



ANNUAL REPORT 2004

RADISSON MINING RESOURCES INC.

MISSION

Radisson Mining Resources Inc. (Radisson) is a Canadian exploration company that currently specializes in exploration and the development of gold projects with the objective of becoming a producer. The Company is the sole owner or has interests in nine properties in northwestern Quebec, in the extensive Abitibi mining region. The most advanced, the O'Brien property, contains a significant gold resource of indicated category totalling 654,100 metric tonnes at a grade of 6.9 grams per metric tonne. It is located in Cadillac, the second largest gold mining camp in Canada. Encouraged by Agnico-Eagle Mines' success in recent years, the Company has carried out deep drillings on O'Brien and the adjoining Kewagama property since last year with the objective of discovering a major gold-bearing deposit. The initial results are encouraging and **Radisson's** management has decided to continue its efforts on the same site in 2005. The Company also owns a gold concentrator with a capacity of 180 metric tonnes per day on the O'Brien property.

Annual meeting:

June 22, 2005, at 2h00
p.m., Raglan Room, Hôtel
Albert, 84, avenue
Principale, Rouyn-
Noranda, Québec.

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Conventions :

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

2004 HIGHLIGHTS

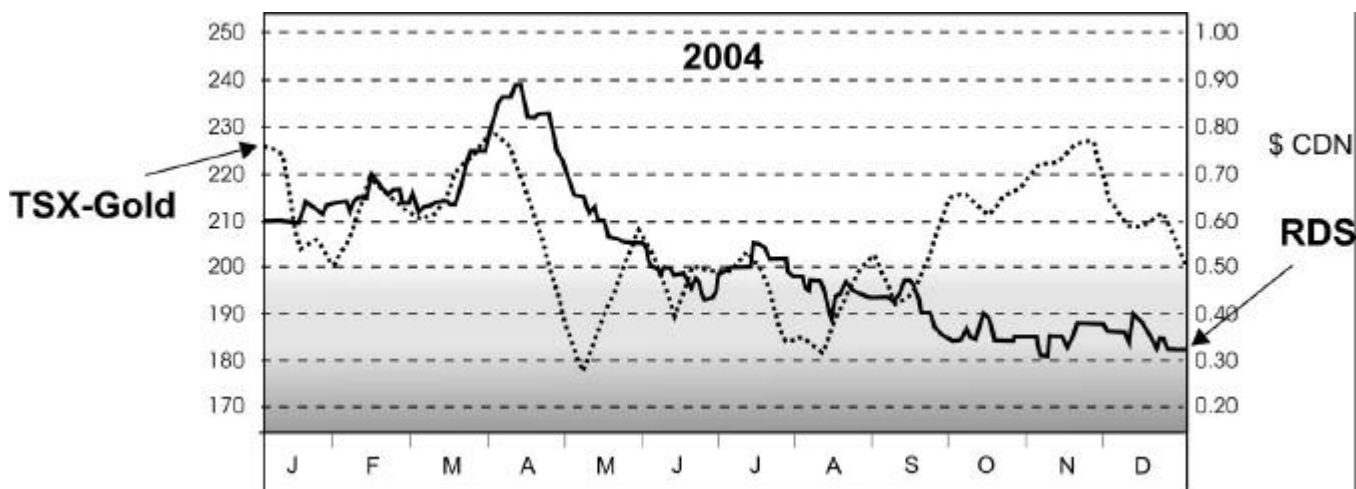
- January** - \$617,067.00 is raised via a private placement with First Associate Investment Inc. of Toronto, added to an initial amount of \$459,000 raised in December 2003;
 - Exercise of stock warrants maturing on January 29, at an exercise price of \$0.60 per share, for a total \$107,750.00;
- February** - The last portion of the private financing with First Associate Investment Inc. is completed in the form of flow-through shares for a total of \$249,750.00;
 - Start of a deep drilling program on the O'Brien and Kewagama properties covering approximately 6,600 metres divided among six holes spaced 300 metres apart and targeting an average vertical depth of 1,000 metres;
 - Gestion Sodemex inc. exercises stock warrants for \$115,555.44 at an exercise price of \$0.52 per share;
- September** - The results of the first three drill holes of the campaign are announced:

OBO4-01	13.7 g/t of gold over 0.30 metre at 1280 metres of vertical depth-Zone 36 E
OBO4-01	1.1 g/t of gold over 14.8 metres of length depending on the hole
KW04-02	17.5 g/t of gold over 1.0 metre at 1,150 metres of vertical depth-Zone 36 E
KW04-02	1.1 g/t of gold over 6.1 metres of length depending on the hole
KW04-03	<u>5.45 g/t of gold over 8.2 metres</u> at approximately 400 metres of vertical depth-New zone;
- October** - Appointment to the Board of Directors: Maître Maxime David, Notary, from the St-Hyacinthe region, as independent director;
- December** - Radisson announces its intention to launch a new deep-drilling program on its O'Brien and Kewagama properties. The last three holes of the 2004 campaign intersect thick gold-mineralized alteration zones:

KW04-04W:	0.29 g/t over 12.7 metres	at 905.07 metres;
KW04-05:	0.43 g/t over 5.67 metres	at 447.24 metres;
KW04-05:	0.44 g/t over 19.2 metres	at 683.55 metres;
KW04-05:	0.29 g/t over 13.65 metres	at 724.35 metres;
KW04-06C:	0.61 g/t over 9.38 metres	at 629.15 metres;
KW04-06C:	0.23 g/t over 8.75 metres	at 656.50 metres.

 - on December 31, 2004, a \$175,000 private placement is completed with Augen Capital Corporation, consisting of 546,875 flow-through shares at a price of \$0.32 per share.

As at December 31, 2004, the number of outstanding shares was 32,515,424 and the closing price was \$0.32. The Company's shares are listed on the TSX Venture Exchange under the symbol RDS.



MESSAGE TO SHAREHOLDERS

In 2004, the price of gold continued to climb in response to the weaker American dollar. The price rose from US \$415.30 to US \$437.10 between January 1 and December 31. Gold producers further reduced their hedging programs by 445 tons in 2004 in order to capitalize on the rise in the price of gold.

Gold mining production for 2004 was similar to 2003, yielding 2,478 tons, and should not increase significantly in the next few years, considering the lack of investment in exploration and development for some years now. Total demand increased by 6 % in 2004 in terms of quantity, and almost 20% in terms of value, for a grand total of US \$45.8 billion. Steady investor demand was the main factor behind the price increase in 2004. At the beginning of the year, junior exploration companies profited from the steady rise in the gold price in recent years, and capital was available. Unfortunately, the trend was shortlived as investor interest veered towards the energy sector. Since midyear, this has been reflected on the TSX-Gold index, which fell in value throughout the second half of the year. A rebound appears to be on the horizon in 2005 and all the factors are in place for the attraction to hold steady and drive up the price of gold.

In 2004, Radisson completed the first phase of a regional exploration program on its O'Brien and Kewagama properties in the Cadillac gold mining camp. The program is designed to verify the deep gold-bearing potential east of the gold-bearing structures previously defined at less depth on the O'Brien property, via of a grid of diamond drillings spaced 300 metres apart. An amount of \$675,000 was invested in this phase.

A highlight of the six-drilling program was the fact that the first three holes intersected zones mineralized in "O'Brien" type visible gold. Overall, the findings confirmed that the O'Brien Mine structures extend well beyond the previously exploited veins. The gold-bearing horizon is now known over more than three kilometres, significantly increasing the potential for discovering new gold resources.

The program also led to the discovery of a new gold-bearing zone yielding a grade of 5.45 g/t of gold over a drilled length of 8.17 metres at a vertical depth of 515 metres (Hole KW04-03). This strike is located on the Kewagama property near the old shaft beneath the underground facilities.

Spurred on by this particular success and the general knowledge gained from the overall drilling results, management decided to initiate a second exploration phase (\$250,000 budget) in February 2005 to verify the extent of this new gold-bearing zone.

The final objective of the exploration work on these two properties is to discover a gold resource that is sufficiently extensive to warrant an underground exploration program and begin development.

To conclude, on behalf of the Company's Board of Directors, I wish to thank our shareholders for their confidence and ongoing support, without which we could never achieve our objectives.



Donald Lacasse, President and Chief Executive Officer

REVIEW OF EXPLORATION ACTIVITIES

The Company holds a portfolio of nine properties covering a total area of 7,193.7 hectares divided between 375 claims and one mining lease. All the properties are located in the extensive mining region of Abitibi-Témiscamingue in northwestern Quebec. Gold indices have been discovered on eight of these properties, copper and zinc indices on one and a copper and silver index on another. The Company is currently focusing on two properties located in the Cadillac gold mining camp, its wholly-owned O'Brien and Kewagama properties. The other properties are available for option.

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. on commercial production.

Exploration program

An initial diamond drilling campaign to verify depth potential was completed in 2004 for purposes of analyzing "Contact Zone" type gold mineralization on the O'Brien and Kewagama properties. This program is studying the favorable horizon to a depth never before explored. The objective is to significantly increase the potential and value of the Company's lands by discovering more extensive gold structures in depth, along the Cadillac fault, compared with the known vein system near the surface. A drill hole was made on the O'Brien property under Zone 36E, reaching a total length of 1,525 metres. It confirmed the continuity of the 36 East gold-bearing zone to double the previously known depth. A second hole was drilled in the same sector starting from the Kewagama property, in the continuity of the 36 East zone. Ms. Yolande Bisson, consulting geological engineer, supervised 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 acts as qualified person in compliance with national standard 43-101.

Results

Analysis of the drill holes associated with Zone 36 East gave the following results:

OB04-01A,	at 1,421.33 metres:	13.7 g/mt over 0.30 metre
OB04-02W	at 1,228.83 metres:	17.5 g/mt over 1.00 metre

In addition, these holes intersected at depth mineralized alteration zones from 3.5 to 14.8 metres of apparent thickness, depending on the hole, also in the Groupe de Piché volcanites, with gold grades of approximately 1 g/mt:

OB04-01A,	at 1,441.92 metres:	1.10 g/mt over 14.8 metres;
OB04-01A,	at 1,460.59 metres:	1.40 g/mt over 7.59 metres;
OB04-02W,	at 1,266.9 metres:	1.08 g/mt over 6.10 metres;
OB04-02W,	at 1,288.3 metres:	0.51 g/mt over 3.5 metres.

This setting is very similar to that of Agnico-Eagle Mines Ltd.'s Contact Zone, also located within the Groupe de Piché. The Contact Zone ranges from 3 to 30 metres in thickness, east to west, located at 400 to 1,700 metres of vertical depth and open in depth. The average grade of the potentially economic zone of the Contact Zone is 8.9 g/mt of gold. The results achieved on the O'Brien and Kewagama property are encouraging because the same metallogenic setting is found at the same depths and was discovered as of the very first drilling campaign. This means that there is real potential for discovering a high-grade zone in this setting.

Future developments

The drillings carried out over the fiscal year on the Kewagama property, which is adjacent to the O'Brien property, led to the discovery of a significant gold-bearing zone. The Company's management therefore decided to focus on this sector in 2005. This is a sector which is close to the O'Brien property. The next drilling program on the property will depend on the results of the planned work on the Kewagama property in 2005.

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 on the map in the centre of this annual report. It is wholly owned by *Radisson*, with a 2% net smelter return royalty on commercial production.

Exploration program

An initial deep-drilling campaign was carried out in 2004 to study "Contact Zone" type gold mineralizations on the O'Brien and Kewagama properties. The drilling program totalled 6,663 metres, divided among six diamond drill holes. A total of five holes were drilled on the Kewagama properties, ranging in length from 690 to 1,580 metres. This program is studying the favorable horizon to a depth never before explored. The objective is to significantly increase the potential and value of the Company's lands by discovering more extensive gold structures in depth, along the Cadillac fault, compared with the known vein system near the surface. Ms. Yolande Bisson also supervised this work.

Results

The highlight of the campaign was unquestionably the discovery of a significant gold-bearing zone beneath the former Kewagama shaft, at 400 metres of vertical depth in hole KW04-03. **At 515,40 metres of depth depending on the hole, a grade of 5.45 g/mt of gold over 8.17 metres** (including 50.0 g/mt over 0.60 m) was intersected.

This intersection is found within an alteration zone of lower mineralization that is 32 metres long (from 449.48 to 531.61 metres). It is located within the Groupe de Piché volcanites. The volcanites found in the gold-bearing zone are biotitized, sericitized and sheared. They are also sulfur-mineralized and contain more or less smoky quartz veinules, sulfur-mineralized, with free gold content. This setting comprises most of the characteristics that describe Agnico-Eagle Mines Ltd.'s Contact Zone.

The other three holes enabled the identification of wide gold-mineralized corridors, at depths of more than 400 metres, from 5 to 19 metres of apparent thickness, with grades ranging from 0.4 to 1.1 g/mt, east to west over the whole property, based on a very extensive drilling grid:

KW04-04W:	at 905.07 metres	0.29 g/mt over 12.7 metres;
KW04-05:	at 447.24 metres	0.43 g/mt over 5.67 metres;
KW04-05:	at 683.55 metres	0.44 g/mt over 19.2 metres;
KW04-05:	at 724.35 metres	0.29 g/mt over 13.65 metres;
KW04-06C:	at 629.15 metres	0.61 g/mt over 9.38 metres;
KW04-06C:	at 656.50 metres	0.23 g/mt over 8.75 metres.

All these mineralized intersections are located within the Groupe de Piché volcanites.

The results of the 2004 program on the property confirmed that the O'Brien mine structures extend far beyond the previously exploited veins. The gold-bearing horizon is now known over more than three kilometres on the O'Brien and Kewagama properties, significantly increasing the potential for new gold resource discovery. Moreover, the characteristics of the mineralized zones that have been intersected are very similar to those of the Agnico-Eagle Mines Contact Zone.

Future developments

In light of the promising results achieved, the Company's management decided to carry out a drilling program in 2005, beginning at the end of February, to verify the zone located near the Kewagama shaft (drilling KW04-03: 5.45 g/t Au /8.17 m), from 460 to 600 metres of vertical depth, with the intention of defining a gold-bearing resource and justifying the intensification of exploration work.

OTHER PROPERTIES

There is no exploration activity planned in the short term on the seven other properties owned by the Company. However, management has decided to revalue its entire portfolio over the next year and decide whether it is appropriate to keep these properties and/or plan exploration work to develop them or interest partners in joining forces with the Company for exploration purposes.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) should be read in conjunction with the Company's audited consolidated financial statements contained in the Annual Report. The Company's audited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The currency of presentation is the Canadian dollar (Cdn) and amounts shown in the report are in Canadian dollars.

This MD&A dated April 22, 2005 has been prepared in compliance with Regulation 51-102A1 and approved by the Company's Board of Directors.

Prospective statements

The MD&A contains forward-looking statements that reflect, at the date of the report, the Company's expectations, estimates and projections concerning its operations, the mining industry in general and the economic environment in which it operates. Although reasonable, such statements involve an element of risk and uncertainty and there is no guarantee of future performance. Accordingly, actual results may differ materially from those mentioned or projected in the forward-looking statements.

OVERALL PERFORMANCE

Radisson is a mining exploration company involved in the acquisition and exploration of mining properties located in northwestern Quebec, in Abitibi-Témiscamingue, Canada.

Radisson had an active year in 2004 in gold exploration on its two main properties in the Cadillac gold mining camp, compared to 2003. The highlights are described below.

Equity financing

In 2004, the Company completed private placements totalling \$1,095,475. The proceeds of these placements were mainly used to carry out a deep-drilling program on two gold-bearing properties. In addition, stock warrants and stock options were exercised, representing additional cash inflows of \$232,605 which were transferred to the Company's working capital.

New director

Mr. Maxime David joined the Board of Directors in October 2004. A member of the Chambre des notaires du Québec since 1982, he is based in St-Hyacinthe and a partner of Étude David, St-Pierre, Gagné, Chabot, Notaries. He is valued for his judgment and decision-making expertise. He acts as independent director on the Board of Directors.

Exploration program

In 2004, the Company concentrated its exploration work on the O'Brien and Kewagama properties. Exploration expenditures reached \$674,000.

Stock exchange

The Company's shares have been publicly listed since 1986 and are currently listed on the TSX Venture Exchange under the symbol RDS, in the category "emerging companies."

SELECTED ANNUAL INFORMATION

Highlights of the last three fiscal years
(in thousands of dollars except per-share amounts)

	Year ended December 31		
	2004	2003	2002
	\$	\$	\$
Total assets	4,625	3,760	5,088
Revenue	13	1	6
Net loss	197	1,156	294
Net loss per share	(0.01)	(0.04)	(0.01)
Long-term debt	1	2	-

The decrease in the value of the Company's assets from 2002 to 2003 is mainly due to the write-off of mining properties and deferred exploration expenditures on properties owned by the Company where no exploration work has been carried out for three years and for which there is no short-term advancement plan. The increase from 2003 to 2004 is due to the capitalization of deferred exploration expenditures on its active properties and an increase in working capital.

Over the last three years, revenue has been generated mainly from interest income on the proceeds of short-term placements.

The net loss for the years 2003 and 2002 is largely attributable to write-offs of properties and exploration expenditures, whereas there were no write-offs in 2004. In this case, the net loss is due to administrative expenses, less income taxes and mining taxes.

The Company offers a stock option plan to employees and directors and made an accounting change in January 2002 by adopting the CICA's new recommendations on "Stock-based Compensation and Other Stock-based Payments."

OPERATING RESULTS

The change in net loss between 2003 and 2004 is explained by a significant write-off of assets in 2003, compared to 2004 when there was no write-off. Excluding write-offs, administrative expenses rose 20 % from 2003 to 2004. This increase in administrative expenses is related to the increase in the Company's activities and the tightening of regulatory standards required by the regulatory authorities for the filing of financial reports, resulting in higher professional fees for accounting.

Stock-based compensation charged to current operations was \$78,500 in 2004 and \$89,145 in 2003 (nil in 2002).

The Company's activities intensified significantly from 2002 to 2004. It invested \$674,000 in exploration work in 2004, compared to \$85,000 in 2003 and \$60,000 in 2002, enabling it to complete an initial deep hole exploration phase on its O'Brien and Kewagama properties in 2004. The purpose of this phase was to verify the gold-bearing potential at a depth greater than previously explored. The Company fully achieved its objectives, obtaining highly encouraging drilling results on the Kewagama property and evidence that the potential for striking high-grade gold zones more than several metres thick exists at depth. This exploration phase was completed within budget and went on longer than scheduled as the drilling targets were reached at greater depth than initially planned. A second drilling phase was financed at year-end and began in late February 2005. These drilling programs are part of an advancement plan to increase the mining potential of the Company's two properties and ultimately justify underground development. The Company completed private placements in Toronto via share issues at the beginning and end of 2004, totalling 2,592,375 class A shares for a total cash consideration of \$1,095,475. The Company has no guarantee that it will be able to define gold-bearing resources of sufficient quality and quantity to justify production, or raise the capital required to finance this final phase. The Company does not generate income and is dependent on market conditions and its ability to attract capital.

The increase in the Company's activities drove up corporate expenses, including secretarial and accounting services. In October 2004, the Company also hired an investor relations consultant. Transfer agent fees and costs related to shareholder information rose as well.

SUMMARY OF QUARTERLY RESULTS

(in thousands of dollars, except per-share amounts)

Quarter	Total revenue	Net loss	Basic and diluted loss per share
	\$	\$	\$
March 2003	-	(34)	<(0.01)
June 2003	-	(94)	<(0.01)
September 2003	-	(50)	<(0.01)
December 2003	-	(1,156)	(0.04)
March 2004	2	(68)	<(0.01)
June 2004	1	(68)	<(0.01)
September 2004	7	(68)	<(0.01)
December 2004	13	(197)	(0.01)

As the Company does not generate revenue, the quarterly change in results can only be explained by market conditions. The net loss of the last quarter of 2003 is due to the recording of write-offs based on the projects planned by the Company.

Over the last five quarters, the net loss and administrative expenses have remained stable and changes are mainly due to the year-end expense schedule. In 2004, adjustments for stock-based compensation and expenses related to investor relations were responsible for the change in net loss.

LIQUID ASSETS AND FINANCING SOURCES

At December 31, 2004, the Company had \$15,000 in cash. Working capital was \$735,000 compared to \$103,000 in 2003. In addition to cash, working capital consisted of term deposits and accounts receivable and exploration tax credits. In addition, liquid assets reserved for exploration amounted to \$210,000 as at December 31, 2004, compared to \$459,000 as at December 31, 2003.

Future income taxes and mining taxes totalled \$841,000 as at December 31, 2004, compared to \$904,000 as at December 31, 2003.

The Company's financing sources are mainly in the form of share issues and depend on the venture capital markets, investor interest in exploration companies and metal prices. The exercising of outstanding stock warrants at the date of the MD&A represents potential financing of \$2.2 million. These stock warrants expire from December 2005 to December 2006 and have an exercise price of \$0.65 and \$0.45. The exercising of outstanding stock options at the date of the MD&A represents another \$1,045,000 in potential financing. These options expire between December 2005 and March 2010 and have an exercise price ranging from \$0.15 to \$0.45, for an average of \$0.36.

FOURTH QUARTER

In the last quarter of 2004, several items on the financial statements influenced the results, including the granting of stock options to employees and directors in October, totalling 500,000 options at an exercise price of \$0.34. They represent stock-based compensation of \$78,500. The granting of 500,000 stock options have been granted to an investor relation consultant in October, and will be acquired quarterly. A subscription receivable at year-end, in the form of a private flow-through placement of \$175,000, increased liquid assets reserved for exploration to \$210,000. In the last quarter, the Company also recorded CEE tax credits receivable totalling \$190,000. Lastly, income taxes and mining taxes calculated at year-end represented savings of \$191,000 and reduced the net loss by the same amount.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Significant accounting policies and those requiring the most judgment and estimates in the preparation of the Company's financial statements are explained below:

Mining properties and deferred exploration expenditures: Mining properties are recorded at cost. Exploration and development expenses, minus associated government assistance, are deferred. When a decision is made to bring an orebody into production, the costs related to the orebody, recorded in mining properties and deferred exploration expenditures, are transferred to fixed assets; they are then amortized on a unit of production basis and probable and proven mineral reserves. 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 a period exceeding three years.

OTHER REQUIREMENTS RELATED TO THE MD&A

More information on the Company can be found on SEDAR (www.sedar.com), including the 2004 annual notice.

NATIONAL INSTRUMENT 51-102

Disclosure as at April 22, 2005, of information on outstanding securities

Outstanding class A shares: **32,515,424**

Stock warrants: **3,612,375**

Number of stock warrants	Exercise price	Expiry date
1,020,000	\$0.65	December 2005
1,490,500	\$0.65	January 2006
555,000	\$0.65	February 2006
546,875	\$0.45	December 2006

Outstanding options: **2,767,380**


Number of options	Exercise price	Expiry date
310,000	\$0.40	June 27, 2007
500,000	\$0.42	August 27, 2007
150,000	\$0.38	August 15, 2007
500,000	\$0.34	October 21, 2007
300,000	\$0.27	March 30, 2008
250,000	\$0.34	October 21, 2009
257,830	\$0.15	March 2, 2010

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
Rouyn-Noranda, Canada
April 22, 2005



President and Chief Executive Officer
Donald Lacasse

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of Radisson Mining Resources Inc. as at December 31, 2004 and 2003 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, 2004 and 2003 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

Rouyn-Noranda, Canada
April 8, 2005

RADISSON MINING RESOURCES INC.

Balance Sheets

As at December 31

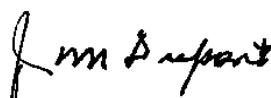
	2004	2003
Assets		
Current assets:		
Cash	\$ 15,375	\$ 53,191
Term deposits, 2%, maturing October 11, 2005	340,220	-
Accounts receivable and mining exploration tax credits	200,001	45,900
Subscription receivable	175,000	-
Prepaid expenses	4,850	4,053
	<u>735,446</u>	<u>103,144</u>
Restricted cash for exploration expenditures (note 3)	209,780	459,000
Fixed assets (note 4)	5,739	2,529
Mining properties (note 5)	352,739	352,739
Deferred exploration expenditures (note 6)	3,321,649	2,842,447
	<u>\$ 4,625,353</u>	<u>\$ 3,759,859</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued charges	\$ 32,044	\$ 21,683
Current portion of long-term debt (note 7)	1,006	864
	<u>33,050</u>	<u>22,547</u>
Long-term debt (note 7)	970	1,979
Future income and mining taxes (note 8)	840,774	904,008
	<u>874,794</u>	<u>928,534</u>
Shareholders' equity:		
Convertible debentures	-	196,737
Capital stock (note 9)	26,152,848	25,071,731
Warrants	364,772	230,761
Contributed surplus (note 10)	578,047	480,047
Deficit	(23,345,108)	(23,147,951)
	<u>3,750,559</u>	<u>2,831,325</u>
Commitments (note 11)		
	<u>\$ 4,625,353</u>	<u>\$ 3,759,859</u>

See notes to financial statements.

On behalf of the Board:



Donald Lacasse
Director



Jean-Marie Dupont
Director

RADISSON MINING RESOURCES INC.

Statements of Deferred Exploration Expenditures

For the years ended December 31

	2004	2003
Exploration costs:		
Salaries and employee benefits	\$ 32,078	\$ 14,181
Drilling	450,865	26,653
Geology	87,801	15,386
Analysis	33,849	3,877
General exploration expenditures	69,377	24,749
	<u>673,970</u>	<u>84,846</u>
Other:		
Mining exploration tax credits	(194,768)	(21,352)
Write-off of deferred exploration expenditures	-	(1,598,713)
	<u>(194,768)</u>	<u>(1,620,065)</u>
Increase (reduction) in deferred exploration expenditures	479,202	(1,535,219)
Balance, beginning of year	2,842,447	4,377,666
Balance, end of year	<u>\$ 3,321,649</u>	<u>\$ 2,842,447</u>

See notes to financial statements.

RADISSON MINING RESOURCES INC.

Statements of Earnings and Deficit

For the years ended December 31

	2004	2003
Revenue:		
Interest	\$ 13,233	\$ 602
Administration costs:		
Salaries and employee benefits	114,636	71,126
Stock-based compensation	78,500	89,145
Experts and subcontractors	-	28,673
Professional fees	56,649	20,400
Travelling and promotion	11,705	27,718
Information to shareholders	50,448	30,950
Listing and registration fees	21,690	10,804
Rent and occupancy costs	4,350	3,605
Stationery and office supplies	8,119	4,929
Insurance, taxes and licenses	34,914	35,295
Bank interest and charges	2,719	1,303
Interest on long-term debt	364	75
General administration expenses	15,498	6,750
Depreciation of fixed assets	1,459	446
Write-off of mining properties	-	246,256
Write-off of exploration expenditures	-	1,598,713
	401,051	2,176,188
Loss before taxes	387,818	2,175,586
Income and mining taxes (note 8)	(190,661)	(1,019,704)
Net loss	197,157	1,155,882
Deficit, beginning of year	23,147,951	21,992,069
Deficit, end of year	\$ 23,345,108	\$ 23,147,951
Basic and diluted loss per share	\$ (0.01)	\$ (0.04)

See notes to financial statements.

RADISSON MINING RESOURCES INC.

Statements of Cash Flows

For the years ended December 31

	2004	2003
Cash flows related to:		
Operating activities:		
Net loss	\$ (197,157)	\$ (1,155,882)
Items not affecting cash:		
Depreciation of fixed assets	1,459	446
Write-off of exploration expenditures	-	1,598,713
Write-off of mining properties	-	246,256
Stock-based compensation	78,500	89,145
Income and mining taxes	(190,661)	(1,019,704)
Net change in non-cash working capital items	50,231	25,430
	(257,628)	(215,596)
Investing activities:		
Variation of restricted cash for exploration expenditures	249,220	(459,000)
Term deposits	(340,220)	-
Acquisition of fixed assets	(4,669)	(2,975)
Increase in deferred exploration expenditures	(673,970)	(84,846)
	(769,639)	(546,821)
Financing activities:		
Repayment of long-term debt	(867)	(132)
Increase in long-term debt	-	2,975
Issuance of capital stock and warrants	1,143,580	825,550
Share issue expenses	(153,262)	(71,479)
	989,451	756,914
Decrease in cash	(37,816)	(5,503)
Cash, beginning of year	53,191	58,694
Cash, end of year	\$ 15,375	\$ 53,191
Additional disclosure of cash flows information (note 13)		
Cash used for:		
Interest	\$ 1,935	\$ 1,207
Income and mining taxes	726	-

See notes to financial statements.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements

For the years ended December 31, 2004 and 2003

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. Changes in accounting policies:

On January 1st, 2004, the Company prospectively adopted the recommendations of CICA Handbook Section 3063, *Impairment of long-lived assets*. These recommendations require that an impairment loss on long-lived assets to be held and used be recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value. The adoption of these recommendations had no impact on the results of operations for 2004.

In February 2003, the CICA issued Accounting Guideline (AcG-14) *Disclosure of Guarantees*, which clarifies disclosures requirements for certain guarantees. The Company adopted the new recommendations effective January 1st, 2004. This change in accounting policy had no effect on the financial statements.

In March 2004, the CICA issued Emerging Issue Committee Abstract (EIC-146) *Flow-through Shares*, which clarifies the date of recognition of the future income tax liability related to renounced income tax deductions. The Company adopted prospectively the new recommendations and now records the tax effect related to renounced deductions on the date that the Company renounced the deductions to investors whereas previously, the tax effect was recorded when the related exploration expenditures were incurred. This change in accounting policy had no effect on the financial statements.

On January 1st, 2004, the Company adopted the recommendations of CICA Handbook Section 3110 «*Asset Retirement Obligations*». The standard provides guidance for the recognition, measurement and disclosure of liabilities for asset retirement obligations. Basically, the liability represents the fair value of the obligations. The corresponding cost is capitalized as part of the related asset and is amortized over the asset's useful life. This change in accounting policy had no effect on the financial statements.

2. Significant accounting policies:

a) Financial statements:

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

b) Fixed assets and depreciation:

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

c) Mining properties and deferred exploration expenditures:

Mining properties are recorded at cost. Exploration and development costs, net of related government assistance, 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 will then be amortized, based on the units of production of the year and the probable and proven ore reserves. However, when a project is abandoned, the related costs are charged to current operations.

These assets are written down for impairment when no more exploration is planned in the foreseeable future or in the absence of exploration during a three-year period.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2004 and 2003

2. Significant accounting policies (continued):

d) Flow-through shares:

When the Company commits the proceeds from the issuance of flow-through shares to exploration expenses, the future income tax cost related to the resulting temporary difference is recorded as a share issue expense in favour of investors when the Company waives its right to the related deductions.

e) Income taxes and mining taxes:

The Company uses the liability method of accounting for income taxes and mining taxes. Under this method, future income tax assets and liabilities are determined according to difference between the carrying amounts and tax bases of assets and liabilities. They are measured by applying substantively enacted tax rates and laws at the date of the financial statements for the years in which the temporary differences are expected to reverse.

The Company establishes a valuation allowance against future income tax assets if, based on available information, it is more likely than not that some or all of the future tax assets will not be realized.

f) Stock-based compensation:

Prior to January 1, 2003, the Company applied the fair-value method of accounting, as prescribed by Section 3870 of the CICA Handbook "Stock-based Compensation and Other Stock-based Payments", only to employees' stock appreciation rights, direct awards of stock and awards that call for settlement in cash or other assets. Stock options issued to employees were presented using the settlement method of accounting, by which any consideration paid by employees on exercise of stock options or on purchase of stock was credited to share capital and no compensation expense was recorded.

The CICA Accounting Standards Board amended Section 3870 of the CICA Handbook "Stock-based Compensation and Other Stock based Payments", to require that, effective January 1, 2004, companies use the fair-value-based method of accounting to record stock options issued to employees and other stock-based payments issued to non-employees. According to this method, the compensation expense is measured at fair value on the award date and is expensed over the award vesting period. In accordance with one of the transitional provisions allowed under the revised version of Section 3870, the Company prospectively applied the fair-value-based method of accounting to all stock options issued to employees and non-employees after January 1, 2003.

The application of the fair-value-based method of accounting has resulted in the recognition of \$78,500 (2003 - \$89,145) of stock-based compensation expense. The application of this method also resulted in issue expenses of \$19,500 (2003 - \$40,902) related to the options granted to a broker. A corresponding amount of \$98,000 (2003 - \$130,047) was credited to contributed surplus.

g) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

h) Loss per share:

The loss per share has been calculated using the weighted average number of shares outstanding during the year. For the years ended December 31, 2004 and 2003, the weighted average number of common shares outstanding was 31,262,138 and 27,668,021 respectively. Fully diluted loss per share has not been presented as, it is antidilutive.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2004 and 2003

3. Restricted cash for exploration expenditures:

Restricted funds for exploration expenditures represent the unspent proceeds of flow-through public financing. In accordance with the restrictions imposed by the public financing, the Company must commit those funds to the exploration of mining properties. As at December 31, 2004, the Company had \$209,780 (2003, \$459,000) to spend in exploration expenditures.

4. Fixed assets:

	2004		2003	
	Cost	Accumulated depreciation	Net book value	Net book value
Computer equipment	\$ 7,644	\$ 1,905	\$ 5,739	\$ 2,529

5. Mining properties:

	2004		2003	
Mining properties and related assets:				
O'Brien		\$ 342,789	\$ 342,789	
Kewagama		9,950	9,950	
		\$ 352,739	\$ 352,739	

6. Deferred exploration expenditures:

Mining properties	Balance December 31, 2003	Exploration costs	Tax credits	Balance December 31, 2004
O'Brien	\$ 2,805,401	\$ 383,485	\$ (110,822)	\$ 3,078,064
Kewagama	37,046	290,485	(83,946)	243,585
	\$ 2,842,447	\$ 673,970	\$ (194,768)	\$ 3,321,649

7. Long-term debt:

	2004		2003	
Note payable, payable until October 2006 in monthly instalments of \$103 including interest at the rate of 15.26%	\$ 1,976	\$ 2,843		
Current portion of long-term debt	1,006	864		
	\$ 970	\$ 1,979		

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

2005	\$ 1,006
2006	970

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2004 and 2003

8. Income and mining taxes:

Income and mining tax benefit presented in the statements of earnings is comprised of:

	2004	2003
Future income taxes	\$ (190,661)	\$ (1,019,704)

The income tax benefit differs from the amounts computed by applying the combined federal and provincial income tax rate of 31.02% (2003, 37.02%) to the loss before income and mining taxes as a result of the following:

	2004	2003
Loss before income and mining taxes	\$ (387,818)	\$ (2,175,586)
Computed expected tax recovery	(120,301)	(805,402)
Increase (reduction) in income taxes resulting from:		
Resource allowance deduction	18,447	29,314
Tax benefits of losses not recognized	80,540	62,002
Change in tax laws	(177,784)	(111,211)
Non-deductible expenses	8,437	-
Income taxes	(190,661)	(825,297)
Mining duties	-	(194,407)
Total income and mining tax benefit	\$ (190,661)	\$ (1,019,704)

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

	2004	2003
Future tax assets:		
Losses carried forward	\$ 836,144	\$ 1,004,919
Share issue expenses	56,830	19,235
Fixed assets	69,318	67,823
Deferred exploration expenditures	59,250	59,518
Total gross future tax assets	1,021,542	1,151,495
Less valuation allowance	(952,226)	(1,151,495)
Net future tax assets	69,316	-
Future tax liabilities:		
Mining properties and deferred exploration expenditures	(910,092)	(904,008)
Net future tax liability	\$ (840,774)	\$ (904,008)

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2004 and 2003

8. Income and mining taxes (continued):

As at December 31, 2004, 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:

Losses carried forward for tax purposes available:

2005	\$	410,384
2006		402,182
2007		308,436
2008		235,328
2009		181,845
2010		463,785
2014		298,367
	\$	2,300,327

9. Capital stock:

Authorized:

Unlimited number of class A shares, voting and participating, 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.

	2004		2003	
	Class A shares	Amount	Class A shares	Amount
Issued and paid:				
Balance, beginning	28,129,867	\$ 25,062,231	26,263,645	\$ 24,589,323
For cash	1,490,500	572,355	556,222	180,699
With respect to exploration expenditures to be incurred	1,101,875	342,220	1,020,000	297,840
With respect to the exercise of stock options	25,000	9,500	65,000	15,500
Upon conversion of debentures	1,366,710	196,737	-	-
With respect to the exercise of warrants	401,472	269,994	225,000	91,250
Issue expenses	-	(300,189)	-	(112,381)
	32,515,424	26,152,848	28,129,867	25,062,231
Stock to be issued:				
With respect to the exercise of stock options	-	-	25,000	9,500
Balance, end (1)	32,515,424	\$ 26,152,848	28,154,867	\$ 25,071,731

(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, 2004 and 2003

9. 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 now been reserved for potential issuance under the plan (3,000,000 before April 7, 2004). 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 up 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 pricing model with the following assumptions (weighted average): estimated life of 3.8 years (4 years in 2003) for these options, risk-free interest rate of 3.5% (3.63% in 2003), expected volatility of 48% (95% in 2003) and no expected dividends. During the year, a compensation expense in the amount of \$78,500 (\$89,145 in 2003) and share issue expenses for \$19,500 (\$40,902 in 2003) were accounted for with a corresponding credit to contributed surplus.

A summary of the situation as at December 31, 2004 and 2003, is presented below:

Options	2004		2003	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Outstanding, at the beginning of the year	1,869,830	\$ 0.35	2,502,830	\$ 0.32
Granted	1,204,550	0.36	352,000	0.42
Exercised	-	-	(90,000)	0.28
Expired	(102,000)	(0.45)	(895,000)	0.32
Outstanding, at the end of the year	2,972,380	\$ 0.35	1,869,830	\$ 0.35
Options exercisable, at the end of the year	2,372,380	\$ 0.36	1,569,830	\$ 0.34
Weighted average fair value of the options granted during the year		\$ 0.36		\$ 0.37

The following table summarizes the information relating to the stock options as at December 31, 2004:

Number of shares	Exercise price	Weighted average remaining life (years)
257,830	\$ 0.15	5.2
300,000	0.27	3.2
500,000	0.34	4.8
150,000	0.38	2.6
310,000	0.40	2.5
250,000	0.41	3.4
500,000	0.42	2.6
204,550 (1)	0.45	0.1
500,000	0.34	4.8
2,972,380	\$ 0.35	

(1) These options entitle their holder to acquire a unit, in consideration of \$0.45, comprised of one class A share and one warrant. One warrant and \$0.65 are required to acquire one class A share. These options expire as follows:

January 2005	\$ 149,050
February 2005	<u>55,500</u>
	\$ <u>204,550</u>

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2004 and 2003

9. Capital stock (continued):

a) Class A stock options (continued):

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:

	2004		2003	
	As reported	Pro forma	As reported	Pro forma
Net loss	\$ 197,157	\$ 261,557	\$ 1,155,882	\$ 1,212,232
Basic and diluted loss per share	\$ 0.01	\$ 0.01	\$ 0.04	\$ 0.04

b) Warrants:

As at December 31, 2004, the following warrants, issued at the time of financing, were outstanding and exercisable as follows:

	Number of warrants
Outstanding as at December 31, 2002	650,000
Granted	1,576,222
Exercised	(225,000)
Expired	<u>(225,000)</u>
Outstanding as at December 31, 2003	1,776,222
Granted	2,592,375
Exercised	(401,472)
Expired	<u>(354,750)</u>
Outstanding as at December 31, 2004	3,612,375

Exercise price	Number of outstanding warrants	Maturity date
\$0.45	546,875	December 2006
\$0.65	1,490,500	January 2006
\$0.65	555,000	February 2006
\$0.65	1,020,000	December 2005
	<u>3,612,375</u>	

The attributed amount of warrants granted during the year was estimated using the Black Scholes pricing model with the following assumptions (weighted average): estimated life of 2 years (2003 – 1.5 year) for these warrants, risk-free interest rate of 3.06% (2003 – 3.07%), expected volatility of 42.32% (2003 – 52.28%) and no expected dividends. This amount was accounted for as a reduction of the value of the shares issued (\$180,900 in 2004 and \$230,761 in 2003).

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2004 and 2003

10. Contributed Surplus:

	2004	2003
Balance, beginning of year	\$ 480,047	\$ 350,000
Options granted during the year	98,000	130,047
Balance, end of year	\$ 578,047	\$ 480,047

11. 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 acquired 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.

This property and its deferred exploration expenditures were written off in 2003 as there had not been any exploration activity in the last 3 years, in accordance with the CICA Recommendations of Accounting Guideline 11 - *Enterprises in the development stage*.

12. Related party transactions:

During the last year, the Company paid management fees to a corporation controlled by the President and Chief Executive Officer of Radisson Mining Resources inc. These operations totalled \$22,902 (\$0 : 2004).

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.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2004 and 2003

13. Other information:

Additional cash flows information:

	2004	2003
Non-cash investing and financing activities:		
Share capital subscription receivable	\$ 175,000	\$ -
Accounts receivable related to mining exploration tax credits	194,768	21,352
Share issue expenses related to issuance of stock options	19,500	40,902

14. Financial instruments:

Fair value of financial instruments:

The carrying amount for cash, term deposits, accounts receivable and mining exploration tax credits and accounts payable and accrued charges approximate their fair value due to their short-term maturity.

The carrying value of long-term debt approximates its fair value since the contracted rate is close to the available interest rate on the market for a loan with similar terms and conditions.

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

Maxime David
Director

OFFICERS

Jean-Marie Dupont
Chairman of the Board

Donald Lacasse
President and Chief Executive Officer

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