



## 2006 ANNUAL REPORT

RADISSON MINING RESOURCES INC.

## MISSION

Radisson Mining Resources Inc. (Radisson) is a Canadian exploration company focusing on the exploration and development of gold, molybdenum and base-metal properties. The Company wholly-owns or has an interest in nine properties in northwestern Quebec and five properties in northwestern Ontario.

It is Radisson's mission:

- to determine the economic viability of its properties by application of best mining practices, for example by additional surface drilling and, if determined to be feasible, by underground drilling and bulk sampling on the former-producing O'Brien Mine in northwestern Quebec;
- to acquire additional prospective mining properties.

The O'Brien and Kewagama properties in the Cadillac mining camp of northwestern Quebec are the Company's main assets. In 1998, prior to National Instrument 43-101, Roscoe Postle Associates Inc., now Scott Wilson Roscoe Postle Associates Inc. ("SWRPA") calculated a drill-indicated gold resource of 383,500 tons averaging 0.422 oz/ton (uncut) on the 36 E Zone. SWRPA is now completing a 43-101 compliant report on these properties and is also completing an economic evaluation for an underground bulk sampling program. Surface and underground infrastructures, including a mill with a 200 ton-per-day capacity, are still in place on the properties. Recent gold discoveries in the Cadillac mining area, ranked second in Canada, plus our own drilling program, indicate the potential for reinstatement of these properties by Radisson as significant gold producers.

To broaden its asset base, last year, Radisson determined that molybdenum offered significant potential for increase in value. Accordingly, the Company identified and acquired five molybdenum properties with potential for molybdenum production in northwestern Ontario.

Additional prospective properties are being reviewed by Radisson for possible acquisition.

### Annual Meeting

June 28, 2007, at 4 p.m.  
The National Club  
303 Bay Street  
Tudor room  
Toronto, Ontario

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### Conventions :

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

## 2006 HIGHLIGHTS

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- February**      Announcement of the results of the first prospecting program on the Dryden area molybdenum properties in Ontario.
- Map designation of 52 claims covering an area of 2,881 hectares in the Massicotte sector; this increased the total area of Radisson's projects in the Detour Lake mining camp to 11,690 hectares.
- March**          Hiring of Bay Street Connect Ltd. as investor relations consultant to reinforce Radisson's visibility in financial circles.
- April**            Beginning of high resolution aeromagnetic, horizontal gradiometer and XDS-VLF-EM survey in the Dryden area. The survey, which was the first phase of the 2006 exploration program, was conducted by Terraquest Ltd.
- Map designation of 56 claims, for a total of 2,936 hectares in the Massicotte sector; this expanded Radisson's properties in the Detour Lake mining camp to 14,626 hectares.
- Private placement of \$500,000 with the MineralFields Group, (April 26, 2006).
- May**             Private placement of \$1,207,500 through Union Securities Ltd (May 15, 2006).
- June**            A high resolution aeromagnetic, horizontal gradiometer and XDS-VLF-EM survey was conducted on the O'Brien and Kewagama properties in June 2006. The survey, which was the first phase of the 2006 exploration program, was conducted by Terraquest Ltd. with a flight line spacing of 50 m.
- Beginning of a lithochemical sampling program on the same properties.
- Beginning of prospecting and sampling work on the Dryden area molybdenum properties in Ontario.
- July**             Mr. Luke Evans of SWRPA was mandated to carry out a new resource calculation on the 36 E Zone. The calculation will be National Instrument 43-101 compliant.
- August**           Beginning of a diamond-drilling program on the O'Brien/Kewagama project, totalling 3,435 metres in 8 drill holes. The program confirmed the presence of gold-bearing structures north of the Cadillac Fault (North Zone), verified the lateral extensions of the 36 E Zone between lines 43E and 53E, and confirmed the vertical extensions of high-grade lenses in vein number 2 of the 36 E Zone.
- September**     Mr. Jean Bailly of Minmatech was mandated to evaluate the costs of an underground bulk-sampling program on the 36 E Zone.
- October**          Beginning of a diamond drilling program on the Highway property, south of Dryden in Ontario. Two drill holes totalling 181 m tested the lateral and vertical extensions of the Highway showing on the property.
- December**       Private placement of \$200,000 with the MineralFields Group (December 11, 2006).

## MESSAGE TO SHAREHOLDERS

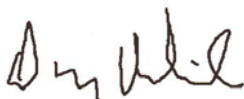
Dear Shareholders:

We shareholders of Radisson Mining Resources Inc. have significant opportunity ahead for enhanced value of our investment. We believe Radisson offers potential for growth based on the following facts:

- Our O'Brien/Kewagama gold project is located immediately west of the Wood/Pandora property of Globex/Queenston and 6 km west of the Lapa deposit of Agnico-Eagle Mines. Based on this strategic location and on intersection of high grade gold in the 36E Zone on the O'Brien/Kewagama project, as announced in January 2007, there is solid potential for expansion of the gold resource.
- A new gold resource National Instrument 43-101 report on our O'Brien/Kewagama properties in northwestern Quebec is being prepared by Scott Wilson Roscoe Postle Associates Inc. ("SWRPA"). In 1998, this firm calculated a drill-indicated gold resource of 383,500 tons averaging 0.422 oz/ton (uncut) on the 36 E Zone. At the same time, this company will prepare an economic evaluation for an underground bulk sampling program on the O'Brien Mine.
- The continuing increase in the price of gold augers well for present and future growth in value of Radisson's expanding gold mining assets.
- In view of the present strength in the price of molybdenum, currently selling at approximately US\$30 a lb., an increase from US\$5 in 2004, the initial drilling results, as also announced in January 2007, on just one of Radisson's five molybdenum properties in the Dryden area of northwestern Ontario are considered by management of your Company to be sufficiently encouraging to recommend further work in the form of surface prospecting and detail drill target definition.
- On March 15, 2007, Radisson announced the signature of a letter of agreement with Arianne Resources Inc. (DAR:TSXV) whereby the latter company can acquire a 50-per-cent interest in Radisson's highly prospective Detour Lake gold mining properties located in the Massicotte, Manthet and La Peltrie townships of the Abitibi region of Quebec. Under the terms of the agreement, Arianne is required to make cash payments of a total of \$75,000, of which \$25,000 is to be paid within the first year, and issue a total of 300,000 common shares. Arianne has to commit \$1.5-million in exploration work over all, of which \$250,000 must be applied within the first year of the option.
- The assumption of the position of Chairman of the Board of Radisson by Dale Hendrick illustrates the determination of management to build shareholder value. Mr. Hendrick has served as Radisson's technical and financial adviser for the past five years. He brings 50 years of mining exploration and development experience and his career is marked by major successes in resource industry development.
- At the recommendation of Mr. Hendrick, based on a successful partnership between the two at Khan Resources Inc., Ken Murton has assumed the position of President and CEO of Radisson. Mr. Murton's strengths in management and corporate financing complement those of Mr. Hendrick and of Donald Lacasse the Chief Financial Officer and Secretary Treasurer of Radisson.
- It is the intention of Management to continue to seek and acquire compelling mining properties.

Radisson has put together a winning team and has put itself in the way of opportunity.

On behalf of the Board:



Dale M. Hendrick, P.Eng,  
Chairman of the Board



Kenneth G. Murton, B. Comm.  
President/CEO

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management's discussion and analysis (MD&A) should be read in conjunction with the annual financial statements of the Company as at December 31, 2006. The Company's financial statements were prepared in accordance with generally accepted accounting principles in Canada. The reporting currency is the Canadian dollar (CDN) and all amounts presented in the MD&A are in Canadian dollars.

This MD&A, dated April 15, 2007, was prepared in compliance with the provisions of Form 51-102A1 and approved by the Company's Board of Directors.

### **FORWARD-LOOKING INFORMATION**

The MD&A contains forward-looking statements that reflect, at the date of the MD&A, the Company's expectations, estimates and projections with regard to its operations, the mining industry in general, and the economic environment in which it operates. Although reasonable, the statements entail a certain amount of risk and uncertainty and there is no guarantee that they will prove to be accurate. Consequently, actual results could be materially different from those implied or expressed by these forward-looking statements.

### **OVERALL PERFORMANCE**

The Company has a portfolio of 14 properties, which cover a total area of 21,976 hectares in Québec and Ontario. Nine properties are located in northwestern Québec, while five properties are in the Dryden area, in northwestern Ontario.

#### **PROPERTIES IN QUÉBEC**

The nine properties in Québec cover an area of 18,456 hectares in the well-known Abitibi-Témiscamingue mining region. Over the past two years, most of the Company's exploration work has been carried out on the O'Brien/Kewagama project, in the Cadillac mining camp. A considerable amount of exploration work is currently being done in this camp as a result of gold discoveries made in the last few years along the Cadillac Fault.

During the same period, elsewhere in Abitibi, Radisson acquired more than 8,000 hectares of land in highly prospective sectors for the discovery of gold and base metals. This expanded the total area of projects in Québec from 10,435 hectares to 18,456 hectares. The new claims were mainly acquired in the Detour Lake and Matagami mining camps.

#### **O'BRIEN/KEWAGAMA PROJECT**

The project, located directly north of the town of Cadillac, midway between Rouyn-Noranda and Val-d'Or, is composed of the wholly-owned O'Brien and Kewagama properties. In the event of commercial production on the O'Brien property, a \$1 million cash payment will be payable to Breakwater Resources. The Kewagama property, on the other hand, is subject to a 2% net smelter return royalty in the event of commercial production.

Since 2004, Radisson's exploration work has been concentrated in the 36 E Zone. It has confirmed that the zone continues eastward to the Kewagama shaft and is still present vertically at a depth of 1,400 m, thereby considerably improving the potential for increasing existing resources. In addition, recent gold discoveries by Globex and Queenston on the Wood-Pandora joint venture, east of the O'Brien/Kewagama project, have also enhanced the gold potential of the northern part of the project. In fact, these gold discoveries occur in the talc and chlorite schists of the Cadillac Fault (D Zone) and in the sedimentary rocks of the Cadillac Group, north of the fault, associated with argillite containing quartz veins (Mudstone Zone) or with iron formation (Ironwood Zone). Gold showings occur in similar settings north of the Cadillac Fault on the O'Brien/Kewagama project.

The objective of the 2006 exploration work was therefore not only to confirm the potential of the 36 E Zone but to discover new zones further north in the talc/chlorite schists, as well as in the sedimentary units of the Cadillac Group.

First, a high-resolution aeromagnetic, horizontal gradiometer and XDS-VLF-EM survey was carried out on the O'Brien and Kewagama properties in June 2006. The survey, which was the first phase of the 2006 exploration program, was conducted by Terraquest Ltd. with a flight line spacing of 50 m. Data from this survey was used to define drill targets north of the Cadillac Fault.

The Company also carried out a lithochemical sampling program focusing on the talc/chlorite schists in drill core stored on the O'Brien mine site. The program's objective was to verify the presence of mineralization similar to the D Zone on the Wood/Pandora project. Values up to 3.0 g/t Au were obtained.

A diamond drilling program was then carried out to:

- test geophysical anomalies north of the Cadillac Fault;
- verify the eastern extension of the 36 E Zone over a strike length of 800 feet between line 43 E (eastern boundary of the 36 E Zone) and line 51 E; and
- test a high-grade gold zone in vein #2 of the 36 E Zone at section 43 E.

The diamond drilling program totalled 3,435 m in 8 drill holes. It was planned and supervised jointly by Mr. Dale M. Hendrick, P. Eng., Director and technical advisor to the Company's Board of Directors, and Mr. Raynald Vincent, MPM, P. Eng., Consultant, both qualified persons.

The 2006 drilling achieved its objectives since it confirmed:

- the presence of a high-grade gold zone in vein #2 of the 36 E Zone at section 43 E, at a depth between 240 and 350 m; the zone is open to the east and at depth;
- the presence of the veins of the 36 E Zone between sections 43 E and 51 E, which is outside the current boundaries of known resources; this enhances the potential for defining additional gold resources (more than 250 m along strike); and
- the discovery of the North Zone, which now extends over more than 300 m along strike, from section 43 E to 53 E, confirming the potential for gold mineralization north of the Cadillac Fault.

<b>Significant Results - 2006 Drilling</b>						
<b>O'Brien/Kewagama Project</b>						
<b>Drill Hole</b>	<b>Line (E)</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Au (g/t)</b>	<b>Length (m)</b>	<b>Comments</b>
KW06-12	51+00	162.0	163.5	6.7	1.5	North Zone
		316.4	317.6	6.6	1.2	36 E Zone
		383.4	385.0	4.4	1.6	36 E Zone, Vein #2, 275 m depth
KW06-13	53+00	183.1	184.1	10.4	1.0	North Zone, visible gold
KW06-14	49+00	425.7	427.2	1.7	1.5	36 E Zone, Vein #2, 320 m depth
KW06-15	51+00	202.6	203.8	10.6	1.2	North Zone, visible gold
KW06-16	47+00	443.0	443.8	20.7	0.8	36 E Zone, Vein #2, 310 m depth, visible gold
OB06-17	43+00	172.2	174.4	4.9	2.2	North Zone, visible gold
		358.3	359.5	14.3	1.2	36 E Zone, Vein #2, 260 m depth
OB06-18	43+00	215.2	216.4	4.4	1.2	North Zone
		412.5	414.9	50.3	2.4	36 E Zone, Vein #2, 330 m depth, visible gold

### Future developments

In winter 2007, the O'Brien mine's grid lines were re-established on the project. An induced polarization survey covering the most favourable sectors began on April 2 and should be completed at the end of April. The results will be used to define drill targets north of the Cadillac Fault, as well as in the strike extensions of the 36 E Zone.

In 2006, the Company hired SWRPA to carry out a new N.I. 43-101 compliant resource calculation on the 36 E Zone. This firm is also evaluating the costs of an underground bulk-sampling program on the 36 E Zone. Results of this work are expected in May 2007. The Company will then decide whether it will go ahead with the program.

### **MASSICOTTE GROUP PROJECT**

The project, which has a total area of 14,621 hectares, forms a contiguous claim block and includes the Company's Lac Gignac and Massicotte properties. It is located in the prolific Abitibi Greenstone Belt (150 million oz Au has been produced) in northwestern Québec, 15 km east of the Detour Lake mine, where partners Detour Gold Corporation and Trade Winds Venture recently announced total gold resources of 5.7 million oz Au. Taking into account the Detour Lake mine's past production of 1.8 million oz Au, the Detour Lake mining camp has a total resource of 7.5 million oz Au. The gold mineralization is associated with the Sunday Lake regional deformation zone, which is similar to the well-known Destor/Porcupine and Cadillac/Larder Lake regional fault zones, which host most of the Abitibi gold deposits.

The Massicotte Group claims cover more than 20 km along the Sunday Lake deformation zone. They also encompass more than 15 km of the Massicotte regional gold-bearing fault zone, hosting the Lynx, Rambo and Lap 3 showings, which respectively have historic gold values of 7.8 g/t Au over 7.2 m, 6.3 g/t Au over 2.7 m and 24.1 g/t Au over 2.4 m.

In 2005, Radisson re-evaluated its projects in order to concentrate efforts on sectors highly prospective for the discovery of gold and base metals. Following this work, new claims were staked (2960 hectares) and, in 2006, the Company increased its involvement in the sector by acquiring new claims totalling 5817 hectares. In December 2006, the Massicotte Group included 320 claims with a total area of 14,621 hectares.

Radisson has a 100% interest in 302 claims (13,624 hectares) and a 60.6% interest in 18 claims (998 hectares). These claims form the Massicotte project joint venture, in partnership with Van Horne, a business unit of PanCanadian Resources, which has a 39.4% interest in the project. If Van Horne does not participate in the next program, its interest will be diluted according to the dilution formula stipulated in the agreement. If its interest drops to 10%, it will automatically be transformed into a 1% NSR royalty.

During February 2007, 38 additional claims covering 2,105 hectares were map-designated by the Company in the Massicotte sector, increasing the total project area to 16,726 hectares.

Finally, in March 2007, Arianne Resources Inc. signed a letter of intent to acquire 50% of Radisson's interest in its Detour Lake mining camp claims. To acquire this interest Arianne must, on or before August 31, 2010, carry out exploration work totalling \$1.5 million, make option payments of CAD\$75,000 and issue 300,000 shares of Arianne Resources Inc. to Radisson.

### Future developments

The final agreement should be signed in May 2007. As soon as it will be signed, Arianne will begin compiling and integrating all available geoscience data and will then conduct airborne geophysical surveys to define priority exploration targets that will be the focus of more detailed exploration work.

### **OTHER PROPERTIES**

In 2005, the Company evaluated the Douay project as being highly prospective for the discovery of gold mineralization. The acquisition of new claims has continued and the Company is still awaiting confirmation for some of the claims.

With regard to its other projects, the Company is actively seeking partners; a few companies have shown an interest in some of the projects and are in the process of evaluating them.

### Future developments

The Company will continue to evaluate and generate new projects that are highly prospective for the discovery of gold and base metals. Depending on its financial capacity, geophysical and geochemical surveys could be conducted on the Douay project to define drill targets.

## PROPERTIES IN ONTARIO

In fall 2005, the Company identified molybdenum as a metal with high growth potential and consequently acquired five molybdenum and gold properties in northwestern Ontario. These acquisitions were made by staking and through option agreements. The properties cover a total area of 3520 hectares and are located in an area historically known for its gold and molybdenum showings, approximately 100 km south of Dryden, in Ontario.

The fall 2005 prospecting work confirmed extensions on surface of the molybdenum and gold showings occurring on the properties. It was followed in winter 2006 by a high-resolution aeromagnetic, horizontal gradiometer and XDS-VLF-EM survey in the Dryden area. The survey, which was the first phase of the 2006 exploration program, was conducted by Terraquest Ltd. The survey results were used to direct prospecting and project generation work in the sector in summer 2006.

A limited diamond drilling program was conducted on the Highway property's molybdenum showing, south of Dryden in Ontario. The showing includes two parallel mineralized zones located on either side of the road and oriented north-northeast, in the same direction as major regional structures.

The program totalled 181 metres in two drill holes. The first hole (RD-06-01) intersected two zones with visible molybdenum mineralization. The upper zone is a new discovery, since it is not directly related to the mineralized zone located nearby, approximately 75 m away on the roadside. The anomalous molybdenum values occur over a length of 6.9 m (0.116 lb/ton). The lower mineralized zone is located approximately 45 m vertically below the Highway mineralized showing.

In the second drill hole (RD-06-02), collared 25 m north of the first, molybdenum mineralization was noted intermittently from a depth of 54 m to the end of the hole at 127 m, that is, about 85 m vertically below the mineralization observed on surface. Values of up to 1.108 lb/ton Mo over 1.5 m were intersected.

<b>Significant Results - 2006 Drilling</b>					
<b>Highway Property</b>					
<b>Drill hole</b>	<b>From [m]</b>	<b>To [m]</b>	<b>Length [m]</b>	<b>Mo (%)</b>	<b>Mo (lb/ton)</b>
RD-06-1	8.53	19.35	10.82	0.0243	0.4879
including	8.53	11.46	2.92	0.0501	1.0010
Also	66.14	73.09	6.94	0.0058	0.1162
RD-06-2	84.43	116.43	32.00	0.0047	0.0940
including	84.43	85.95	1.52	0.0039	0.0780
including	96.62	98.14	1.52	0.0554	1.1080
including	114.91	116.43	1.52	0.0082	0.1640

### Future developments

The Company is encouraged by these initial results and additional programs will be planned for the Dryden area projects. These will include prospecting and sampling as well as ground geophysical surveys, followed by diamond drilling.

## **PROMOTION**

The Company updated its Website to make it more user-friendly. It has been operational since January 2007 under a new name ([www.radissonmining.com](http://www.radissonmining.com)).

During 2006 and until April 2007, the Company took part in the following events:

- Jan. 2006 Vancouver Resource (Cambridge) Investment Conference
- Feb. 2006 Tour of brokers in Montréal and Québec
- Sept. 2006 Toronto Resource (Cambridge) Investment Conference
- Nov. 2006 Québec Exploration 2006
- Nov. 2006 Self-Directed Investor Show (Disnat).
- Jan. 2007 Vancouver Resource (Cambridge) Investment Conference

## **EQUITY FINANCING**

On April 26, 2006, the Company completed a private placement for \$500,000. Eighty percent (80%) of this amount, \$400,000, was in the form of flow-through shares. The 20% in non-flow-through financing, totalling \$100,000, was mainly used to pay costs related to the financing (commissions, legal documents, press releases, regulatory and TSX fees/nearly \$70,000) and the balance was used to fund the Company's working capital. The proceeds from the flow-through financing were used for exploration work on the O'Brien and Kewagama properties, in northwestern Québec, and on properties in the Dryden area, in northwestern Ontario.

On May 11, 2006, the Company completed a private placement for \$1,207,500 with Union Securities Ltd (net proceeds of \$1,078,800). The proceeds of the placement were used for the development of the O'Brien and Kewagama properties and for working capital.

On December 11, 2006, the Company completed a private placement of \$200,000 with the MineralFields Group in the form of flow-through shares. The proceeds from the flow-through financing are currently being used for exploration work on the O'Brien and Kewagama properties, in northwestern Québec, and on properties in the Dryden area, in northwestern Ontario.

## **EXPLORATION PROGRAM**

For the financial year ending December 31, 2006, exploration work amounted to more than \$530,000. During the same period, the work mainly consisted of diamond drilling and other related work on the O'Brien/Kewagama project (about \$367,000). For the Dryden sector in Ontario, prospecting and sampling as well as a small drilling program were carried out. The work amounted to \$163,000. A drilling program totalling 3435 metres was carried out on the O'Brien/Kewagama project, while drilling on the Dryden project totalled 181 m.

## **STOCK MARKET**

The Company's shares have been listed on the stock market since 1986 under the symbol RDS, and meet the Tier 2 listing requirements of the TSX Venture Exchange (TSX-V).

## SELECTED ANNUAL INFORMATION

Highlights of the last three financial years

<b>Financial year ending December 31<sup>st</sup></b>			
<b>(in thousands of dollars except for amounts per share)</b>			
	<b>2006</b>	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total assets	5,521	4,418	4,625
Revenue	31	10	13
Net loss	542	543	197
Net loss per share	0.02	0.02	0.01
Long-term debt	0	0	1

Because of its area of activities, the Company does not generate regular revenue and must depend on issuing shares and on the interest income generated by its investments to cover its operating expenses. In 2006, interest income reached a high level compared to other financial years because Radisson had a high level of investment following significant private placements.

During the financial year ending December 31, 2006, the loss before taxes was \$566,368 compared to \$543,124 in 2005. This loss is explained by Radisson's operating expenses and is due to costs related to being a public company. Salaries and benefits, professional fees, expenditures for experts and subcontractors, as well as other costs related to administering the Company also contributed to this loss.

Comparing 2006 to 2005, it can be seen that stock-based compensation remained stable. It can also be seen that professional fees are lower by about \$28,000, due to the fact that during the preceding financial year geology fees not charged to exploration projects were incurred, which was not the case in 2006. Listing and registration fees doubled because the Company completed substantial equity financing, while such financing amounted to only \$339,000 in 2005. During the financial year, salaries and benefits increased by about 10% because the Company hired an administrative assistant on an hourly basis for an indefinite period. The experts and subcontractors expense increased by about \$20,000 compared to 2005 due to an increase in fees for investor relations and because of geology fees incurred in 2006, while none were incurred in the previous financial year. Comparing the last two financial years, a significant increase in traveling and representation expenses can be noted. This increase of more than \$22,000 is explained by many trips to promote the Company with investors and to search for financing (travel was mostly in Toronto but travel to Montreal and Vancouver must also be included). There are also related representation fees of \$7,500, due to payment for a press article during the Cambridge House Investment Conference in Toronto. Interest and bank charges also increased significantly because Radisson had to pay the Québec Government \$7,082 in interest related to a tax credit for exploration that was refused for the 2004 financial year.

Analyzing the details of expenses for the last four quarters leads to the conclusion that most of Radisson's expenses are stable and predictable. The expenses that vary from one quarter to the next are usually stock-based compensation, professional fees, and listing and registration fees.

The Company's management continues to optimally manage the funds available for its operating expenses and is confident of maintaining a sound financial position throughout the 2007 financial year.

## SUMMARY OF QUARTERLY RESULTS

(in thousands of dollars except for amounts per share)

Quarter	Total Income	Net Loss	Loss Basic and Diluted per Share
March 2005	\$ 3	\$ (107)	\$ (0.00)
June 2005	-	(138)	(0.00)
September 2005	3	(133)	(0.00)
December 2005	4	(165)	(0.00)
March 2006	2	(112)	(0.00)
June 2006	4	(163)	(0.00)
September 2006	2	(141)	(0.00)
December 2006	23	(126)	(0.00)

## LIQUIDITY AND CAPITAL RESOURCES

During the financial year ending December 31, 2006, the Company issued shares for an amount totalling \$1,907,500 in cash. This amount is considerable compared to the amount of cash financing for 2005. Radisson's management is proud of the results of its promotion efforts and will continue in the same vein in order to carry on its corporate development. Part of this amount, about \$530,000, was spent on exploration expenditures. As for the \$1,207,500 financing, it was used to put the Company on a sound financial footing and make it possible for Radisson to attain its strategic objectives.

As at December 31, 2006, the Company had \$206,786 in liquid assets and term deposits of \$605,000, \$282,542 of these term deposits were reserved for exploration work. In comparison, as at December 31, 2005, the cash balance was \$34,036 and the term deposits were \$254,033. As at December 31, 2006, the Company's working capital amounted to \$639,006, compared to \$164,174 as at December 31, 2005. The Company's financial position is therefore sound; there are sufficient funds available to continue operations for a period of about 12 months.

The Company's principal source of financing is equity financing the success of which depends on venture capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its exploration activities and be able to support its ongoing operations, Radisson will need to maintain and expand its liaisons with the financial community in order to obtain further equity financing.

Following analysis of its annual results, the Company's management estimates that it needs about \$500,000 to support its administrative costs for 2007. Radisson is currently in a good financial position and will be able to bear these expenses for the next 12 months.

Outstanding warrants, if exercised, represent significant potential financing. If outstanding stock options were exercised, they would also represent significant additional potential financing. According to the Company's management, if the price of Radisson's shares were to increase significantly, a massive influx of cash would be likely; however, it is not possible to anticipate the amount in question.

## OPERATING RESULTS

Date	Financing		Use of proceeds	Objectives
April 2006	Flow-through shares	\$400,000	Allocated to exploration on the O'Brien and Kewagama properties and properties in Ontario	Drilling program/ geophysical surveys
	Common shares	\$100,000	Working capital	
	Total	\$500,000		
May 2006	Common shares	\$1,207,500	Allocated to working capital and development of the O'Brien and Kewagama properties and properties in Ontario	Exploration work or studies currently underway/ Advancing development of the properties
December 2006	Flow-through shares	\$200,000	Allocated to exploration on the O'Brien and Kewagama properties and properties in Ontario	Prospecting and drilling

## CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The only contractual obligation related to the two option agreements signed in 2005 for the molybdenum properties is to duly maintain the claims; should the options be abandoned, the Company has committed to carrying out exploration work to ensure that the said claims are valid for an additional period of at least six months. The monetary obligations for 2007 related to the options include a \$17,000 cash payment coming to term on September 1st, and another of \$20,000 coming to term on December 8th as part of the second option. In both cases, 10,000 shares are to be issued.

As at December 31, 2006, the Company must incur \$282,542 in exploration expenditures related to flow-through financing completed in December 2006 and related to exploration tax credits receivable. Radisson's management continues to plan work to meet statutory requirements and expects to complete the work in question before the end of the second quarter of 2007.

Following are the details of royalties on the mineral properties:

O'Brien: 1 million dollar cash payment in the event of commercial production

Kewagama: 2% NSR royalty

Highway: 2% NSR royalty with possibility of buy-back in return for 1,000,000 dollars

Grave Lake: 2% NSR royalty

## FOURTH QUARTER

During the last quarter of 2006, the net loss was about \$126,000. During the quarter, the "Experts and Sub-contractors" and "Salaries and Benefits" items represented major expenses that remained stable. The "Interest and Bank Charges" item increased significantly because Radisson had to pay the Québec Government \$7,082 in interest related to a tax credit for exploration that was refused for the 2004 financial year. As frequently happens, professional fees increased significantly during the last quarter, due to legal fees and the year-end adjustment of accrued expenses related to annual audit costs. Stock-based compensation increased to about \$47,000 for this quarter, while it was about \$16,000 during the previous quarters, due to year-end adjustments related to fair value calculations of options granted under the plan. About \$300,000 in exploration work was carried out during this quarter and Management succeeded in closing flow-through financing of \$200,000. By and large, the quarter was in line with Management's plans and expectations.

## RELATED PARTY TRANSACTIONS AND COMMERCIAL OBJECTIVES

In the course of its administrative activities, the Company rents office space from the Chief of Financial Operations of Radisson. During the financial year ending December 31, 2006, the rental amounted to \$3,850.

These operations occurred in the ordinary course of business and were recorded at the exchange value, which is the consideration determined and agreed upon by the related parties.

## DISCLOSURE CONTROLS AND PROCEDURES

The Company's President and Chief Executive Officer (Chief Financial Officer) is responsible for establishing and maintaining the Company's disclosure controls and procedures in accordance with the Multilateral Instrument 52-109 of the Canadian Securities Administrator. These controls and procedures have been evaluated as at December 31, 2006 and have been determined to be effective.

## INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's President and Chief Executive Officer (Chief Financial Officer) is responsible for establishing and maintaining the Company's internal controls over financial reporting in accordance with Multilateral Instrument 52-109 of the Canadian Securities Administrators. These controls have been established as at December 31, 2006. There have been no changes in these controls during the fiscal year 2006 which has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company provides information about deferred exploration expenditures in Note 6 of its annual financial statements ending December 31, 2006.

The Company has no research and development expenditures.

The Company has no deferred expenses other than mineral properties and deferred exploration expenditures.

## GENERAL ADMINISTRATIVE COSTS

Following are the details of general administrative costs for the financial year ended December 31, 2006.

Telecommunications	\$ 4,890
Electricity	\$ 7,405
Stationery and office supplies	\$ 3,958
Claim management	\$ 13,451
Maintenance and repairs	\$ <u>2,321</u>
Total	\$ <u>32,025</u>

## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

Following are the details of critical accounting policies and those that require the most judgment and estimates when preparing the Company's financial statements:

### **MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES**

Mineral properties are recorded at cost. Exploration and development expenses, minus related government assistance, are deferred. When a production decision is made, the costs related to the deposit, recorded under mineral properties and deferred exploration expenditures, are capitalized. These costs will then be amortized using the unit-of-production method for the financial year based on probable and proven ore reserves. However, when a project is abandoned, the corresponding costs are written off.

These assets are written down when the Company does not plan to carry out further work in the foreseeable future or in the absence of work over a period exceeding three years.

### **STOCK-BASED COMPENSATION**

The Company uses the fair value method for recording stock-based compensation on the income statement. Using this method, the Company distributes the expense over the vesting period of the options. The expected life of the options used to calculate their fair value is based on Management's experience and judgment.

### **INCOME 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 determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantially enacted tax rates and laws that will be in effect, at the date of the financial statements, for the financial year during which the differences are expected to reverse. The Company establishes a valuation allowance with regard to future tax assets if, according to available information, it is more likely than not that all or part of future income tax assets will not be realized.

### **RISK FACTORS**

#### **Risks related to exploration**

Mineral exploration involves a high degree of risk. Few of the properties explored are put into production. Unusual or unexpected rock formations, fires, power outages, labour disputes, floods, explosions, cave-ins, landslides, and problems in obtaining qualified workers and appropriate or adequate machinery or equipment are other risks involved in carrying out exploration programs.

The economics of developing resource properties are affected by many factors, including operating costs, variations in the grade of ore mined, fluctuations in metal markets, processing equipment costs and other factors such as Aboriginal land claims, government regulations, especially regulations relating to royalties, allowable production, importing and exporting natural resources, and environmental protection. Depending on the price of the natural resources produced, the Company can determine that it is not appropriate to begin or continue commercial production. There is no certainty that amounts spent by the Company in exploring its mineral properties will lead to the discovery of commercial quantities of ore. Most exploration projects do not result in the discovery of commercially mineable ore deposits.

## Environmental and other regulations

Existing and future environmental legislation, regulations and measures could give rise to additional costs, capital expenditures, restrictions and delays in the Company's activities that are unpredictable in scope. The requirements of environmental regulations and standards are under constant evaluation and can be increased considerably, which could seriously affect the Company's business or its ability to develop its properties economically. Before production can begin on a property, the Company must obtain regulatory and environmental approvals; there is no assurance that these approvals will be obtained or can be obtained in a timely manner. The costs of changes in government regulations can also reduce the profitability of operations or completely preclude the economic development of a property.

## Risks related to financing and development

The development of the Company's properties therefore depends on its ability to obtain the necessary additional financing. There is no assurance that it will be successful in obtaining the required financing. Furthermore, putting resource properties into production depends on obtaining the services of experienced personnel or of coming to agreements with other large resource companies that can provide the expertise.

## Market forces

Factors beyond the Company's control can influence the marketability of the gold or any other mineral discovered. The price of resources has fluctuated considerably, especially over the past few years. The impact of these factors cannot be accurately predicted.

## Uninsured risks

The Company can be held liable for the results of cave-ins, pollution, or other risks against which it cannot or may elect not to insure because of the high cost of premiums or for other reasons. The payment of these liabilities could reduce or eliminate the funds available for exploration and mining activities.

## OTHER MD&A REQUIREMENTS

Additional information about the Company is available on SEDAR ([www.sedar.com](http://www.sedar.com))

## NATIONAL INSTRUMENT 51-102

Disclosure, as at April 15, 2007, of data relating to outstanding securities

Outstanding class A shares: **39,392,851**

Warrants: **6,797,424**

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
700,000	\$0.29	August 2007
33,333	\$0.39	August 2007
434,783	\$0.30	April 2008
1,379,308	\$0.40	April 2008
3,450,000	\$0.45	May 2008
800,000	\$0.40	December 2008

**BROKER WARRANTS:**

Broker Warrants for units consisting of one common share and one warrant: **606,409**

43,478 A units at \$0.23 per unit (each A unit consists of one common share and one warrant entitling its holder to subscribe to one share at a price of \$0.30 per share). These Broker Warrants expire in April 2008.

137,931 B units at \$0.29 per unit (each B unit consists of one common share and one warrant entitling its holder to subscribe to one share at a price of \$0.40 per share). These Broker Warrants expire in April 2008.

345,000 B units at \$0.35 per unit (each B unit consists of one common share and one warrant entitling its holder to subscribe to one share at a price of \$0.45 per share). These Broker Warrants expire in May 2008.

80,000 Broker Warrants entitling their holders to subscribe to 80,000 shares at a price of \$0.40 per share. These Broker Warrants expire in December 2008.

Outstanding options: **3,492,830**

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
300,000	\$0.27	March 30, 2008
250,000	\$0.41	April 24, 2008
500,000	\$0.34	October 21, 2009
257,830	\$0.15	March 2, 2010
175,000	\$0.30	October 31, 2010
250,000	\$0.33	April 11, 2011
800,000	\$0.235	April 5, 2012



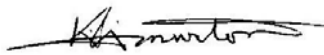
Donald Lacasse, ing.  
Vice-President, Chief Financial Officer

## 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 judgments 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.



Kenneth G. Murton, B. Comm.  
President/CEO



Donald Lacasse, ing.  
Vice-President, Chief Financial Officer

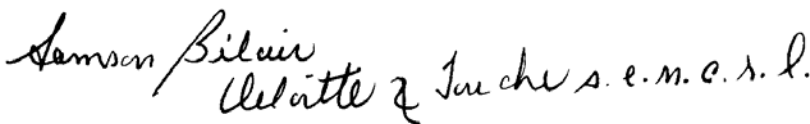
Rouyn-Noranda, Canada  
April 15, 2007

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of Radisson Mining Resources Inc. as at December 31, 2006 and 2005 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, 2006 and 2005 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  
March 26, 2007

# RADISSON MINING RESOURCES INC.

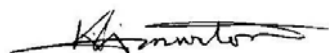
Balance Sheets

As at December 31

	2006	2005
<b>Assets</b>		
Current assets:		
Cash	\$ 206,786	\$ 34,036
Term deposits, maturing until November 15, 2007, bearing interest at rates varying from 3.10% to 4.35% (note 3)	322,458	254,033
Accounts receivable and tax credits for mining exploration expenditures	179,799	24,134
Prepaid expenses	4,944	1,771
	<u>713,987</u>	<u>313,974</u>
Restricted cash for exploration expenditures (note 4)	282,542	10,000
Fixed assets (note 5)	5,150	4,017
Mining properties (note 6)	394,941	372,605
Deferred exploration expenditures (note 7)	4,124,567	3,717,015
	<u>\$ 5,521,187</u>	<u>\$ 4,417,611</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued charges	\$ 74,981	\$ 148,830
Long-term debt	-	970
	<u>74,981</u>	<u>149,800</u>
Future income and mining taxes (note 8)	913,752	938,243
	<u>988,733</u>	<u>1,088,043</u>
Shareholders' equity:		
Capital stock (note 9)	26,763,088	26,176,389
Contributed surplus (note 10)	1,102,736	840,695
Warrants and broker warrants (note 11)	1,096,323	200,300
Deficit	(24,429,693)	(23,887,816)
	<u>4,532,454</u>	<u>3,329,568</u>
Commitments (note 12)		
Subsequent event (note 13)		
	<u>\$ 5,521,187</u>	<u>\$ 4,417,611</u>

See notes to financial statements.

On behalf of the Board:



Kenneth G. Murton, B. Comm.  
Director



Donald Lacasse, ing.  
Director

# RADISSON MINING RESOURCES INC.

## Statements of Deferred Exploration Expenditures

For the years ended December 31

	2006	2005
Exploration costs:		
Drilling	\$ 224,052	\$ 149,916
Geology	243,255	110,483
Analysis	25,306	8,973
General exploration expenditures	39,754	31,863
	<u>532,367</u>	<u>301,235</u>
Other:		
Repayment (recovery) of tax credit for mining exploration expenditures	(124,815)	94,881
Write-off of deferred exploration expenditures	-	(750)
	<u>(124,815)</u>	<u>94,131</u>
Increase in deferred exploration expenditures	407,552	395,366
Balance, beginning	3,717,015	3,321,649
Balance, ending	<u>\$ 4,124,567</u>	<u>\$ 3,717,015</u>

See notes to financial statements.

# RADISSON MINING RESOURCES INC.

Statements of Earnings and Deficit

For the years ended December 31

	2006	2005
Revenue:		
Interest	\$ 27,414	\$ 6,516
Other	3,783	3,500
	<u>31,197</u>	<u>10,016</u>
Administration costs:		
Salaries and employee benefits	109,960	97,749
Stock-based compensation	81,141	78,776
Experts and subcontractors	123,136	102,884
Professional fees	92,310	120,645
Travelling and promotion	52,330	30,115
Information to shareholders	24,293	25,199
Listing and registration fees	34,309	16,134
Rent and occupancy costs	3,850	4,400
Stationery and office supplies	9,726	3,667
Insurance, taxes and licenses	23,841	27,088
Bank interest and charges	8,971	1,075
Interest on long-term debt	56	226
General administration expenses	32,025	42,710
Depreciation of fixed assets	1,617	1,722
Write-off of deferred exploration expenditures	-	750
	<u>597,565</u>	<u>553,140</u>
Loss before taxes	566,368	543,124
Income and mining taxes (note 8)	(24,491)	(416)
Net loss	541,877	542,708
Deficit, beginning	23,887,816	23,345,108
Deficit, ending	<u>\$ 24,429,693</u>	<u>\$ 23,887,816</u>
Basic and diluted loss per share	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>

See notes to financial statements.

# RADISSON MINING RESOURCES INC.

## Statements of Cash Flows

For the years ended December 31

	2006	2005
Cash flows related to:		
Operating activities:		
Net loss	\$ (541,877)	\$ (542,708)
Items not requiring cash:		
Depreciation of fixed assets	1,617	1,722
Stock-based compensation	81,141	78,776
Income and mining taxes	(24,491)	(416)
Write-off of deferred exploration expenditures	-	750
Net change in non-cash working capital items	(107,872)	17,724
	(591,482)	(444,152)
Investment activities:		
Variation of restricted cash for exploration expenditures	(272,542)	199,780
Variation of term deposits	(68,425)	86,187
Acquisition of fixed assets	(2,750)	-
Acquisition of mining properties	(15,336)	(18,066)
Increase in deferred exploration expenditures	(532,367)	(118,108)
	(891,420)	149,793
Financing activities:		
Repayment of long-term debt	(970)	(1,006)
Issuance of capital stock and warrants	1,907,500	339,000
Issue expenses for capital stock	(250,878)	(24,974)
	1,655,652	313,020
Increase in cash	172,750	18,661
Cash, beginning	34,036	15,375
Cash, ending	\$ 206,786	\$ 34,036

### Additional disclosure of cash flows information

#### Cash paid during the year for:

Interest	\$ 9,027	\$ 1,201
Income and mining taxes	-	-

See notes to financial statements.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements

For the years ended December 31, 2006 and 2005

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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) 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 expenses:

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. 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.

### 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 asset and liability method of accounting for income 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.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2006 and 2005

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## 1. Significant accounting policies (continued):

### f) Stock-based compensation:

The CICA Accounting Standards Board has 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, 2004.

### 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. During the fiscal periods presented, management has made a number of significant estimates and valuation assumptions, including estimates of the net realizable value of accounts receivable and tax credits for mining exploration expenditures, the recoverability of mining properties and deferred exploration expenditures, valuation of stock-based compensation, valuation of future income taxes and the fair value of financial assets and liabilities. These estimates and valuation assumptions are based on current information and management's planned course of actions, as well as assumptions about future business and economic conditions. Should the underlying valuation assumptions and estimates change, the recorded amounts could change by a material amount.

### h) Loss per share:

Loss per share has been calculated using the weighted average number of shares outstanding during the year. For the years ended December 31, 2006 and 2005, the weighted average number of common shares outstanding was 36,765,008 and 32,831,683 respectively. Fully diluted loss per share has not been presented as, it is antidilutive.

## 2. Effect of new accounting standards not yet implemented:

### a) Comprehensive Income:

In April 2005, the CICA issued Section 1530 of the CICA Handbook, regarding "Comprehensive Income". This Section applies to fiscal years beginning on or after October 1, 2006. It exposes reporting and disclosure recommendations with respect to comprehensive income and its components. Comprehensive income is the change in shareholders' equity, which results from transactions and events from sources other than the Corporation's shareholders. These transactions and events include changes in the currency translation adjustment relating to self-sustaining foreign operations and unrealized gains and losses resulting from changes in fair value of certain financial instruments.

At the adoption of this Section, the financial statements will include a comprehensive income statement, if applicable.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2006 and 2005

## 2. Effect of new accounting standards not yet implemented (continued)

### b) Financial Instruments – Recognition and Measurement:

In April 2005, the CICA issued Section 3855 of the CICA Handbook on “Financial Instruments – Recognition and Measurement Income”. This Section applies to fiscal years beginning on or after October 1, 2006. It exposes the standards for recognizing and measuring financial instruments in the balance sheet and the standards for reporting gains and losses in the financial statements. Financial assets available for sale, assets and liabilities held for trading and derivative financial instruments, part of a hedging relationship or not, have to be measured at fair value.

The Company expects that the adoption of this Section will not have any significant impact on its financial statements.

### c) Hedges:

In April 2005, the CICA issued Section 3865 of the CICA Handbook, regarding “Hedges”. This Section applies to fiscal years beginning on or after October 1, 2006. The recommendations expand the guidelines exposed in Accounting Guideline 13 (“AcG-13”), Hedging Relationships. This Section describes when and how hedge accounting can be applied as well as the disclosure requirements. Hedge accounting enables the recording of gains, losses, revenues and expenses from the derivative financial instruments in the same period as for those related to the hedged item.

The Company expects that the adoption of this Section will not have any impact on its financial statements.

## 3. Term deposits:

	2006	2005
Total term deposits	\$ 605,000	\$ 254,033
Restricted cash for exploration expenditures	(282,542)	-
Term deposits, ending	\$ 322,458	\$ 254,033

## 4. Restricted cash for exploration expenditures:

Restricted funds for exploration expenditures represent the non-spend proceeds of public financing. According to the restrictions imposed by the public financing, the Company must use those funds for exploration of mining properties.

## 5. Fixed assets:

	2006		2005	
	Cost	Accumulated depreciation	Net book value	Net book value
Computer equipment	\$ 10,394	\$ 5,244	\$ 5,150	\$ 4,017

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2006 and 2005

## 6. Mining properties:

	Balance December 31 2005	Acquisition	Balance December 31 2006
Mining properties and related assets:			
O'Brien	\$ 342,789	\$ -	\$ 342,789
Kewagama	9,950	-	9,950
Douay	-	840	840
Highway	13,930	9,800	23,730
Massicotte	2,256	2,496	4,752
Grave Lake option	3,680	9,200	12,880
	<b>\$ 372,605</b>	<b>\$ 22,336</b>	<b>\$ 394,941</b>

	Balance December 31 2004	Acquisition	Balance December 31 2005
Mining properties and related assets:			
O'Brien	\$ 342,789	\$ -	\$ 342,789
Kewagama	9,950	-	9,950
Highway	-	13,930	13,930
Massicotte	-	2,256	2,256
Grave Lake option	-	3,680	3,680
	<b>\$ 352,739</b>	<b>\$ 19,866</b>	<b>\$ 372,605</b>

## 7. Deferred exploration expenditures:

Mining properties	Balance December 31 2005	Exploration costs	Write-off	Repayment of tax credits	Balance December 31 2006
O'Brien	\$ 3,245,581	\$ 182,156	\$ -	\$ (62,528)	\$ 3,365,209
Kewagama	434,228	185,122	-	(61,527)	557,823
Douay	15,476	-	-	-	15,476
Highway	19,480	92,056	-	-	111,536
Massicotte	2,250	2,250	-	(760)	3,740
Olsen Bay	-	18,855	-	-	18,855
Harper Lake	-	17,736	-	-	17,736
Grave Lake option	-	34,192	-	-	34,192
	<b>\$ 3,717,015</b>	<b>\$ 532,367</b>	<b>\$ -</b>	<b>\$ (124,815)</b>	<b>\$ 4,124,567</b>

Mining properties	Balance December 31 2004	Exploration costs	Write-off	Tax credits	Balance December 31 2005
O'Brien	\$ 3,078,064	\$ 113,530	\$ -	\$ 53,987	\$ 3,245,581
Kewagama	243,585	149,749	-	40,894	434,228
Douay	-	15,476	-	-	15,476
Highway	-	19,480	-	-	19,480
Massicotte	-	2,250	-	-	2,250
Lac Gignac	-	375	(375)	-	-
Trécesson	-	375	(375)	-	-
	<b>\$ 3,321,649</b>	<b>\$ 301,235</b>	<b>\$ (750)</b>	<b>\$ 94,881</b>	<b>\$ 3,717,015</b>

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2006 and 2005

## 8. Income and mining taxes:

Income and mining tax benefit attributable to income consists of:

	2006	2005
Future	\$ (24,491)	\$ (416)

Income tax benefit differs from the amounts computed by applying the combined federal and provincial income tax rate of 30.9% (2005, 32.9%) to the loss before income and mining taxes as a result of the following:

	2006	2005
Loss before income and mining taxes	\$ (566,368)	\$ (543,124)
Computed expected tax recovery	(175,008)	(178,688)
Increase (reduction) in income taxes resulting from:		
Resource allowance deduction	23,309	25,046
Tax benefits of losses not recognized	156,886	127,034
Change in tax laws	(55,725)	(416)
Stock-based compensation	25,073	25,917
Non-deductible expenses – other	974	691
Total income and mining tax benefit	\$ (24,491)	\$ (416)

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

	2006	2005
<b>Future tax assets:</b>		
Capital and non-capital losses carried forward	\$ 923,109	\$ 945,943
Share issue expenses	67,946	72,344
Fixed assets	69,314	74,004
Total gross future tax assets	1,060,369	1,092,291
Less valuation allowance	(991,055)	(1,018,287)
Net future tax assets	69,314	74,004
<b>Future tax liabilities:</b>		
Mining properties and deferred exploration expenditures	(983,066)	(1,012,247)
Net future tax liability	\$ (913,752)	\$ (938,243)

As at December 31, 2006, the Company had the following tax losses available to reduce future years' income for tax purposes.

Losses carried forward for tax purposes available:

2007	308,436
2008	235,328
2009	181,845
2010	463,785
2014	298,367
2015	434,645
2026	540,150
	\$ 2,462,556

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2006 and 2005

## 8. Income and mining taxes (continued):

In accordance with EIC 146, the Company recognizes the future tax liability of flow through shares issued only when the Company files the renouncement documents with the tax authorities to renounce the tax credit associated with the expenditures. The future tax liability of flow through shares issued in 2006 amounts to \$114,000 and will be recorded as an increasing of issue expenses in March 2007.

## 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.

	2006		2005	
	Class A shares	Amount	Class A shares	Amount
Issued and paid:				
Balance at beginning	33,258,760	\$ 26,176,389	32,515,427	\$ 26,152,848
For cash	3,884,783	649,063	700,000	135,100
Flow-through shares	2,179,308	296,028	33,333	9,500
Commission to broker	40,000	8,400	-	-
Mining properties acquisition	30,000	7,000	10,000	1 800
Issue expenses	-	(373,792)	-	(122,859)
<b>Balance at end (1)</b>	<b>39,392,851</b>	<b>\$ 26,763,088</b>	<b>33,258,760</b>	<b>\$ 26,176,389</b>

(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.

### 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 millions 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.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2006 and 2005

## 9. Capital stock (continued):

### a) Class A stock options (continued):

A summary of the situation as at December 31, 2006 and 2005 is presented below:

Options	2006		2005	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Outstanding at beginning	2,942,830	\$ 0.34	2,972,380	\$ 0.35
Granted	250,000	0.33	175,000	0.30
Expired	(500,000)	0.34	(204,550)	0.45
Outstanding at end	2,692,830	\$ 0.34	2,942,830	\$ 0.34
Options exercisable at end	2,625,534	\$ 0.34	2,601,163	\$ 0.34

The following table summarizes the information relating to the stock options as at December 31, 2006:

Number of options outstanding	Range of exercise price	Weighted average remaining life (years)	Number of options exercisable
257,830	\$ 0.15	3.2	257,830
300,000	0.27	1.2	300,000
175,000	0.30	3.8	170,204
500,000	0.34	2.8	500,000
150,000	0.38	0.6	150,000
310,000	0.40	0.5	310,000
250,000	0.41	1.3	250,000
500,000	0.42	0.7	500,000
250,000	0.33	5.2	187,500
2,692,830	\$ 0.34		2,625,534

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2006 and 2005

## 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:

	2006		2005	
	As reported	Pro forma	As reported	Pro forma
Net loss	\$ 541,877	\$ 542,985	\$ 542,708	\$ 574,908
Basic and diluted loss per share	\$ 0,02	\$ 0,02	\$ 0.02	\$ 0.02

The following table presents the stock-based compensation expense, the weighted average grant date fair value and the weighted average assumptions used to determine the stock-based compensation expense recorded in administrative expenses using the Black & Scholes option pricing model for the years ended December 31:

	2006	2005
Stock-based compensation expense	\$81,141	\$78,776
Expected volatility	98%	96%
Risk-free interest rate	4.27%	3.90%
Expected dividend rate	0%	0%
Estimated duration	5 years	5 years
Weighted average grant date fair value	\$0.23	\$0.23

### b) Warrants and broker warrants:

As December 31, 2006, the following warrants and broker warrants were outstanding and exercisable as follows:

	Number of broker warrants	Number of warrants
Outstanding at December 31, 2004	-	3,612,375
Granted	-	733,333
Expired	-	(1,020,000)
Outstanding at December 31, 2005	-	3,325,708
Granted	606,409	6,064,091
Expired	-	(2,592,375)
Outstanding at December 31, 2006	<u>606,409</u>	<u>6,797,424</u>

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2006 and 2005

## 9. Capital stock (continued):

### b) Warrants and broker warrants (continued):

Exercise price	Number of warrants	Maturity date
\$ 0,29	700,000	August 2007
\$ 0,39	33,333	August 2007
\$ 0,30	434,783	April 2008
\$ 0,40	1,379,308	April 2008
\$ 0,45	3,450,000	May 2008
\$ 0,40	800,000	December 2008
	6,797,424	

Exercise price	Number of broker warrants	Maturity date
\$ 0,23	43,478	April 2008
\$ 0,29	137,931	April 2008
\$ 0,35	345,000	May 2008
\$ 0,40	80,000	December 2008
	606,409	

The following table presents the weighted average assumptions used to determine the fair value of warrants and broker warrants granted recorded in shareholders' equity using the Black & Scholes option pricing model for the years ended December 31:

	2006	2005
Broker warrants value	\$114,514	\$ -
Warrants value	\$962,409	\$19,400
Expected volatility	79.36%	101.34%
Risk-free interest rate	4.13%	4.07%
Expected dividend rate	0%	0%
Estimated duration	2 years	2 years

## 10. Contributed Surplus:

	2006	2005
Balance, beginning	\$ 840,695	\$ 578,047
Stock-based compensation	81,141	78,776
Warrants expired	180,900	183,872
Balance, ending	\$ 1,102,736	\$ 840,695

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2006 and 2005

## 11. Warrants and broker warrants:

	2006	2005
Balance, beginning	\$ 200,300	\$ 364,772
Warrants granted	962,409	19,400
Broker warrants granted	114,514	-
Warrants expired	(180,900)	(183,872)
Balance, ending	\$ 1,096,323	\$ 200,300

## 12. Commitments:

### Properties located in Québec

#### *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 has 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 starting 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, and because of the non-participation of the partner, the interest of Van Horn 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 automatically 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 since, for the last 3 years, there has been no exploration activity.

### Properties located in Ontario

#### *Highway property*

In August 2005, the Company signed an agreement with two prospectors for the option to acquire a 100% interest in certain claims in the Highway property in the Dryden area in Ontario. In order to comply with this agreement, the Company must make cash payments of \$50,000 over a three-year period, in addition to issuing 50,000 shares of its treasury to the vendors. On December 31, 2006, the Company issued 20,000 shares in addition to having made a cash payment of \$13,000 under the agreement. Starting on September 1, 2007 and 2008, the Company must make respectively cash payments of \$17,000 and \$20,000 as well as issue 10,000 shares in 2007 and 20,000 shares on September 1, 2008. A 2% net smelter return royalty is payable to the vendors on the Highway property, in the event of commercial production on this property. This royalty is redeemable for a cash amount of \$1,000,000.

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2006 and 2005

## 12. Commitments (continued):

### Properties located in Ontario (continued)

#### *Grave Lake property option*

In December 2005, the Company signed an agreement with a group of 4 prospectors for the option to acquire a 100% interest in certain claims in the Grave Lake option property in the Dryden area in Ontario. In order to comply with this agreement, the Company must, over a three-year period, make cash payments totalling \$68,000, in addition to issuing 50,000 shares of its treasury. The first cash payment of \$4,000 was made on January 30, 2006, and the 20,000 shares were issued at the same time. The next payment was made on January 2007 for an amount of \$4,000 and 10,000 shares were issued at the same date. On December 8, 2007 the Company must make cash payment of \$20,000 and on September 1, 2008 a cash payment of \$40,000. Under the agreement, the Company have to issue respectively 10,000 shares on December 8, 2007 and 2008. A 2% net smelter return royalty is payable to a third party on the Grave Lake option property, in the event of commercial production on this property.

## 13. Subsequent event:

On March 15, 2007, the Company has signed a letter of agreement allowing Arianne Resources Inc. ("Arianne") to acquire 50% of the Company's interest in its Detour Lake mining camp properties, which include Massicotte property. According to this letter of agreement, Arianne can acquire this interest, on or before August 31, 2010, by carrying out \$1.5M in exploration work and making option payments totalling \$75,000 and issuing 300,000 shares of Arianne Resources Inc. to the Company. This agreement is subject to regulatory approval.

## 14. Related party transactions:

During the year, the Company incurred rent and occupancy costs with the president of Radisson Mining Resources Inc. These operations totalled \$3,850 (2005 - \$1,400).

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.

## 15. Other information:

Additional cash flows information:

	2006	2005
Non-cash investing and financing activities:		
Issuance of capital stock for mining properties	\$ 7,000	\$ 1,800
Accounts receivable (payable) related to tax credit for mining exploration expenditures	124,815	(83,240)
Issuance expenses relating to flow-through shares	-	97,885
Issuance expenses for brokers warrants	114,514	-
Commission to brokers by shares issuance	8,400	-

# RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2006 and 2005

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## 16. Financial instruments:

Fair value of financial instruments:

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

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## GENERAL INFORMATION

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### BOARD OF DIRECTORS

Dale M. Hendrick<sup>1</sup>  
*Chairman of the Board*

Donald Lacasse  
*Vice-President of the Board, Secretary- Treasurer*

Jean-Marie Dupont<sup>1</sup>  
*Director*

Luc Simoneau<sup>1</sup>  
*Director*

Kenneth G. Murton<sup>1</sup>  
*Director*

<sup>1</sup> Audit Committee Member

### OFFICERS

Dale M. Hendrick  
*Chairman of the Board of Directors*

Kenneth G. Murton  
*President and Chief Executive Officer*

Donald Lacasse  
*Vice-President and Chief Financial Officer*

### HEAD OFFICE

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### AUDITORS

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Fax: (866) 249-7775  
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Web site: [www.computershare.com](http://www.computershare.com)

### LEGAL ADVISORS

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