such holder in accordance with the gross-up and dividend tax credit provisions of the Tax Act which normally apply to dividends received by individuals from taxable Canadian corporations. Where the recipient holder is a corporation, subject to the potential application of subsection 55(2) of the Tax Act, as discussed hereinafter, the amount of such dividend will be required to be included in the income of such holder but such amount will generally be deductible in computing the taxable income of such holder.

Private corporations and certain other corporations controlled by or for the benefit of an individual or a related group of individuals generally will be liable for a refundable tax under Part IV of the Tax Act of an amount equal to 33 1/3% of all taxable dividends received by each such corporation to the extent that the amount of such dividends are deductible, by virtue of specified provisions of the Tax Act, in computing the taxable income of each such corporation for the year of the receipt of such taxable dividends.

In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend (other than a dividend which is subject to Part IV tax that is not refunded as part of the series of transactions which includes such dividend) received by a Canadian resident corporation as proceeds of disposition from an actual or notional capital gain. Canadian resident corporate holders that receive the Shares from Shore and that are not subject to Part IV tax (or holders that receive dividends subject to tax under Part IV of the Tax Act which dividends are refunded as part of the series of transactions which include the dividend) on such dividend should consult their own tax advisors with respect to the potential application of subsection 55(2) of the Tax Act to such dividend.

Management of the Corporation is of the view that the fair market value of a Share will be $0.10 at the time the Shares are received as a Dividend. This determination of fair market value is not binding on the holders or the CRA.

Disposition of Shares

On an actual or deemed disposition of the Shares (other than to the Corporation), a holder will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of such Shares to the holder and any reasonable costs associated with the disposition.

A holder will be required to include in income for the taxation year of the disposition one-half of the amount of any capital gain (a "taxable capital gain") and will generally be able to deduct one-half of the amount of any capital loss (an "allowable capital loss") against taxable capital gains realized by the holder in the taxation year of the disposition, in any of the three preceding taxation years or in any future taxation year, subject to the specific rules contained in the Tax Act.

The initial cost of Shares which are received by a holder from Shore as a Dividend will be an amount equal to the fair market value of such Shares at the time of the receipt. The cost of Shares acquired pursuant to the Offering will be the cost thereof plus reasonable acquisition costs. The cost of Shares acquired pursuant to the Dividend or the Offering, as the case may be, must generally be averaged with the adjusted cost base of all other Shares held by the holder as capital property to determine the adjusted cost base of all such Shares to the holder.

Where a holder is a corporation, the amount of any capital loss which would otherwise result from a disposition of Shares by a holder may be required to be reduced, on the basis and to the extent specified in the Tax Act, by the amount of any dividends which have been previously received by the holder of the Shares. Similar rules apply where the holder is a partnership or trust with corporate partners or beneficiaries, respectively.

Capital gains realized by an individual holder may be subject to an alternative minimum tax. The Tax Act provides that the tax payable by individuals (other than certain trusts) is the greater of the tax otherwise determined and the alternative minimum tax. Holders should consult their own tax advisors with respect to the alternative minimum tax provisions.

A corporate holder which qualifies as a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6-2/3% on its "aggregate investment income", which is defined to include an amount in respect of taxable capital gains.

Dividends

Dividends received or deemed to be received on the Shares by a holder who is an individual will be included in computing the holder's income and will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from taxable Canadian corporations.

Dividends received or deemed to be received on the Shares by a holder that is a corporation generally will be included in computing the holder's income. Such a holder, however, generally will be entitled to deduct the amount of such dividends in computing its taxable income. Private corporations and certain other corporations controlled by or for the benefit of an individual or a related group of individuals will generally be subject to a refundable tax of 33-1/3% under Part IV of the Tax Act on dividends received or

deemed to be received on the Shares to the extent such dividends are deductible in computing taxable income.

Non-Resident Holders

This portion of the summary is applicable to each holder who is not, and has never been, a resident or a deemed resident of Canada, for the purposes of the Tax Act or any applicable income tax treaty, and who does not use or hold and is not deemed to use or hold the Shares in, or in the course of, carrying on a business in Canada (a "Non-Resident Holder"). This portion of the summary is not applicable to Non-Resident Holders that are insurers carrying on business in Canada. Such Non-Resident Holders should consult their own tax advisors.

Disposition of Shares

A Non-Resident Holder will not be subject to tax pursuant to the Tax Act on a capital gain or a capital loss on an actual or a deemed disposition of Shares unless such Shares constitute taxable Canadian property to such Non-Resident Holder. Prior to the time at which the Shares are listed for trading on a prescribed stock exchange (which currently includes the Exchange), such Shares will constitute taxable Canadian property to Non-Resident Holders. After the time of such listing, the Shares will generally only be taxable Canadian property to each Non-Resident Holder who (i) at any time in the five-year period which ends at the time of a disposition of such Shares, alone or together with persons with whom such Non-Resident Holder does not deal at arm's length, owned 25% or more of the issued shares of any class of the Corporation (ii) had, together with persons with whom the Non-Resident Holder does not deal at arm's length with, an option or right to acquire 25% or more of the issued shares of any class of the Corporation, or (iii) acquired Shares in certain tax-deferred exchanges under the Tax Act.

A Non-Resident Holder who recognizes a capital gain as a result of a disposition of Shares which constitute taxable Canadian property may be entitled to relief from any Canadian tax which would otherwise be applicable under the Tax Act in respect of such capital gain pursuant to the terms of any applicable income tax treaty or convention between Canada and the country of residence of such Non-Resident Holder. Pursuant to Article XIII of the Canada-U.S. Tax Treaty, a gain realized by a person who is a resident of the United States for the purposes of the Canada-U.S. Tax Treaty on the disposition of Shares which constitute taxable Canadian property will be subject to Canadian tax only if the value of such shares derive their value principally from real property situated in Canada. Counsel has been advised by the Corporation that it expects the Shares to derive their value principally from real property situated in Canada, however, such determination must be made at the time of disposition.

If the Shares are not listed on a prescribed stock exchange, a Non-Resident Holder who proposes to dispose of Shares will be required to provide notice to the CRA and obtain a clearance certificate from the CRA. The CRA will issue a clearance certificate to a Non-Resident Holder once all the applicable Canadian taxes in respect of the disposition of the Shares have been paid. If a Non-Resident Holder disposes of Shares without a clearance certificate, the purchaser of such shares will be required to withhold 25% of the gross purchase price or cost to the purchaser thereof and remit such withholding tax to the Receiver General for Canada as a prepayment of such Non-Resident Holder's Canadian taxes. It is important to note that even where taxes have been withheld and remitted by the purchaser or where no Canadian tax will be payable as a result of the disposition, the Non-Resident Holder is required to notify the CRA within 10 days of the disposition. Failure to notify the CRA of a disposition of Shares that constitute taxable Canadian property can give rise to an assessment for penalties and interest. Non-Resident Holders who dispose of Shares (including any Shares sold by the Agent) will also be required to file a Canadian income tax return for the taxation year of the disposition of the Shares. The Non-Resident Holder can obtain a refund of any overpayment of taxes by filing a Canadian income tax return for the

taxation year of the disposition. **Non-resident Holders are urged to consult their own tax advisors in this regard, including obtaining further details concerning obtaining clearance certificates on the disposition of the Shares or other information concerning any other tax filing required that may be applicable when the Shares are disposed of.**

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder of Shares will be subject to Canadian non-resident withholding tax at the rate of 25% of the gross amount of such dividends under the Tax Act. This rate may be reduced under an applicable income tax treaty or convention between Canada and such Non-Resident Holder's country of residence.

ELIGIBILITY FOR INVESTMENT

In the opinion of Counsel, and subject to the provisions of any particular plan, provided the Common Shares are listed on a prescribed stock exchange at the relevant time, the Common Shares when issued will be qualified investments, within the meaning of the Tax Act, for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans and would not, if issued on the date hereof, constitute "foreign property" under the Tax Act and the regulations thereunder for persons subject to tax under Part XI of the Tax Act.

In the opinion of Counsel, subject to compliance with the prudent investment standards and the general investment provisions of the following statutes (and, where applicable, the regulations thereunder) and, in certain cases, subject to the satisfaction of additional requirements relating to investment or lending policies, procedures or goals and, in certain circumstances, the filing of such policies, procedures and goals, the Common Shares offered hereunder are not, at the date hereof, precluded as investments under or by the following statues:

Insurance Companies Act (Canada);
Trust and Loan Companies Act (Canada);
Pension Benefits Standards Act, 1985 (Canada);
Cooperative Credit Associations Act (Canada);
Financial Institutions Act (British Columbia);
Pension Benefits Standards Act (British Columbia);
Loan and Trust Corporations Act (Alberta);
Insurance Act (Alberta);
Employment Pension Plans Act (Alberta);
Alberta Heritage Savings Trust Fund Act (Alberta);
The Pension Benefits Act, 1992 (Saskatchewan);
The Trustee Act (Manitoba);
The Insurance Act (Manitoba);
The Pension Benefits Act (Manitoba);
Pension Benefits Act (Ontario);
Loan and Trust Corporations Act (Ontario);
Trustee Act (Ontario)

PROMOTER

Shore Gold Inc. may be considered to be a promoter of the Corporation in that it took the initiative in organizing the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are KPMG LLP, Chartered Accountants, 600 – 128 4th Avenue South, Saskatoon, Saskatchewan.

The registrar and transfer agent for the Common Shares of the Corporation is Valiant Trust Company at its principal office in Calgary, Alberta.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in several of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province of residence. The purchaser should refer to any applicable provisions of the securities legislation of the province for the particulars of these rights or consult with a legal advisor.

WESCAN GOLDFIELDS INC.

FINANCIAL STATEMENTS

kpmg

KPMG LLP
Chartered Accountants
600 - 128 Fourth Avenue South
Saskatoon SK S7K 1M8

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AUDITORS' REPORT

To the Board of Directors of
Wescan Goldfields Inc.

We have audited the balance sheet of Wescan Goldfields Inc. as at December 31, 2003 and the statements of loss and deficit and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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

KPMG LLP

Chartered Accountants
Saskatoon, Canada
March 16, 2004
(except as to note 5
which is as of
May 31, 2004)

Wescan Goldfields Inc.
Balance Sheets

	As at	
	March 31, 2004 (unaudited)	December 31, 2003
Asset		
Current asset		
Receivables	$535	$535
	535	535
Liabilities & Shareholders' Equity (Deficiency)		
Current liabilities:		
Accounts payable and accrued liabilities (note 2)	151,968	108,688
Shareholders equity (deficiency):		
Share capital (notes 3 & 5)	0	0
Deficit	(151,433)	(108,153)
	(151,433)	(108,153)
	$535	$535

On behalf of the Board

"George Sanders"
Director

"Harvey J. Bay"
Director

Wescan Goldfields Inc.
Statement of Loss

	Period ended	
	March 31, 2004	December 31, 2003
	(unaudited)	
Expenses		
Administration	$3,477	$8,840
Consulting fees	22,500	67,500
Professional fees	17,303	31,813
Net loss	43,280	108,153
Deficit, beginning of period	108,153	0
Deficit, end of period	$151,433	$108,153

Wescan Goldfields Inc.
Statement of Cash Flows

	Period ended	
	March 31, 2004	December 31, 2003
	(unaudited)	
Cash provided by (used in):		
Operations:		
Net loss	($43,280)	($108,153)
Net change in non-cash operating working capital items:		
Receivables	0	(535)
Payables and accrued liabilities	43,280	108,688
Increase (decrease) in cash position	0	0
Cash position, beginning of period	0	0
Cash position, end of period	$0	$0

Wescan Goldfields Inc.

Notes to Financial Statements
Periods ended March 31, 2004 and December 31, 2003

1. Wescan Goldfields Inc.

Wescan Goldfields Inc. was originally incorporated as Shore Resources Inc. under the Business Corporations Act of Alberta on January 17, 2003 and by amended articles dated April 2, 2004 changed its name to Wescan Goldfields Inc. ("Wescan"). Wescan commenced initial activity in April of 2003. To March 31, 2004 the company has had no active operations and holds no significant assets or liabilities.

Wescan is a wholly owned subsidiary of Shore Gold Inc. ("Shore").

Wescan has been formed to engage primarily in the exploration for and the development, mining and sale of precious metals. Since its inception, Wescan has not earned any revenue and, with the transfer of the gold properties described below, will be considered to be in the development stage. The ability of Wescan to repay existing and future accounts payable and accrued liabilities to its parent company and other creditors is dependent on the ability to raise the necessary financing to complete the exploration and development of its gold property assets. Wescan has not yet determined whether any of the transferred gold property assets contain economically recoverable gold reserves.

2. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as at December 31, 2003 and March 31, 2004 represent amounts owing to Shore, its parent company.

3. Share Capital

By incorporation documents dated January 17, 2003, Wescan issued 100 common shares of Wescan to Shore for total consideration of $0.10.

4. Income Taxes

The Company has approximately $150,000 of operating losses available for carry forward to reduce future taxable income. The benefit of these losses has not been recognized in these financial statements.

5. Subsequent Event

On May 31, 2004, Shore and Wescan entered into a transfer agreement whereby Shore agreed to transfer its portfolio of gold property assets to Wescan in exchange for 12,000,000 common shares of Wescan. Subsequent to its acquisition of Shore's gold properties assets, Wescan intends to undertake a public offering (IPO) in Canada.

kpmg

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COMPILATION REPORT ON PRO FORMA FINANCIAL STATEMENTS

The Board of Directors
Wescan Goldfields Inc.

We have read the accompanying unaudited condensed pro forma balance sheet of Wescan Goldfields Inc. (the "Company") as at March 31, 2004 and unaudited pro forma statements of earnings for the three months ended March 31, 2004 and for the year ended December 31, 2003, and have performed the following procedures:

1. Compared the figures in the columns captioned "Wescan" to the unaudited financial statements of Wescan Goldfields Inc. as at March 31, 2004 and for the three months then ended, and the audited financial statements of Wescan Goldfields Inc. for the year ended December 31, 2003, respectively, and found them to be in agreement.

2. Made enquiries of certain officials of the Company who have responsibility for financial and accounting matters about:

    a) The basis for determination of the pro forma adjustments; and

    b) Whether the pro forma financial statements comply as to form in all material respects with Canadian generally accepted accounting principles.

The officials:

    a) described to us the basis for determination of the pro forma adjustments, and

    b) stated that the pro forma financial statements comply as to form in all material respects with Canadian generally accepted accounting principles.

3. Read the notes to the pro forma financial statements, and found them to be consistent with the basis described to us for determination of the pro forma adjustments.

4. Recalculated the application of the pro forma adjustments to the aggregate of the amounts in the column captioned "Wescan" as at March 31, 2004 and for the three months then ended and for the year ended December 31, 2003, and found the amounts in the column captioned "Pro-forma Total" to be arithmetically correct.

A pro forma financial statement is based on management assumptions and adjustments that are inherently subjective. The foregoing procedures are substantially less than either an audit or a review, the objective of which is the expression of assurance with respect to management's assumptions, the pro forma adjustments, and the application of the adjustments to the historical financial information. Accordingly, we express no such assurance. The foregoing procedures would not necessarily reveal matters of significance to the pro forma financial statements, and we therefore make no representation about the sufficiency of the procedures for the purposes of a reader of such statements.

KPMG LLP

Chartered Accountants
Saskatoon, Canada
August 30, 2004

Wescan Goldfields Inc.
Pro-forma Balance Sheet
(Unaudited)
As at March 31, 2004

	Wescan	Pro-forma Adjustments	Pro-forma Total
Assets			
Current asset:			
Receivables	$535	$0	$535
	535	0	535
Mineral properties (note 2)	0	271,063	271,063
	$535	$271,063	$271,598
Liabilities & Shareholders' Equity (Deficiency)			
Current liabilities:			
Accounts payable and accrued liabilities	151,968	0	151,968
Shareholders equity (deficiency):			
Share capital	0	271,063	271,063
Deficit	(151,433)	0	(151,433)
	(151,433)	271,063	119,630
	$535	$271,063	$271,598

Wescan Goldfields Inc.
Pro-forma Statement of Loss
(Unaudited)
For the three months ended March 31, 2004

	Wescan	Pro-forma Adjustments	Pro-forma Total
Expenses			
Administration	$3,477	$0	$3,477
Consulting fees	22,500	0	22,500
Professional fees	17,303	0	17,303
Net loss	$43,280	$0	$43,280

Wescan Goldfields Inc.
Pro-forma Statement of Loss
(Unaudited)
For the period ended December 31, 2003

	Wescan	Pro-forma Adjustments	Pro-forma Total
Expenses			
Administration	$8,840	$0	$8,840
Consulting fees	67,500	0	67,500
Professional fees	31,813	0	31,813
Net loss	108,153	0	108,153

Wescan Goldfields Inc.
Notes to Pro forma Financial Statements
(Unaudited)

1. Basis of Presentation

The accompanying pro forma financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles from the unaudited financial statements of Wescan Goldfields Inc. ("Wescan") for the three months ended March 31, 2004 and the audited financial statements of Wescan for the period ended December 31, 2003.

At March 31, 2004, the assets of Wescan were nominal. The pro forma financial statements have been prepared to reflect the assumptions described below with respect to a transfer agreement between Shore Gold Inc. ("Shore") and Wescan Goldfields Inc. that results in Shore transferring its ownership interests in various gold properties to its wholly owned subsidiary; Wescan, in exchange for 12,000,000 common shares of Wescan.

These pro forma financial statements are based on estimates and information currently available. The purchase price allocation is based on the lower of cost or fair value as required under the requirements of Canadian generally accepted accounting principles regarding a transfer of assets between two entities under common control.

These pro forma financial statements are not necessarily indicative of the financial position and results of operations of Wescan that would have occurred if this transaction had taken place on the date indicated or the financial position and operating results that may be obtained in the future.

The pro forma financial statements should be read in conjunction with the unaudited consolidated financial statements of Shore for the three months ended March 31, 2004 and the audited consolidated financial statements of Shore for the period ended December 31, 2003.

2. Pro Forma Adjustments and Assumptions – Balance Sheet

The unaudited pro forma balance sheet as at March 31, 2004 gives effect to the following planned transaction as if this planned transaction had been completed on the balance sheet date. Specifically:

a) By transfer agreement dated May 31, 2004 between Shore and Wescan, Shore agreed to transfer its interest in certain gold property interests to Wescan in exchange for a total of 12,000,000 common shares of Wescan. The gold property interests include a 100% interest in each of Shore's Fork Lake, Transom and Tamar properties; Shore's 15% interest in the Jojay property and its 51% interest in the Munro Lake property.

   In accordance with Canadian generally accepted accounting principles relating to transfers of assets between entities under common control, the book values reflected in the Wescan financial statements for the assets transferred from Shore to Wescan will be

equal to the carrying value of those assets in the Shore unaudited consolidated financial statements as at March 31, 2004.

There are no other adjustments resulting from this transfer of assets.

3. Pro Forma Adjustments and Assumptions – Statement of Loss

The statement of loss does not require any adjustment to the expenses recorded resulting from this transfer of assets as the expenses include those administrative costs applicable to Wescan's activity and the assets transferred since its inception.

kpmg

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AUDITORS' CONSENT

The Board of Directors of Wescan Goldfields Inc.

We have read the prospectus dated August 30, 2004 relating to the sale and issue of common shares of the Company. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the directors of the Company on the balance sheet of the Company as at December 31, 2003 and the statements of loss and deficit and cash flows for the period ended December 31, 2003. Our report is dated March 16, 2004 (except as to note 5 which is as of May 31, 2004).

KPMG LLP

Chartered Accountants

Saskatoon, Canada
August 30, 2004

CERTIFICATE OF THE CORPORATION

August 30, 2004

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 8 of the *Securities* Act (Alberta), by Part XI of the *Securities Act* (Saskatchewan), by Part VII of The *Securities Act* (Manitoba) and by Part XV of the *Securities Act* (Ontario) and the respective regulations thereunder.

"Kenneth E. MacNeill"
Kenneth E. MacNeill
Chief Executive Officer

"Harvey J. Bay"
Harvey J. Bay
Chief Financial Officer and Secretary

On behalf of the Board of Directors

"Arnold E. Hillier"
Arnold E. Hillier
Director

"Michael S. Carr
Michael S. Carr
Director

CERTIFICATE OF THE PROMOTER

August 30, 2004

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 8 of the *Securities* Act (Alberta), by Part XI of the *Securities Act* (Saskatchewan), by Part VII of The *Securities Act* (Manitoba) and by Part XV of the *Securities Act* (Ontario) and the respective regulations thereunder.

SHORE GOLD INC.

"Kenneth E. MacNeill"
Kenneth E. MacNeill
Chief Executive Officer

CERTIFICATE OF THE AGENT

August 30, 2004

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 8 of the *Securities* Act (Alberta), by Part XI of the *Securities Act* (Saskatchewan), by Part VII of The *Securities Act* (Manitoba) and by Part XV of the *Securities Act* (Ontario) and the respective regulations thereunder.

WELLINGTON WEST CAPITAL INC.

"Kevin Hooke"
Kevin Hooke
Vice-President, Corporate Finance

The following include the name of every person or company having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of Wellington West Capital Inc.:

Crocus Investment Fund
3679064 Manitoba Ltd.
The Wellington West Employee Share Purchase Plan Trust