



British Columbia Securities Commission

**QUARTERLY AND YEAR END REPORT**  
 BC FORM 51-901F  
 (previously Form 61)

**Freedom of Information and Protection of Privacy Act:** The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Securities Act*. Questions about the collection or use of this information can be directed to the Supervisor, Financial Reporting (604-899-6729), PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver BC V7Y 1L2. Toll Free in British Columbia 1-800-373-6393

<b>ISSUER DETAILS</b>		FOR QUARTER ENDED			DATE OF REPORT		
NAME OF ISSUER		Y	M	D	Y	M	D
SILVERCREST MINES INC. (formerly Strathclair Ventures Ltd.)		03	09	30	03	11	27
ISSUER ADDRESS							
401 – 1311 Howe Street							
CITY/	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.			
Vancouver	BC	V6Z 2P3	604-691-1761	604-691-1730			
CONTACT PERSON		CONTACT'S POSITION			CONTACT TELEPHONE NO.		
Barney Magnusson		Director			604-691-1730		
CONTACT EMAIL ADDRESS		WEB SITE ADDRESS					
info@silvercrestmines.com		www.silvercrestmines.com					

**CERTIFICATE**

*The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.*

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
"J. Scott Drever"	J. Scott Drever	Y	M	D
		03	11	27
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
"Barney Magnusson"	Barney Magnusson	Y	M	D
		03	11	27

**SILVERCREST MINES INC.**  
(formerly Strathclair Ventures Ltd.)

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited – Prepared by management)**

**SEPTEMBER 30, 2003**

**SILVERCREST MINES INC.**  
(formerly Strathclair Ventures Ltd.)  
**INTERIM CONSOLIDATED BALANCE SHEETS**  
(Unaudited – Prepared by management)

	September 30, 2003	December 31, 2002
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 1,468,840	\$ 30
Exploration advances	21,539	
Receivables	<u>18,144</u>	<u>-</u>
	1,508,523	30
<b>Capital assets</b> (Note 4)	39,712	-
<b>Mineral properties and deferred costs</b> (Note 5)	<u>168,634</u>	<u>25,817</u>
	<u>\$ 1,716,869</u>	<u>\$ 25,847</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 71,110	\$ 2,200
Due to related parties	<u>-</u>	<u>25,817</u>
	<u>71,110</u>	<u>28,017</u>
<b>Shareholders' equity (deficiency)</b>		
Capital stock (Note 6)	1,498,680	30
Special warrants (Note 7)	273,000	-
Contributed surplus (Note 8)	41,811	-
Deficit	<u>(167,732)</u>	<u>(2,200)</u>
	<u>1,645,759</u>	<u>(2,170)</u>
	<u>\$ 1,716,869</u>	<u>\$ 25,847</u>

**Basis of presentation** (Note 1)

**Subsequent events** (Note 14)

**On behalf of the Board:**

\_\_\_\_\_  
“J. Scott Drever”

Director

\_\_\_\_\_  
“Barney Magnusson”

Director

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

**SILVERCREST MINES INC.**  
(formerly Strathclair Ventures Ltd.)  
**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
(Unaudited – Prepared by management)

	Three Month Period Ended September 30, 2003	Three Month Period Ended September 30, 2002	Nine Month Period Ended September 30, 2003	Nine Month Period Ended September 30, 2002
<b>EXPENSES</b>				
Amortization	\$ 573	\$ -	\$ 1,345	\$ -
Consulting	-	-	3,500	-
Employee services	10,500	-	14,000	-
Foreign exchange	2,349	-	2,349	-
General exploration	8,044	-	11,936	-
Investor relations	3,350	-	3,350	-
Office and miscellaneous	5,421	-	7,091	-
Management fees	30,000	-	40,000	-
Professional fees	8,451	2,200	18,610	2,200
Regulatory and transfer agent fees	1,698	-	2,328	-
Rent and telephone	5,616	-	7,183	-
Shareholder communications	7,748	-	14,881	-
Stock based compensation	-	-	41,811	-
Travel and accommodation	2,864	-	2,864	-
Interest income	(5,716)	-	(5,716)	-
	<u>80,898</u>	<u>2,200</u>	<u>165,532</u>	<u>2,200</u>
<b>Loss for the period</b>	(80,898)	(2,200)	(165,532)	(2,200)
<b>Deficit, beginning of the period</b>	<u>(86,834)</u>	<u>-</u>	<u>(2,200)</u>	<u>-</u>
<b>Deficit, end of the period</b>	\$ (167,732)	\$ (2,200)	\$ (167,732)	\$ (2,200)
<b>Basic and diluted loss per share</b>	\$ (0.01)	\$ -	\$ (0.02)	\$ -
<b>Weighted average number of shares outstanding</b>	12,483,848	5,000,000	8,403,105	5,000,000

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

**SILVERCREST MINES INC.**  
(formerly Strathclair Ventures Ltd.)  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited – Prepared by management)

	Three Month Period ended September 30, 2003	Three Month Period September 30, 2002	Nine Month Period ended September 30, 2003	Nine Month Period ended September 30, 2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss for the period	\$ (80,898)	\$ (2,200)	\$ (165,532)	\$ (2,200)
Items not affecting cash:				
Amortization	573	-	1,345	-
Stock based compensation	-	-	41,811	-
Changes in non-cash working capital items:				
(Increase) in receivables and exploration advances	(30,162)	-	(23,835)	-
Increase (decrease) in accounts payable and accrued liabilities	10,180	2,200	(26,062)	2,200
Net cash used in operating activities	<u>(100,307)</u>	<u>-</u>	<u>(198,090)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Issuance of capital stock	1,239,935	30	1,246,935	30
Due to related parties	<u>-</u>	<u>25,817</u>	<u>(25,817)</u>	<u>25,817</u>
Net cash provided by financing activities	<u>1,239,935</u>	<u>25,847</u>	<u>1,246,935</u>	<u>25,847</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of cash on purchase of subsidiary	-	-	597,941	-
Capital assets acquired	(33,564)	-	(35,159)	-
Mineral properties and deferred costs	<u>(124,936)</u>	<u>(25,817)</u>	<u>(142,817)</u>	<u>(25,817)</u>
Net cash provided by (used in) investing activities	<u>(158,500)</u>	<u>(25,817)</u>	<u>419,965</u>	<u>(25,817)</u>
<b>Increase in cash during the period</b>	981,128	30	1,468,810	30
<b>Cash, beginning of the period</b>	<u>487,712</u>	<u>-</u>	<u>30</u>	<u>-</u>
<b>Cash, end of the period</b>	<u>\$ 1,468,840</u>	<u>\$ 30</u>	<u>\$ 1,468,840</u>	<u>\$ 30</u>

**Supplemental disclosures with respect to cash flows (Note 11)**

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

## **SILVERCREST MINES INC.**

(formerly Strathclair Ventures Ltd.)

### **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

SEPTEMBER 30, 2003

(Unaudited – Prepared by management)

---

---

#### **1. BASIS OF PRESENTATION AND NATURE OF OPERATIONS**

The interim consolidated financial statements contained herein include the accounts of SilverCrest Mines Inc. (the “Company”) and its wholly owned subsidiaries, NorCrest Silver Inc. (formerly 4023307 Canada Inc.) located in Canada and Compania Minera Maverick S.A. de C.V. located in Honduras.

The interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. The preparation of these financial statements is based on accounting principles consistent with those in the preparation of the annual financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with Canadian generally accepted accounting principles have been condensed or omitted. These interim period consolidated financial statements should be read together with the audited financial statements and the accompanying notes included in the Company’s latest annual report. In the opinion of the Company, its unaudited consolidated financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

The Company is engaged in the acquisition and exploration of mineral properties in Honduras and may also explore in other Central American countries, Mexico and North America. The amounts shown for the mineral properties represent costs incurred to date and do not reflect present or future values. The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. Accordingly, the recoverability of these capitalized costs is dependant upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete their development and upon future profitable production.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

The interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The consolidated financial statements have, in management’s opinion, been properly prepared using careful judgement with reasonable limits of materiality. These interim consolidated financial statements should be read in conjunction with the most recent annual financial statements. The significant accounting policies follow that of the most recently reported annual financial statements.

#### **3. BUSINESS COMBINATION**

Effective May 23, 2003, the Company acquired all of the issued and outstanding share capital of NorCrest Silver Inc. (“NorCrest”). As consideration, the Company issued 5,000,000 common shares which are held in escrow in accordance with the policies of the TSX Venture Exchange (“TSX-V”). In addition, the Company has paid \$75,000 and is also required to pay \$75,000 after a cumulative \$1,000,000 has been expended on exploration and development of the acquired properties and is required to pay a further \$225,000 upon receipt of a bankable feasibility study on any of the projects acquired.

Legally, the Company is the parent of NorCrest. However as a result of the share exchange described above, control of the combined companies passed to the former shareholders of NorCrest. This type of share exchange, referred to as a “reverse takeover”, deems NorCrest to be the acquirer for accounting purposes. Accordingly, the net assets of NorCrest is included in the balance sheet at book values and the deemed acquisition of the Company is accounted for by the purchase method with the net assets of the Company recorded at fair market value at the date of acquisition. The cost of an acquisition should be based on the fair value of the consideration given, except where the

**SILVERCREST MINES INC.**  
(formerly Strathclair Ventures Ltd.)  
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003  
(Unaudited – Prepared by management)

---

**3. BUSINESS COMBINATION** (cont'd...)

fair value of the consideration given is not clearly evident. In such a case, the fair value of the net assets acquired is used.

Due to the number of shares exchanged and the possible effects of price fluctuations it was impossible to estimate the actual market value of the 5,000,000 common shares. Therefore, the cost of the acquisition, \$524,715, has been determined by the fair value of the Company's net assets.

The total purchase price of \$524,715 was allocated as follows:

Current assets	\$ 613,789
Capital assets	5,898
Current liabilities	<u>(94,972)</u>
	<u>\$ 524,715</u>

The balance sheet at December 31, 2002 are those of NorCrest. The equity amounts of NorCrest have been restated to reflect the number of shares received in the reverse takeover.

The consolidated statements of operations and cash flows include NorCrest's results of operations and cash flows for the three and nine month period ended September 30, 2003 and the Company's results of operations from May 23, 2003 (date of acquisition). The consolidated statements of operations and cash flows for the three and nine month period ended September 30, 2002 are those of NorCrest.

The results and operations of the Company for the period from January 1, 2003 to May 23, 2003 are as follows:

	Period from April 1, 2003 to May 23, 2003	Period from January 1, 2003 to May 23, 2002
<b>GENERAL AND ADMINISTRATION EXPENSES</b>		
Amortization	\$ -	\$ 248
Consulting	-	3,000
Office and miscellaneous	1,142	2,817
Management fees	20,000	20,000
Professional fees	4,842	4,842
Regulatory and transfer agent fees	5,146	11,813
Rent and telephone	3,484	8,331
Shareholder communications	4,732	6,287
Travel and related	<u>587</u>	<u>726</u>
<b>Loss for the period</b>	<b>\$ (39,933)</b>	<b>\$ (58,064)</b>

**SILVERCREST MINES INC.**

(formerly Strathclair Ventures Ltd.)

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

SEPTEMBER 30, 2003

(Unaudited – Prepared by management)

**4. CAPITAL ASSETS**

	2003			2002		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Vehicle	\$ 28,453	\$ -	\$ 28,453	\$ -	\$ -	\$ -
Furniture and fixtures	5,669	822	4,847	-	-	-
Computer hardware	5,418	293	5,125	-	-	-
Computer software	2,059	772	1,287	-	-	-
	<u>\$ 41,599</u>	<u>\$ 1,887</u>	<u>\$ 39,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**5. MINERAL PROPERTIES AND DEFERRED COSTS**

	September 30, 2003	December 31, 2002
El Ocote Project , Honduras	\$ 112,339	\$ 5,704
Opoteca Project, Honduras	33,261	6,788
La Pachota Project, Honduras	11,560	6,705
Arena Blanca Project, Honduras	11,474	6,620
	<u>\$ 168,634</u>	<u>\$ 25,817</u>

**SILVERCREST MINES INC.**

(formerly Strathclair Ventures Ltd.)

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

SEPTEMBER 30, 2003

(Unaudited – Prepared by management)

Mineral property acquisition costs and deferred costs are as follows:

	September 30, 2003	December 31, 2002
Acquisition costs	\$ 22,445	\$ 7,771
Deferred exploration costs:		
Assays	1,814	324
Casual labour	2,187	-
Community relations	11,278	-
Data acquisition	4,109	-
Engineering consulting	9,204	-
Facilities rental and supplies	11,919	-
Field supplies	2,716	-
Geological services	32,735	6,160
Metallurgical testing	5,344	-
Miscellaneous	6,906	1,098
Office and communications	7,586	-
Project management	20,000	-
Road improvements	1,169	-
Travel and accommodation	18,574	7,728
Vehicles	10,648	2,736
	146,189	18,046
	\$ 168,634	\$ 25,817

**SILVERCREST MINES INC.**  
(formerly Strathclair Ventures Ltd.)  
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003  
(Unaudited – Prepared by management)

**6. CAPITAL STOCK**

	Number of Shares	Amount
Authorized		
100,000,000 common shares, without par value		
Issued		
Balance at December 31, 2001	1,454,046	\$ 4,711,214
For cash	1,400,000	140,000
Exercise of warrants	<u>1,250,000</u>	<u>137,500</u>
Balance at December 31, 2002	4,104,046	4,988,714
Exercise of warrants	100,000	11,000
For cash pursuant to short form prospectus	2,070,000	683,100
Finance fee	50,000	16,500
Less: share issuance costs	<u>-</u>	<u>(161,561)</u>
Balance as at May 23, 2003	6,324,046	5,537,753
Capital stock of NorCrest as at May 23, 2003	30	30
Capital stock of the Company	-	(5,537,753)
Capital stock of NorCrest	(30)	-
Shares issued to acquire NorCrest	5,000,000	199,715
Exercise of warrants	1,244,600	390,978
For cash pursuant to private placements	1,900,000	950,000
For payment of commissions	88,750	44,375
Conversion of special warrants	400,000	52,000
Less: share issuance costs	<u>-</u>	<u>(138,418)</u>
Balance September 30, 2003	<u>14,957,396</u>	<u>\$ 1,498,680</u>

**Escrow shares**

Included in issued capital stock are 4,792,500 common shares of the Company that are subject to the time release escrow provisions of the TSX-V. In addition 50,480 common shares are subject to another escrow agreement and may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

**Stock options**

The Company follows the policies of the TSX-V under which it is authorized to grant stock options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The exercise price of each option equals the market price of the Company's stock as calculated on the date of the grant. The options can be granted for a maximum term of 5 years.

**SILVERCREST MINES INC.**  
(formerly Strathclair Ventures Ltd.)  
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003  
(Unaudited – Prepared by management)

**6. CAPITAL STOCK**

**Stock options** (cont'd...)

Stock option transactions and the number of share options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at December 31, 2002	-	\$ -
Granted	<u>1,167,500</u>	<u>0.45</u>
As at September 30, 2003	1,167,500	\$ 0.45
Number of options currently exercisable	<u>912,500</u>	<u>\$ 0.45</u>

**Warrants**

At September 30, 2003, warrants were outstanding enabling holders to acquire shares as follows:

Number of Shares	Exercise Price	Expiry Date
447,000	\$ 0.35	May 23, 2004
132,400	0.33	May 24, 2004
if unexercised, then at	0.38	November 23, 2004
1,219,475	0.61	August 29, 2004
if unexercised, then at	0.70	August 29, 2005
100,000	0.26	Dec. 16, 2004

**7. SPECIAL WARRANTS**

During the year ended December 31, 2002, the Company issued 2,500,000 Series A special warrants at a price of \$0.13 per Series A special warrant for gross proceeds of \$325,000. Each Series A special warrant is exchangeable, at no additional consideration, for one unit. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.26 per common share for a period of one year. Any Series A special warrant not exchanged will be deemed exchanged on the expiry date. During the three month period ended September 30, 2003, 400,000 special warrants were converted into 400,000 common shares and 400,000 common share purchase warrants. At September 30, 2003, there were 2,100,000 Series A special warrants outstanding.

**SILVERCREST MINES INC.**

(formerly Strathclair Ventures Ltd.)

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

SEPTEMBER 30, 2003

(Unaudited – Prepared by management)

**8. STOCK BASED COMPENSATION**

The Company granted 317,500 stock options during the nine month period ended September 30, 2003 to non-employees. Accordingly, the stock-based compensation recognized, using the fair value-based method, was \$41,811 and was recorded on the statement of operations. This amount was also recorded as contributed surplus on the balance sheet.

The Company has elected to measure compensation costs using the intrinsic value-based method for employee stock options.

Had the compensation costs been determined based on the fair value of the options at the grant date using the Black-Scholes option-pricing model, additional compensation expense would have been recorded in the statement of operations for the period, with pro-forma results as presented below. Under the transitional provisions of Section 3870, comparative figures are not required.

---

---

	2003
Loss for the period as reported	\$ (165,532)
Compensation expense under Section 3870	<u>(118,466)</u>
Pro-forma loss for the period	<u>\$ (283,998)</u>
Pro-forma basic and diluted loss per share	<u>\$ (0.03)</u>

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

Risk-free interest rate	2.93%
Expected life of options	3 years
Annualized volatility	41.02%
Dividend rate	0%

**9. RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties:

- a) Paid or accrued \$3,000 (September 30, 2002 - \$Nil) for consulting fees to a former director and a company controlled by an officer.
- b) Paid or accrued \$60,000 (September 30, 2002 - \$Nil) for management fees and \$30,000 (September 30, 2002 - \$Nil) for project management fees to companies controlled by directors and officers.
- c) Paid \$75,000 (September 30, 2002 - \$Nil) to directors and officers for a property payment pursuant to the acquisition of NorCrest.

Included in accounts payable and accrued liabilities at September 30, 2003 is \$Nil (December 31, 2002 - \$200) due to a company controlled by a common director.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**SILVERCREST MINES INC.**

(formerly Strathclair Ventures Ltd.)

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

SEPTEMBER 30, 2003

(Unaudited – Prepared by management)

**10. INCOME TAXES**

As at September 30, 2003, the Company has non-capital losses of approximately \$1,300,000 for income tax purposes. The non-capital losses may be utilized to reduce future years' taxable income and expire commencing in 2004 if unutilized. In addition, the Company has exploration and development expenditures of approximately \$1,770,000 that in certain circumstances may be available to reduce taxable income of future years. Future tax benefits, which may arise as a result of these losses and resource expenditures have been offset by a valuation allowance and have not been recognized in these financial statements.

**11. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS**

During the period ended September 30, 2003, the Company:

- a) Issued 50,000 units of the Company at a value of \$16,500 in connection with the issuance costs relating to the short form prospectus.
- b) Issued 88,750 units of the Company at a value of \$44,375 in connection with the issuance costs of private placements.
- c) Issued 400,000 common shares of the Company at a value of \$52,000 in connection with the conversion of Series A special warrants.

There were no significant non-cash transactions for the nine month period ended September 30, 2002.

**12. SEGMENTED INFORMATION**

The Company's principal activity is the exploration of mineral properties in Honduras.

Segmented assets by geographical location are as follows:

	September 30, 2003		
	Canada	Honduras	Total
	\$	\$	\$
Current assets	1,466,453	42,070	1,508,523
Capital assets	7,451	32,261	39,712
Mineral properties and deferred exploration costs	-	168,634	168,634
	<u>1,473,904</u>	<u>242,965</u>	<u>1,716,869</u>

  

	December 31, 2002		
	Canada	Honduras	Total
	\$	\$	\$
Current assets	30	-	30
Mineral properties and deferred exploration costs	-	25,817	25,817
	<u>30</u>	<u>25,817</u>	<u>25,847</u>

**SILVERCREST MINES INC.**

(formerly Strathclair Ventures Ltd.)

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

SEPTEMBER 30, 2003

(Unaudited – Prepared by management)

---

---

**13. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, exploration advances, receivables and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

**14. SUBSEQUENT EVENTS**

Subsequent to September 30, 2003, the Company:

- a) Issued 25,000 common shares for total proceeds of \$11,250 pursuant to the exercise of stock options.
- b) Issued 200,000 common shares for total proceeds of \$68,080 pursuant to the exercise of warrants.
- c) The Company announced on November 25, 2003 that it had negotiated a non-brokered private placement of 1,500,000 Units for gross proceeds of \$1,875,000, at a price of \$1.25 per Unit, each Unit consisting of one common share and one common share purchase warrant. Each warrant is exercisable for one Share for a term of one year at a price of \$1.40 per share. Finders' fees of up to 6% will be payable on the transaction in cash or Units. In addition, in certain circumstances, the Company may issue brokers' warrants to purchase that number of shares equal to 10% of the number of Units sold by brokers, exercisable for a term of one year at a price of \$1.25 per share. The proceeds of the private placement will be used to evaluate new projects and for working capital. The Private Placement is subject to the approval of the TSX Venture Exchange.