



September 14, 2000

## **RADISSON WINS ITS CASE BEFORE THE FEDERAL COURT OF APPEAL AND OBTAINS A GRANT OF \$430,000 FROM THE MNRQ**

**Rouyn-Noranda**, - The management of Radisson Mining Resources Inc. (Radisson) is proud to announce the decision rendered after a few hours by the three justices of the Federal Court of Appeal in the matter it defended for and on behalf of the subscribers of the Société en commandite Radisson 1987. Attorney Yves Ouellette, from the law firm Gowling Lafleur Henderson LLP, acted for the company and was able to convince the Court of the merits of the decision previously rendered at the Tax Court of Canada by Justice Archambault. The Federal Court of Appeal has therefore rejected the request of the plaintiff, the Canada Customs and Revenue Agency (CCRA), and has decided that Radisson Mining Resources Inc. had the right to renounce the deduction in favour of the Société en commandite 1987 in the amount of \$702,065. This amount was part of flow-through financing and was challenged by the CCRA. Radisson also announces the obtention of a total grant of \$430,000 from the new support program for junior mining companies of the Ministry of natural resources of Québec (MNRQ).

### **FEDERAL COURT OF APPEAL**

The beginning of this case goes back to 1990, when the CCRA informed Radisson (and other junior mining companies) that it would deny the deduction of certain expenses renounced to the ultimate benefit of the subscribers of the Société en commandite 1987. At that time, the management of Radisson, then directed by Mr. Guy Bourassa, decided to take up the defense of the subscribers and to shoulder all related legal fees. Despite the high costs related to such a defense and the fact that Radisson ended up being the sole party to defend the case, the management of Radisson, since then managed by Mr. Guy Parent, resisted the temptation to withdraw from this matter. Radisson was intent on defending the question of law that the expenses, current or capital in nature, could be qualified at the choice of the company, as CEE (Canadian exploration expenses) and therefore, could be renounced to the benefit of the subscribers. Court proceedings at the Tax Court of Canada were in June and September 1996, and a first decision was rendered on August 28, 1997, by the Honourable Justice Pierre Archambault. Some weeks later, the CCRA appealed the decision. Finally, once the appeal case was prepared, the hearing was held on September 12, 2000. The Federal Court of Appeal then decided to uphold the decision of Justice Archambault in favor of Radisson.

Radisson's management is pleased with the decision because the directors at that time had acted to the best of their knowledge and in good faith. The decision of the Federal Court of Appeal recognizes that all the property and equipment used were necessary and were part of the exploration project carried out.

Mr. Guy Parent, President and Chief Executive Officer of Radisson, nonetheless deplors the negative impact that this dispute has caused the company, particularly regarding its capacity to obtain financing in the last few years from certain brokerage firms. We are convinced that this decision in favor of Radisson will contribute to the revitalization of the company and to the increased credibility of junior mining companies. Radisson's management wants to thank everyone who has supported it in its legal case and who has testified in court, whether it was former employees and management, employees at the time of the proceedings, or our tax or legal advisers.

### **GRANT OF \$430,000**

Furthermore, Radisson is proud to announce that the MNRQ has accepted a grant application submitted by the Company as part of its new support program for junior mining companies in difficulty. It consists of a direct grant of \$150,000 for working capital and a second grant of \$280,000. The latter amount represents 80% of the budget for the exploration program that will be carried out next winter on the Lac Gignac property. This assistance, which totals \$430,000, demonstrates again the real support from the MNRQ for the mining industry, through innovative programs that correspond to the specific needs of the industry. This grant will allow a major drilling program of more than 3,000 metres next winter on the best targets on this vast property, measuring 12 kilometres in length. The objective is to discover a new gold or base metal orebody.

Radisson Mining Resources Inc. is a Canadian mining exploration company with fifteen mining properties in northwestern Quebec, covering an area of 14,977 hectares, with one containing a gold resource delimited by drilling of almost 300,000 ounces of gold. It also has a concentrator with a capacity of 200 short tons per day.

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