



ANNUAL REPORT 2003

RADISSON MINING RESOURCES INC.

COMPANY PROFILE

Radisson Mining Resources Inc. (Radisson) is a Canadian mining exploration company that specializes mainly in exploration and the development of gold and base metal projects with the objective of becoming a producer. The Company is the sole owner or has interests in ten properties in northwestern Quebec, in the well-known Abitibi mining region, with the most advanced one approaching the development stage and containing a significant gold resource of indicated category totalling 654,100 metric tons at a grade of 6.90 g/mt. The Company also owns a gold concentrator with a capacity of 180 metric tons per day on its O'Brien property in Cadillac. The other properties contain promising geological settings for gold and base metal mineralization.

Annual meeting:

June 28, 2004, at 2:00 p.m., Hôtel Albert, 84 avenue Principale, Rouyn-Noranda, Quebec.

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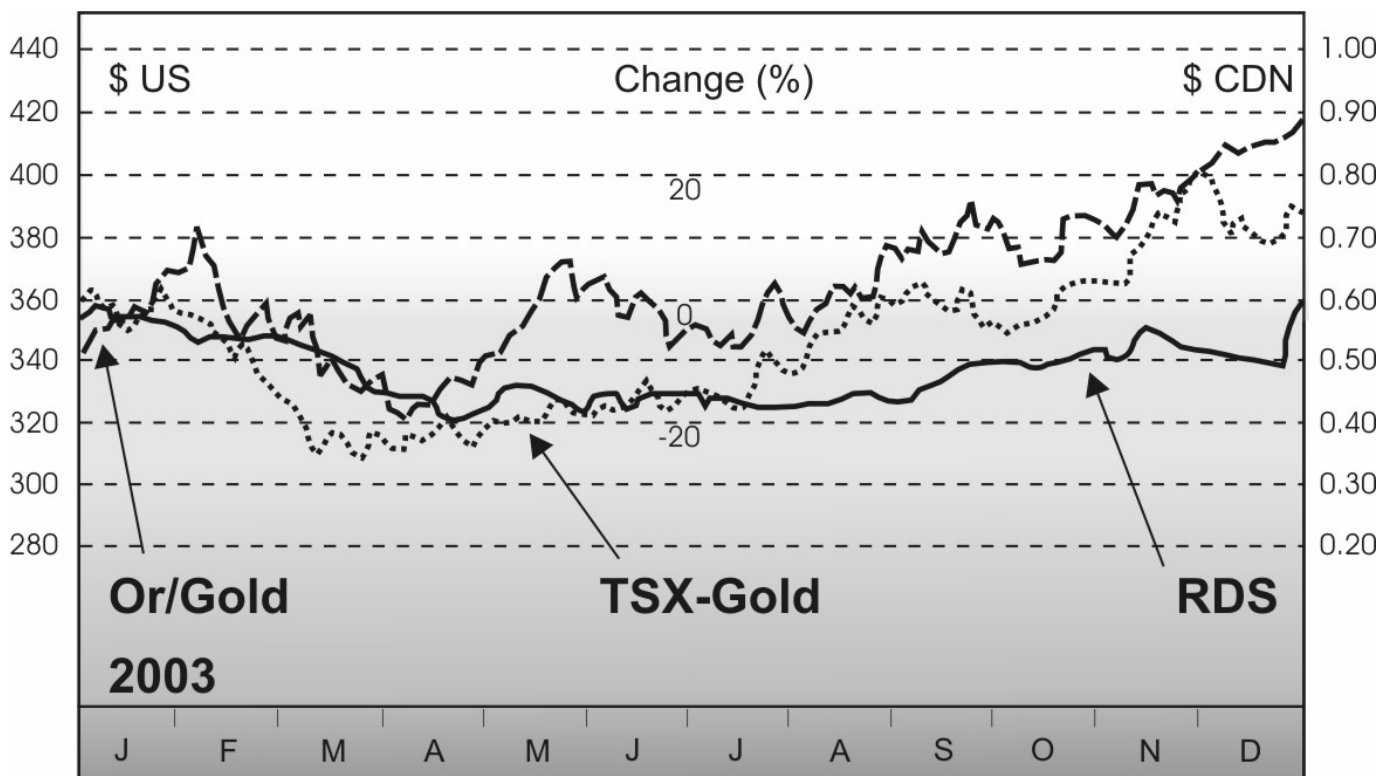
Conventions:

Amounts are in Canadian dollars unless otherwise indicated.
Units are metric unless otherwise indicated.

2003 HIGHLIGHTS

- February - Exercise of stock warrants totalling \$80,000;
- March - Termination of the agreement with Rocmec International Inc. for a bulk surface sample by thermal fragmentation on the O'Brien property's gold-bearing veins;
- Work on the Kewagama property: One 577-foot drilling confirming the existence of gold-bearing quartz veins and a mineralization setting similar to Lapa-Cadillac;
- Mr. Guy Parent resigns as President and CEO of the Company;
- April - Mr. Donald Lacasse is appointed President and CEO of the Company;
- June - \$150,300 private placement at \$0.45 per share;
- July - Surface work on the O'Brien property: Stripping and short-drilling totalling 689 feet which did not fully confirm the surface extraction potential;
- August - \$100,000 private placement at \$0.45 per share;
- December - A letter of intent is signed with First Associates Investments Inc. in Toronto for a \$1,300,000 private placement and realization of a private placement (\$459,000), i.e. the flow-through portion of the \$1,300,000 financing. The rest of the financing will be completed at the beginning of 2004;

As at December 31, 2003, the number of outstanding shares was 28,129,867 and the closing price was \$0.57. The Company's shares are listed on the TSX Venture Exchange under the symbol RDS.



PRESIDENT'S MESSAGE

In 2003, the global economy remained strongly influenced by terrorism and the situation in Iraq. The U.S. indebtedness ratio reached an all-time high at the end of 2003, mainly due to its war efforts and the American dollar fell sharply in response to this situation. The global economy continued to deteriorate and the investment climate did not significantly improve. At the same time, the price of gold continued to climb in response to the weaker American dollar and financial market uncertainty. The price rose from US \$347.20 to US \$416.25 between January 1 and December 31. In terms of Canadian dollars, this 20 % increase in American dollars resulted in a stable price (from CA \$546.91 to CA \$543.75 for the same period). Gold producers further reduced their hedging programs by 310 tons in 2003 (-27%) in order to capitalize on the rise in the price of gold.

Gold mining production for 2003 was similar to 2002, yielding 2,601 tons, and should not increase significantly in the next few years, considering the lack of investment in exploration and development for some years now. It was not until the end of the year that junior exploration companies began to benefit from the steady rise in the price of gold in recent years, and investors are still showing little or no interest in basic exploration projects. Total demand fell by 5.6 % in 2003 in terms of quantity but rose almost 11 % in terms of value, for a grand total of US \$37.7 billion. Investor activity was the main factor behind the price increase in 2003 and it appears that all the factors are in place for the attraction to hold steady over the next year and drive up the price of gold.

During 2003, following the termination of the agreement with Rocmec International Inc. on the thermal fragmentation surface extraction project and the change of president, Radisson's management reworked its strategic planning and decided to intensify its efforts to verify the deep gold-bearing potential of its O'Brien and Kewagama projects. The interest prompted by Agnico-Eagle's recent discovery on the Lapa Cadillac property (between 400 and 1,200 metres of vertical depth) and the phenomenal success at LaRonde Mine (from 1,000 to 3,000 metres of vertical depth) clearly demonstrate the depth potential related to the Larder Lake-Cadillac Fault. A probable mineral reserve of 1.2 million ounces of gold has been identified on the Contact zone of Lapa Cadillac and the 20 S and N veins represent several million ounces at LaRonde Mine. Radisson's two properties are located between LaRonde Mine and the Lapa-Cadillac property. On the O'Brien property, Zone 36 E contains a similar environment, on the same horizon as Lapa Cadillac, and has not been investigated below a vertical depth of 450 metres. The main vein of the former O'Brien Mine, reaching a depth of 1,040 metres, is open in depth. For Kewagama, the investigation depth is only 200 metres, and the 176-metre drilling completed in March in the property's western sector once again confirmed that the geological setting of the gold mineralization is similar to that intersected in depth on the Contact zone of the Agnico Eagle Mines.

The potential for Lapa Cadillac-type gold mineralization already exists on the O'Brien and Kewagama properties but its magnitude has not been explored. Considering the importance of recent depth discoveries in the immediate vicinity of Radisson's properties and the positive impact that such zones could have on the Company's long-term potential, management has decided to concentrate its financing efforts on a depth-drilling program to verify the full potential.

In July 2003, the Company decided to abandon its surface exploration efforts on the O'Brien property after carrying out a cursory stripping and short-drilling program to verify the possibility of extracting the gold veins reaching the surface. Based on the results, it was not worth continuing the surface work at this time.

The return to verifying depth potential seemed to please the financial community as, even without major work, the share price on the secondary market, after declining slightly in midyear, settled in the range of \$0.55 to \$0.60 per share.

With some \$330,300 in cash inflows from February to August 2003 from private placements and the exercising of stock warrants, working capital was well-stocked to cover the essential—the search for capital to carry out the depth-drilling program. Management's objective was set at approximately \$1.3 million and their efforts paid off, since the placement anticipated when the letter of intent was signed with the underwriter on behalf of First Associates Investment Inc de Toronto was completed for a total of \$1,341,450 (net proceeds : \$1,151,254) at the beginning of February 2004. It consists of 50% flow-through shares. Another \$223,000 was added to the working capital in January and February 2004 after the exercising of stock warrants.

The first drilling began on February 12, 2004 and we can look forward to a bright future.

Donald Lacasse, President and CEO (signed)

REVIEW OF EXPLORATION ACTIVITIES

The Company holds a portfolio of ten properties covering a total area of 8,077.3 hectares divided between 409 claims and one mining lease.

TABLE OF PROPERTIES

PROPERTIES	AREA (hectares)	NO. OF CLAIMS	DIRECT INTEREST	MINERALIZATION	ADVANCEMENT
DASSERAT	320	20	100.0%		4
DESTOR	195	8	100.0%	Gold	4
DOUAY	544	34	100.0%	Gold	4
ESTRADES	278	18	100.0%	Copper, Silver	4
KEWAGAMA	111.7	3	100.0%	Gold	4
LAC GIGNAC	2,789	175	100.0%	Gold	4
LÉPINE	330.2	22	100.0%	Gold	4
MASSICOTTE	864	54	60.6%	Gold	4
O'BRIEN	576.4	20	100.0%	Gold	4,5
TRÉCESSON	2,069	1 ML 55	100.0%	Gold, Copper, Zinc	4
TOTAL	8,077.3	409			

* 1=compilation, 2=reconnaissance, 3=land surveys, 4=drilling, 5=development, 6=production

O'BRIEN PROPERTY

This property is located directly to the north of the town of Cadillac, halfway between Rouyn-Noranda and Val d'Or. The neighbouring property to the north is LaRonde Mine belonging to Agnico-Eagle Mines Ltd (see attached map in the centre of this annual report). It is thus located in the heart of one of the most important Canadian gold mining camps. It is wholly owned by Radisson with no royalties, except for a cash payment of \$1 million to Breakwater Resources Ltd. upon commercial production.

Exploration program

In the summer of 2003, a surface exploration program was carried out for purposes of verifying the surface extraction potential of gold-bearing quartz veins in the former O'Brien Mine sector, approximately 900 feet east of the headframe, and of the Zone 36 East veins. The former O'Brien property was stripped to reveal new smokey quartz veins. In the Zone 36 East sector, three drillings were completed for a total of 689 feet of drilling. The work was carried out jointly with Geostat Systems International, under the supervision of Claude Duplessis acting as qualified person in compliance with standard 43-101.

Results

The samples taken in the stripping zones contained no economic grade. As for the drillings on Zone 36 East, two composite core samples, one from a vein and the other from its wall, were constituted and analyzed at Laboratoire LTM in Val D'Or. The test was intended to determine the content of the vein and the wall, as well as to verify the gold recovery ratio by gravimetric method. A content of 0.14 oz/s.t. was obtained for the vein with a 63 % recovery by gravity. The wall yielded 0.07 oz/s.t. of gold and an equivalent recovery. On their own, these results would not justify a major surface bulk sample test and it was decided to discontinue efforts to verify this scenario .

Future developments

The Company has developed a depth-drilling program to verify the depth potential of the gold zones of the O'Brien and Kewagama properties, as shown in the centre spread of this annual report. The purpose of such a program is to verify the long-term potential of these properties, considering the major discovery of the Agnico-Eagle mines on the Lapa-Cadillac property. A probable mineral reserve has been defined at 1.2 million ounces of gold between 1,240 and 3,870 feet of vertical depth. This gold-bearing zone, called Contact, is defined over a lateral length of 1,580 feet and a vertical height of 2,630 feet. Its thickness ranges from 15 to 37 feet, increasing with depth, and to all indications the content also increases with depth, with the best intersection obtained in the deepest hole: 1.71 ounces/short ton of gold over a 15-foot length. A similar geological setting has already been found on the O'Brien and Kewagama properties but has never been explored to the same depth.

Consequently, a drilling program was developed to verify this environment's potential. The first phase consists of six diamond drillings spaced at 1,000 feet each with a target vertical depth of 3,000 feet. This program represents an exploration budget of approximately \$800,000, divided between the two properties.

The drilling program is fully warranted by the magnitude of the exploration target and the good chances of intersecting this environment in depth, considering the existence of gold mineralization that is similar but less thick at less depth, as is the case on the Lapa-Cadillac property.

The program was fully financed in early February 2004 and the first drilling began on February 12, 2004. Ms. Yolande Bisson was hired as geological engineer to supervise the drilling campaign. Ms. Bisson is highly qualified in mining exploration and acted as permanent geologist with *Radisson* from 1986 to 1998. She supervised all the exploration campaigns on the O'Brien property from the time of its acquisition in 1994. Ms. Bisson will act as qualified person in compliance with national standard 43-101.

KEWAGAMA PROPERTY

The Kewagama property is located in the central part of the Cadillac township in northwestern Quebec, immediately northeast of the town of Cadillac and about 36 miles east of Rouyn-Noranda. It adjoins the O'Brien property on its east side, as shown in the map in the centre of this annual report. It is wholly-owned by *Radisson*, with a 2 % net smelter return royalty upon commercial production.

Exploration program

The Company carried out a survey, the KW03-01, 577 feet long, in March 2003 in order to meet the minimum work requirements of the Ministère des Ressources Naturelles for the renewal of titles. The work was supervised by Daniel Kelly, consulting geologist, acting as qualified person under national standard 43-101.

Results

The drilling was carried out in the western sector of the property to verify the existence of quartz veins near the surface. Several gold-bearing zones were intersected. A content of 0.41 oz/s.t. of gold was obtained over 0.7 feet of core samples, at 100 feet of depth. The other three intersections of gold mineralization were intersected with lower contents. The type of mineralization is similar to Zone 36 East of the O'Brien property. The deepest, at 514 feet, is associated with a unit of carbonated and biotitized greywacke, injected with 5% to 10 % quartz veinules, with less than 5 % arsenopyrite and pyrite adjoining the Larder Lake-Cadillac Fault, a talc-chlorite schism. The description of this mineralization is very similar to the setting intersected on Agnico Eagle Mines' LAPA property.

Future developments

Very deep drilling will be done on the property in 2004 as an integral part of the drilling program financed at year-end, which also applies to the O'Brien property, as shown on the map in the centre of this report. Five of the six planned drillings will be carried out on this property, at a cost of approximately \$650,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In 2003, *Radisson* invested fairly small amounts in surface exploration work on its O'Brien and Kewagama properties in order to verify the surface mining potential of gold-bearing veins. The results were not conclusive. The Company subsequently focused on financing a depth-drilling program and increasing its working capital. During the year, \$85,000 was invested in exploration work in Quebec. It was financed by private placements totalling \$250,300. Additional funds of \$106,750 were also raised through stock purchase warrants and stock options. The excess funding was transferred to the Company's working capital. In addition, an amount of \$459,000 for exploration work was raised in December 2003 by private placement for the deep exploration of the O'Brien and Kewagama properties.

The financial statements included herein have been prepared in accordance with generally accepted accounting principles in Canada. The financial statements below include those of the fiscal year ending December 31, 2003, and those of the previous fiscal year ended December 31, 2002.

RESULTS

Administrative expenses totalled \$331,000 for the year 2003, compared to \$201,000 for the year ended December 31, 2002. They represent corporate administration expenses, and expenses related to the production of the annual report, communications and investor relations, an increase of \$130,000 from the previous year for the same budget items (excluding write-off of mining properties and exploration expenses). The difference is mainly due to the accounting for stock based compensation starting in 2003.

The net loss in 2003 was \$1,156,000 or \$0.04 per share, compared to \$294,000 or \$0.01 per share for the year ended December 31, 2002. It takes into account the write-off of mining properties of \$246,000, the write-off of exploration expenses of \$1,599,000, minus income taxes and mining taxes, in 2003. The net loss per share was calculated on the basis of the weighted average number of 27,668,021 outstanding class A shares as at December 31, 2003 and 25,613,644 outstanding class A shares for the previous year.

CASH FLOW

During the fiscal year ended December 31, 2003, an amount of \$216,000 was used by operating activities compared to \$355,000 for the preceding year. These amounts are mainly attributable to administrative expenses and non-cash working capital items, which resulted in a cash contribution of \$25 000, compared to a cash reduction of \$164,000 in 2002.

In 2003, investments for exploration work totalled \$85,000, compared to \$60,000 in 2002. Exploration work in 2003 was focused on the O'Brien and Kewagama properties.

Cash flow from financing activities in 2003 totalled \$757,000, compared to \$467,000 \$ for the previous year. As at December 31, 2003, the Company's liquid assets totalled \$53,000, compared to \$59,000 on the same date the previous year. In addition, the Company has an amount of \$459,000 reserved for exploration.

BALANCE SHEET

The Company's assets totalled \$3,760,000 at December 31, 2003, a \$1,328,000 decrease from December 31, 2002. This decrease is mainly attributable to the write-off of mining properties and deferred exploration expenditures totalling \$1,845,000. Furthermore, liquid assets and cash reserved for exploration totalled \$512,000, an increase of \$453,000 over the preceding year. This increase is mainly due to the capital raised by private placements in 2003.

Future income taxes and mining taxes totalled \$904,000 as at December 31, 2003.

As at December 31, 2003, the capital stock totalled \$25,072,000 compared to \$24,589,000 as at December 31, 2002. The total number of issued and outstanding class A shares was 28,129,867 as at December 31, 2003, compared to 26,263,645 at the previous year-end.

Shareholders' equity totalled \$2,831,000 as at December 31, 2003, a \$313,000 decrease from December 31, 2002.

OUTLOOK

In 2003, market conditions continued to improve for junior exploration companies in response to the steady increase in the price of gold. At the end of the first quarter, the Company revised its strategic plan to focus on investigating the deep gold-bearing potential of its Cadillac mining camp properties. This change of plan followed the termination of the agreement with Rocmec International Inc. for the selective extraction of surface gold-bearing veins and the departure of the Company's former president. Moreover, the fairly disappointing results of surface work in the summer of 2003 encouraged the Company's management in its strategic decision to investigate a target that could significantly improve the mining potential of its two main properties, i.e. the search for a world-class deep gold-bearing structure of about one million ounces of gold between 1,000 and 4,000 feet of vertical depth.

Financing intentions were put into effect at year-end with the signing of a letter of intent for more than \$1.3 million, which was fully realized in February 2004. The Company also raised additional capital by exercising stock warrants and stock options.

The Company now has the anticipated funds to carry out the first series of six deep drillings on the O'Brien and Kewagama properties to verify the potential of the gold-bearing Larder Lake-Cadillac Fault. The program began on February 12, 2004 and should continue for more than eight consecutive months. Although the program could be qualified as high-risk due to the nature of the work, it is an exceptional opportunity for the Company to verify a promising geological setting in one of the best gold-bearing regions of the Canadian Shield.

Although Company management is confident of the quality of the exploration targets, it is working on planning other acquisitions to increase its chances of finding a major deposit. Consequently, even though its financial health has improved significantly, it is planning to raise more capital so that it has the financial capacity and flexibility to consider other acquisitions and multiply its quality targets.

The outlook is very promising and could improve even more in a steadily rising gold market. Junior companies have barely begun to profit from the gold bull market and will need at least another good year of positive conditions before they can hope to achieve some of their objectives.

MANAGEMENT'S REPORT

The Company's management is responsible for the preparation of the financial statements and for the financial information included in this annual report. Management maintains a system of internal control in order to produce reliable financial statements and to provide reasonable assurance that assets are safeguarded.

The financial statements are prepared in accordance with Canadian generally accepted accounting principles and necessarily include amounts based on estimates and judgements of management. Samson Bélair/Deloitte & Touche s.e.n.c.r.l., chartered accountants, were appointed by the shareholders as external auditors of the Company. Their report, presented below, expresses an opinion on the financial statements.

The audit committee meets annually with the external auditors, with and without management being present, to review the financial statements and to discuss audit-related matters. On the recommendation of the audit committee, the board of directors approves the Company's financial statements.

Chairman of the Board
Jean-Marie Dupont (signed)
Rouyn-Noranda, Canada
April 20, 2004

President and Chief Executive Officer
Donald Lacasse (signed)

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of Radisson Mining Resources Inc. as at December 31, 2003 and 2002 and the statements of deferred exploration expenditures, earnings and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 2002 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
Samson Bélair/ Deloitte & Touche LLP (signed)
Rouyn-Noranda, Canada
April 20, 2004

RADISSON MINING RESOURCES INC.

Balance Sheets

As at December 31

	2003	2002
Assets		
Current assets:		
Cash (note 8)	\$ 53,191	\$ 58,694
Accounts receivable and tax credit	45,900	47,475
Prepaid expenses	4,053	4,734
	<u>103,144</u>	<u>110,903</u>
Restricted cash for exploration expenditures (note 8)	459,000	-
Fixed assets (note 2)	2,529	-
Mining properties (note 3)	352,739	598,995
Deferred exploration expenditures (note 4)	2,842,447	4,377,666
	<u>\$ 3,759,859</u>	<u>\$ 5,087,564</u>

	2003	2002
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued charges	\$ 21,683	\$ 19,861
Current portion of long-term debt (note 5)	864	-
	<u>22,547</u>	<u>19,861</u>
Long-term debt (note 5)	1,979	-
Future income and mining taxes	904,008	1,923,712
	<u>928,534</u>	<u>1,943,573</u>
Shareholders' equity:		
Convertible debentures (note 6)	196,737	196,737
Capital stock (note 7)	25,071,731	24,589,323
Warrants	230,761	-
Contributed surplus	480,047	350,000
Deficit	(23,147,951)	(21,992,069)
	<u>2,831,325</u>	<u>3,143,991</u>
Commitments (note 9)		
Subsequent events (note 15)		
	<u>\$ 3,759,859</u>	<u>\$ 5,087,564</u>

See notes to financial statements.

On behalf of the Board:

Donald Lacasse (signed)
Director

Jean-Marie Dupont (signed)
Director

RADISSON MINING RESOURCES INC.

Statements of Deferred Exploration Expenditures

For the years ended December 31

	2003	2002
Exploration costs:		
Consultants and subcontractors	\$ 47,178	\$ 18,320
Salaries and employee benefits	14,181	14,129
General exploration expenditures	23,487	27,081
	84,846	59,530
Other:		
Tax credit	21,352	12,324
Write-off of deferred exploration expenditures	1,598,713	202,389
	1,620,065	214,713
Reduction in deferred exploration expenditures	(1,535,219)	(155,183)
Balance, beginning	4,377,666	4,532,849
Balance, ending	\$ 2,842,447	\$ 4,377,666

See notes to financial statements.

RADISSON MINING RESOURCES INC.

Statements of Earnings and Deficit

For the years ended December 31

	2003	2002
Revenue:		
Interest and other	\$ 602	\$ 5,744
Administration costs:		
Experts and subcontractors	28,673	67,687
Wages and other remuneration	160,271	6,013
Professional fees	20,400	5,000
Travelling and promotion	27,718	11,896
Information to shareholders	30,950	27,813
Listing and registration fees	10,804	7,710
Rent and occupancy costs	3,605	1,959
Stationery and office supplies	4,929	3,787
Insurance, taxes and licenses	35,295	43,048
Bank interest and charges	1,303	17,809
Interest on long-term debt	75	-
General administration expenses	6,750	8,626
Depreciation of fixed assets	446	266
Write-off of mining properties	246,256	-
Write-off of exploration expenditures	1,598,713	202,389
	2,176,188	404,003
Loss before taxes	2,175,586	398,259
Income and mining taxes (note 10)	(1,019,704)	(104,127)
Net loss	1,155,882	294,132
Deficit, beginning	21,992,069	21,697,937
Deficit, ending	\$ 23,147,951	\$ 21,992,069
Basic and diluted loss per share	\$ (0.04)	\$ (0.01)

See notes to financial statements.

RADISSON MINING RESOURCES INC.

Statements of Cash Flows

For the years ended December 31

	2003	2002
Cash flows related to:		
Operating activities:		
Net loss	\$ (1,155,882)	\$ (294,132)
Items not requiring cash:		
Depreciation of fixed assets	446	266
Write-off of exploration expenditures	1,598,713	202,389
Write-off of mining properties	246,256	-
Stock-based compensation	89,145	-
Income and mining taxes	(1,019,704)	(100,096)
Net change in non-cash working capital items	25,430	(163,765)
	(215,596)	(355,338)
Investment activities:		
Restricted cash for exploration expenditures	(459,000)	-
Acquisition of fixed assets	(2,975)	-
Increase in deferred exploration expenditures	(84,846)	(59,530)
	(546,821)	(59,530)
Financing activities:		
Repayment of long-term debt	(132)	-
Increase of long-term debt	2,975	-
Issuance of capital stock and warrants	825,550	472,500
Issue expenses for capital stock	(71,479)	(5,274)
	756,914	467,226
Increase (decrease) in cash	(5,503)	52,358
Cash, beginning	58,694	6,336
Cash, ending	\$ 53,191	\$ 58,694

Additional disclosure of cash flows information

Cash paid (recovered) during the year for:

Interest	\$ 1,207	\$ 17,809
Income and mining taxes	-	(13,028)

See notes to financial statements.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements

For the years ended December 31, 2003 and 2002

The Company, incorporated under the Canada Business Corporations Act, is in the process of exploring mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Management of the Company periodically reviews its decision to keep properties in its portfolio.

The recoverability of amounts shown for mining properties and related deferred exploration expenses and the capacity of the Company to meet its obligations depend upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

1. Significant accounting policies:

a) Financial statements:

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

b) Use of estimates:

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires the use of estimates and assumptions that affect the amounts of the assets and liabilities reported and the related revenue and expense items. These amounts are based on Management's judgment and on the information that the Company had at that time. The material items of the financial statements that require the use of estimates include the determination of the evaluation of mining properties, deferred exploration expenditures, provision for current and future income and mining taxes. Consequently, it is possible that conditions may change over the year which could require a change in the recognized amount.

c) Fixed assets:

Fixed assets are recorded at cost. Depreciation of computer equipment is calculated using the straight-line method at a rate of 30%.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2003 and 2002

1. Significant accounting policies (continued):

d) Mining properties and deferred exploration expenses:

Mining properties are recorded at cost. Exploration and development costs are deferred. When a decision is made to bring an orebody into production, the costs related to this orebody, recorded in mining properties and deferred exploration expenditures, are transferred to fixed assets; they are then amortized over the estimated life of the mine on a unit of production basis. When a project is abandoned, the related costs are charged to current operations.

These assets are revalued for impairment when no more work is being planned in the foreseeable future or in the absence of work during an exceeding three-year period.

e) Flow-through shares:

When the carrying value of deferred exploration expenditures exceeds the tax basis as a result of the Company renouncing the deductions to the investors, the cost of future income and mining taxes related to the resulting temporary difference is recorded as a cost of issuing the securities to the investors when the expenditures are renounced.

f) Income taxes and mining taxes:

The Company uses the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

g) Stock-based compensation:

Effective January 1, 2002, the Company adopted, on a prospective basis, the Canadian Institute of Chartered Accountants' ("CICA") recommendations on Stock-based Compensation and Other Stock-based Payments. These recommendations require that compensation for all awards made to non-employees and certain awards made to employees, including stock appreciation rights, direct awards of stock and awards that call for settlement in cash or other assets, be measured and recorded in the financial statements at fair value. These recommendations were later revised and require that compensation cost be recorded in the statement of earnings for all employee stock-based compensation.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2003 and 2002

1. Significant accounting policies (continued):

g) Stock-based compensation (continued):

In accordance with the CICA's recommendations described above, any consideration paid by employees on the exercise of stock options granted is credited to capital stock. For stock options issued between January 1, 2002, and December 31, 2002, the pro forma disclosures of the related compensation cost required under the fair value method are included in note 7. For stock options granted before January 1, 2002, there are no requirements to disclose or to record the related compensation cost and comparative figures have not been restated.

The compensation cost related to stock options granted to employees after January 1, 2003 are recorded in the statement of earnings. The prospective adoption of the fair-value-based method of accounting has resulted in the recognition of \$89,145 of stock-based compensation expense with a corresponding credit to contributed surplus.

2. Fixed assets:

	2003		2002	
	Cost	Accumulated depreciation	Net book value	Net book value
Computer equipment	\$ 2,975	\$ 446	\$ 2,529	\$ -

3. Mining properties:

	2003	2002
Mining properties and related assets:		
O'Brien	\$ 342,789	\$ 342,789
Kewagama	9,950	9,950
	352,739	352,739
Other properties:		
Destor	-	64,853
Trécesson	-	109,765
Estrades	-	23,400
Disson	-	27,716
Massicotte	-	7,285
Others	-	13,237
	-	246,256
	\$ 352,739	\$ 598,995

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2003 and 2002

4. Deferred exploration expenditures:

Mining properties	Balance December 31, 2002	Exploration costs	Write-off	Grant and tax credit	Balance December 31, 2003
O'Brien	\$ 2,755,589	\$ 62,837	\$ -	\$ (13,025)	\$ 2,805,401
Kewagama	24,424	20,949	-	(8,327)	37,046
Massicotte	202,389	162	(202,551)	-	-
Lac Gignac	1,029,683	736	(1,030,419)	-	-
Douay	173,337	162	(173,499)	-	-
Trécesson	187,806	-	(187,806)	-	-
Others	4,438	-	(4,438)	-	-
	\$ 4,377,666	\$ 84,846	\$ (1,598,713)	\$ (21,352)	\$ 2,842,447

5. Long-term debt:

	2003	2002
Note payable, payable until October 2006 in monthly instalments of \$103 including interest at the rate of 15.26%	\$ 2,843	\$ -
Current portion of long-term debt	864	-
	\$ 1,979	\$ -

Principal payments required in each of the next three years are as follows:

	\$
2004	864
2005	1,006
2006	973

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2003 and 2002

6. Convertible debentures:

	2003	2002
Convertible unsecured debentures, bearing interest at 14% compounded semi-annually. This interest is payable semi-annually in class A shares, convertible at any time at the option of the holder		
- maturing on June 29, 2004, conversion price \$0.15, minimum reference price of \$0.15 (1) (2)	\$ 130,000	\$ 130,000
- maturing on June 29, 2004, conversion price \$0.15, minimum reference price of \$0.15 (1) (2)	75,000	75,000
Issue expenses	(8,263)	(8,263)
	<u>\$ 196,737</u>	<u>\$ 196,737</u>

(1) No interest payable if the shares of the Company are trading over \$0.30 during the 20 days preceding the payment of the interest.

(2) For calculation of the number of shares to be issued to pay the interest:

Since the provisions of the debentures allow the Company to repay the holder with class A shares, the debentures are presented with shareholders' equity net of the issue expenses.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2003 and 2002

7. Capital stock:

Authorized:

Unlimited number of class A shares, no par value

Unlimited number of class B shares which may be issued in series, cumulative or non-cumulative dividend at the prime rate of the Bank of Canada at the beginning of the year plus a percentage between 1 and 5%, non-participating, non-voting, redeemable at the option of the Company for an amount equal to the price paid plus any dividend declared thereon and unpaid, no par value.

	2003		2002	
	Class A shares	Amount	Class A shares	Amount
Issued and paid:				
Balance, beginning	26,263,645	\$ 24,589,323	24,638,645	\$ 24,122,097
For cash	556,222	180,699	1,300,000	410,000
With respect to exploration expenditures to be incurred	1,020,000	297,840	-	-
With respect to the exercise of stock options	65,000	15,500	50,000	7,500
With respect to the exercise of warrants	225,000	91,250	275,000	55,000
Issue expenses	-	(112,381)	-	(5,274)
	28,129,867	25,062,231	26,263,645	24,589,323
Stock to be issued:				
With respect to the exercise of stock options	25,000	9,500	-	-
Balance, ending (1)	28,154,867	\$ 25,071,731	26,263,645	\$ 24,589,323

(1) 37,500 class A shares are held in escrow and cannot be transferred, mortgaged, pledged or otherwise disposed of without the consent of the Autorité des marchés financiers and the TSX Venture Exchange.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2003 and 2002

7. Capital stock (continued):

a) Class A stock options:

On April 7, 2004, the Company obtained the authorization from the TSX Venture Exchange to amend the fixed-price stock option plan in favor of the directors, management employees and consultants. An aggregate of 4 million class A shares has been reserved for potential issuance under the plan. The exercise price of each option equals the market price of the Company's stock on the date of grant and an option's maximum term is 5 years. Options granted under the modified plan vest over periods ranging from 12 to 18 months depending upon the type of recipient.

The fair value of options granted during the year was estimated using the Black Scholes stock option evaluation model with the following assumptions (weighted average): estimated duration of 4.0 years for these options, risk-free interest rate of 3.63%, expected volatility of 95% and no dividend expected. During the year, a compensation expense in the amount of \$89,145 and share issue expense for \$40,902 were accounted for with corresponding credit to contributed surplus.

A summary of the situation as at December 31, 2003 and 2002, is presented below:

Options	2003		2002	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Outstanding, beginning	2,502,830	\$ 0.32	1,152,830	\$ 0.23
Granted	352,000	0.42	1,435,000	0.40
Exercised	(90,000)	0.28	50,000	0.15
Expired	(895,000)	0.32	35,000	0.33
Outstanding, ending	1,969,830	\$ 0.35	2,502,830	\$ 0.32
Options exercisable, ending	1,569,830		2,027,830	
Weighted average fair value of the options granted during the year		\$ 0.37		\$ 0.31

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2003 and 2002

7. Capital stock (continued):

a) Class A stock options (continued):

The following table summarizes the information relating to the stock options as at December 31, 2003:

Number of shares	Exercise price	Weighted average remaining life (years)
257,830	\$ 0.15	6.2
300,000	0.27	4.2
175,000	0.38	3.6
310,000	0.40	3.5
250,000	0.41	4.3
500,000	0.42	3.7
102,000 (1)	0.45	2.0
1,869,830	\$ 0.35	4.1

(1) These options entitle their holder to acquire a unit, in consideration of \$0.45, composed of one class A share and one warrant expiring in December 2005. One warrant and \$0.65 are required to acquire one class A share.

If the Company had used the fair-value method for the stock options granted in 2002, an additional compensation expense would have been recorded, and the pro forma net loss and pro forma basic and diluted loss per share would have been as follows:

	2003		2002	
	As reported	Pro forma	As reported	Pro forma
Net loss	\$ 1,155,882	\$ 1,212,232	\$ 294,132	\$ 590,171
Basic and diluted loss per share	\$ 0,04	\$ 0,04	\$ 0,01	\$ 0,02

The pro forma figures omit the effect of stock options granted prior January 1, 2002.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2003 and 2002

7. Capital stock (continued):

b) Warrants:

As December 31, 2003, the following warrants, issued at the time of financing, were outstanding and exercisable as follows:

	Number of warrants
Outstanding at December 31, 2001	275,509
Issued	650,000
Exercised	(275,000)
Expired	<u>(509)</u>
Outstanding at December 31, 2002	650,000
Issued	1,576,222
Exercised	(225,000)
Expired	<u>(225,000)</u>
Outstanding at December 31, 2003	1,776,222

Exercise price	Number of warrants	Maturity date
\$0.52/\$0.60	222,222	February 26, 2005/February 26, 2006
\$0.60	200,000	January 29, 2004
\$0.60	334,000	December 15, 2004
\$0.65	1,020,000	December 30, 2005
	<u>1,776,222</u>	

8. Restricted cash for exploration expenditures:

During the year ended December 31, 2003, the Company has issued 1,020,000 flow-through shares at a price of \$0.45 each.

The Company committed itself to use the proceeds of \$459,000 from these subscriptions for the purpose of exploration expenditures.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2003 and 2002

9. Commitments:

O'Brien and Kewagama properties:

On March 15, 1999, a purchase and sale agreement was signed by the Company, Breakwater Resources and 3064077 Canada Inc., a subsidiary of Breakwater Resources Inc., for the purchase by the Company of the O'Brien and Kewagama Properties. By this agreement, the Company owns all rights on both properties including all the infrastructures on site.

In consideration, the Company agreed to pay \$1,000,000 in cash upon commercial production less the costs that could be incurred to restore the tailing ponds.

A 2% royalty on net smelter return is payable to a third party in the event of commercial production of the Kewagama property.

Massicotte Property:

Pursuant to an agreement signed between the Company and Van Horne, a subsidiary of PanCanadian Resources on April 29, 1986, and amended July 30, 1992 and, because of the non-participation of the partner, its interest has been reduced to 39.40%, whereas the Company holds 60.60%.

The financing of subsequent work must be done on a prorata basis or the undivided interest of the non-participating party will be reduced. If the interest of either party is diluted to 10%, the diluted interest will then be transferred to the other party in consideration of a 1% net smelter return royalty (as defined in the agreement) derived from the commercial production on the property in question.

In the event that one of the partners does not contribute to two consecutive annual programs for a total of at least \$750,000, the refusal to contribute in any other supplementary program will result in the transfer of the partner's interest into a 1% net smelter return royalty.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2003 and 2002

10. Income and mining taxes:

Income and mining tax expense (recovery) attributable to income (loss) consists of:

	2003	2002
Current	\$ -	\$ (4,031)
Future	(1,019,704)	(100,096)
	<u>\$(1,019,704)</u>	<u>\$ (104,127)</u>

Income tax expense (recovery) differs from the amounts computed by applying the combined federal and provincial income tax rate of 37.02% (2002, 38.16%) to the loss before income and mining taxes as a result of the following:

	2003	2002
Loss before income and mining taxes	\$(2,175,586)	\$ (398,259)
Computed "expected" tax recovery	(805,402)	(151,976)
Increase (reduction) in income taxes resulting from:		
Resource allowance deduction	29,314	19,955
Tax benefits of losses not recognized	62,002	55,118
Change in future tax rates	(111,211)	-
Income taxes	<u>(825,297)</u>	<u>(76,903)</u>
Mining duties	(194,407)	(27,224)
Total income and mining tax expense (recovery)	<u>\$(1,019,704)</u>	<u>\$ (104,127)</u>

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2003 and 2002

10. Income and mining taxes (continued):

The tax effects of temporary differences that give rise to significant portions of the future tax assets and future tax liabilities are presented below:

	2003	2002
Future tax assets:		
Loss carried forward	\$ 1,004,919	\$ 1,166,707
Share issue expenses	19,235	3,128
Fixed assets	67,823	56,565
Deferred exploration expenditures	59,518	63,128
Total gross future tax assets	1,151,495	1,289,528
Less valuation allowance	(1,151,495)	(1,289,528)
Net future tax assets	-	-
Future tax liabilities:		
Mining properties and deferred exploration expenditures	(904,008)	(1,923,712)
Net future tax liability	\$ (904,008)	\$ (1,923,712)

As at December 31, 2003, the Company had the following tax losses available to reduce future years' income for tax purposes, the tax effect of which has not been recorded in the financial statements:

Loss carried forward for tax purposes available:

2004	\$ 753,488
2005	410,384
2006	402,182
2007	308,436
2008	235,328
2009	181,845
2010	463,785
	\$ 2,755,448

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2003 and 2002

11. Related party transactions:

During the year, the Company paid management fees to a corporation controlled by the then president and chief executive officer of Radisson Mining Resources inc. These operations totalled \$22,902 (2002, \$95,824) and an amount payable on December 31, 2003, totalling \$ - (2002, \$9,752) is included in accounts payable and accrued charges.

The above transactions occurred within the normal course of business and are measured at the exchange amount, which is the amount of considerations established and agreed to by the related parties.

12. Basic and diluted loss per share:

The basic loss per share is calculated using the weighted average number of 27,668,021 outstanding class A shares during the year (December 31, 2002: 25,613,644 shares). Diluted loss per share equals basic loss per share as all of options and warrants have are antidilutive effect.

13. Other information:

Additional cash flow information:

	2003	2002
Non-cash investing and financing activities:		
Accounts receivable related to a tax credit	\$ 21,352	\$ 12,324
Share issue expense related to issuance of stock options	40,902	-

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2003 and 2002

14. Financial instruments:

Financial instruments and risk management:

Credit risk:

The Company's significant exposure to credit risk as at December 31, 2003, is equal to the carrying amounts in its financial statements.

Fair value of financial instruments:

The carrying amount for cash, accounts receivable and tax credit, and accounts payable and accrued charges approximate their fair value because of the near-term maturity of the investments.

The carrying value of long-term debt approximates its fair value since it was entered into a short period of time before year-end.

15. Subsequent events:

In January and February 2004, the Company completed a placement of:

January 29, 2004: 1,490,500 regular units in consideration of \$679,725.

February 6, 2004: 550,000 flow-through units in consideration of \$249,750.

Each flow-through unit is comprised of one flow-through class A share and one warrant. Each regular unit is comprised of one class A share and one warrant. Each warrant entitles its holder to acquire a class A share at a price of \$0.65 each for a period of 24 months following their respective closing.

16. Comparative figures:

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

GENERAL INFORMATION

BOARD OF DIRECTORS

Jean-Marie Dupont
Chairman of the Board

Donald Lacasse
Vice-Chairman of the Board, Secretary- Treasurer

Luc Simoneau
Director

Dale Hendrick
Director, Technical Advisor

OFFICERS

Jean-Marie Dupont
Chairman of the Board

Donald Lacasse
President and Chief Executive Officer

HEAD OFFICE

P.O. Box 307, Succursale bureau-chef
Rouyn-Noranda, Québec J9X 5C3
Telephone: (819) 797-0606
Fax: (819) 797-0100
E-mail: dlacasse@lino.com
Web site: www.rmradisson.ca

AUDITORS

Samson Bélair/ Deloitte & Touche LLP
155 avenue Dallaire
Rouyn-Noranda, Québec J9X 4T3
Telephone: (819) 762-5764
Fax: (819) 797-1471

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada
1500 University Street
Montréal, Québec H3A 3S8
Telephone: (800) 564-6253
Fax: (866) 249-7775
E-mail: service@computershare.com
Web site: www.computershare.com

LEGAL ADVISORS

Gowling Lafleur Henderson, Barristers & Solicitors
1 Place Ville-Marie, 37th Floor
Montréal, Québec H3B 3P4
Telephone: (514) 878-9641
Fax: (514) 878-1450

Flynn, Rivard, Provencher, Barrette, Barristers & Solicitors
75, boulevard Québec, Suite 201
Rouyn-Noranda, Québec J9X 7A2
Telephone: (819) 797-5222
Fax: (819) 762-6810

