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St. Andrew Goldfields Ltd.

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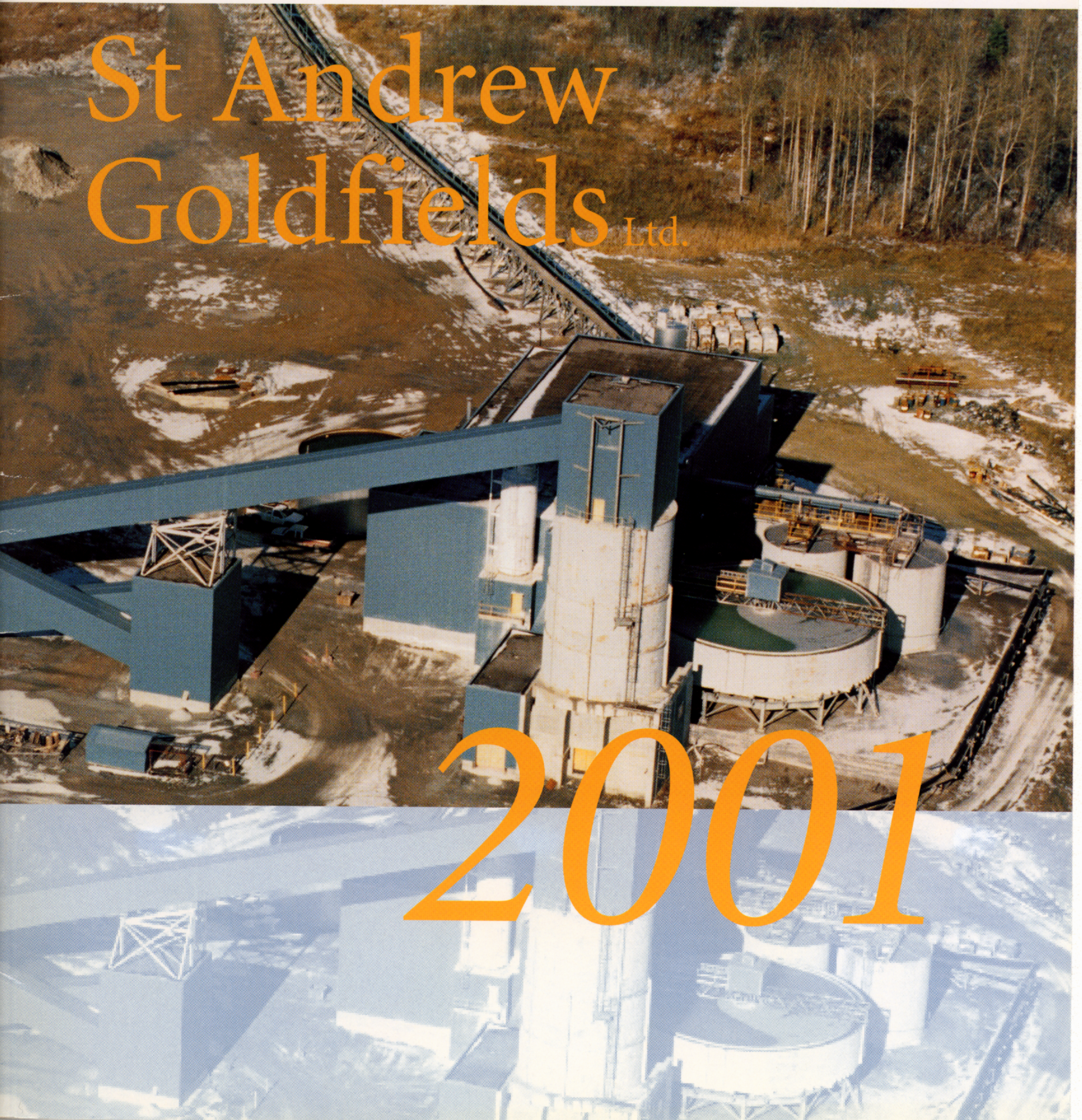
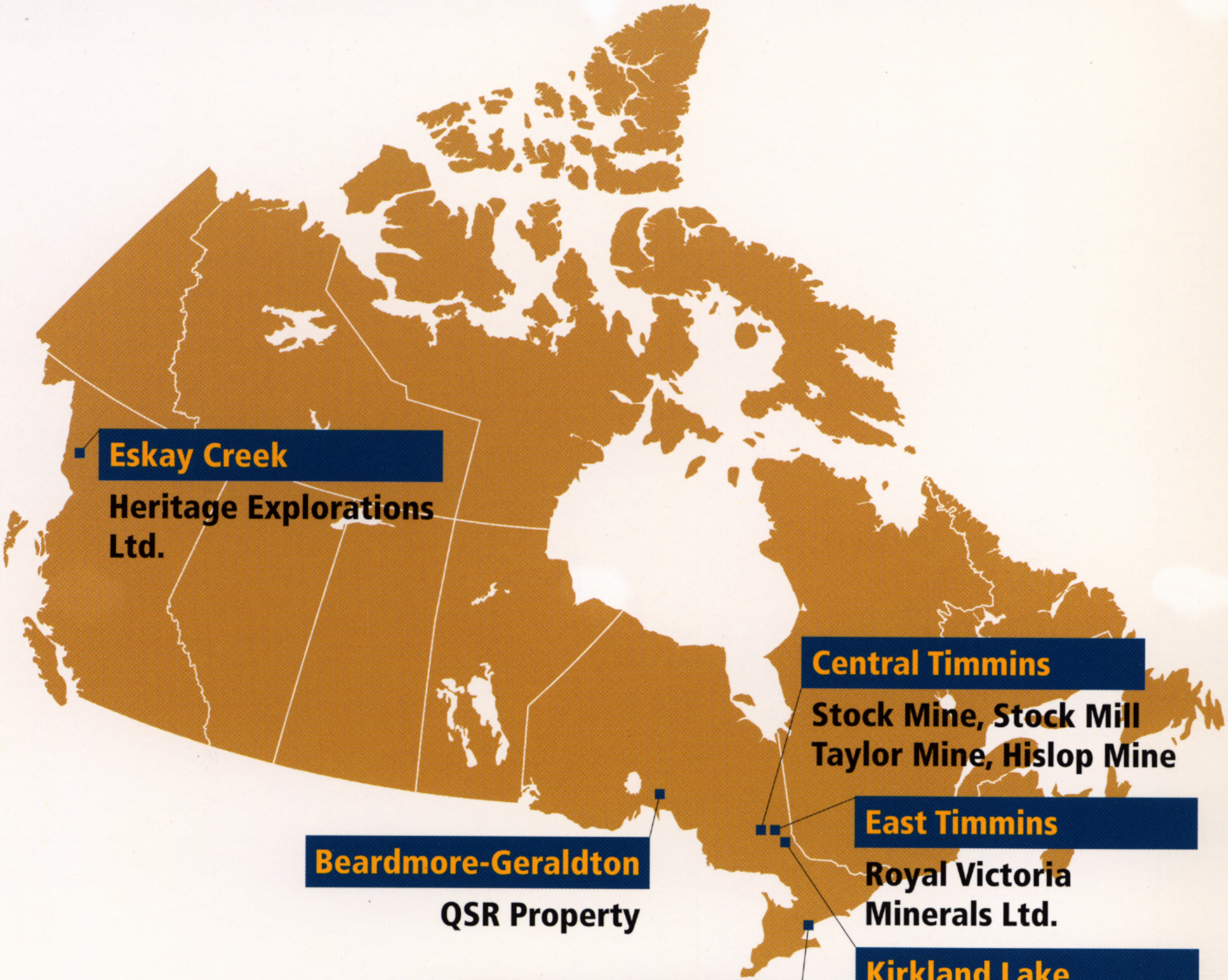
2001 Annual Report

St Andrew Goldfields Ltd.



2001

St Andrew Goldfields Ltd. is a Gold Mining and Exploration Company



ANNUAL MEETING

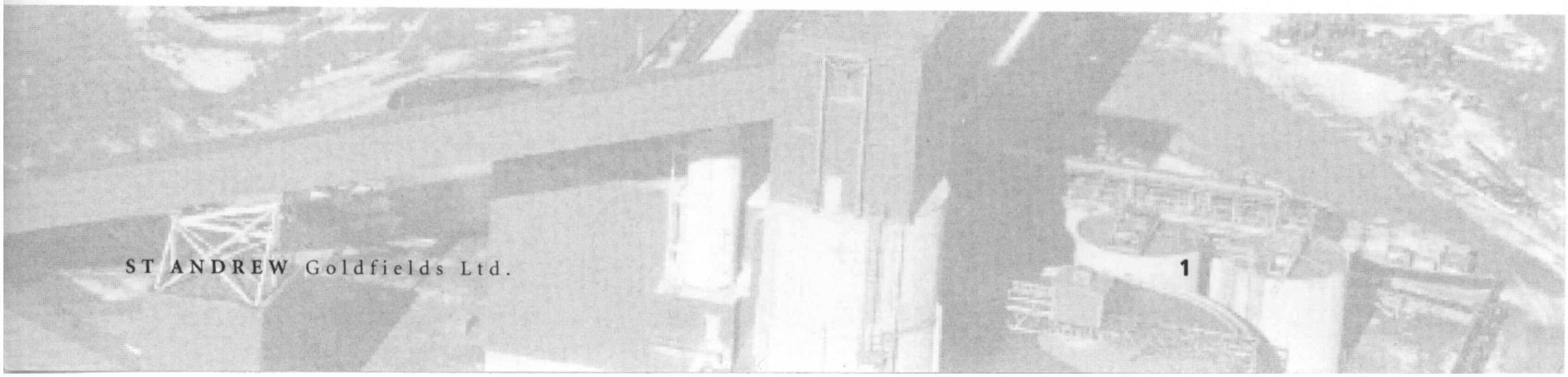
The Annual Meeting will be held on Wednesday, June 26th at 4:30 pm (Toronto time) at the Hilton Toronto, (Carmichael/Jackson Room), 145 Richmond Street West, Toronto, Ontario

Cover Photo
St Andrew's Stock Mine and Mill located at Stock Township near Matheson, Ontario, Canada.

CONTENTS

- **Accumulating and consolidating strategic land positions in some of Canada's most prolific mining camps**
- **Developing a "Geoinformatics Technology Platform" to define high quality exploration and mining targets**
- **Building a profile of gold reserves and resources through exploration and acquisition**
- **Existing gold reserves, mines and gold mill at Timmins Ontario**

ST ANDREW Goldfields Ltd.



President's Report to Shareholders

The year 2001 has been a busy year for St Andrew as we started implementing and developing the strategy to:

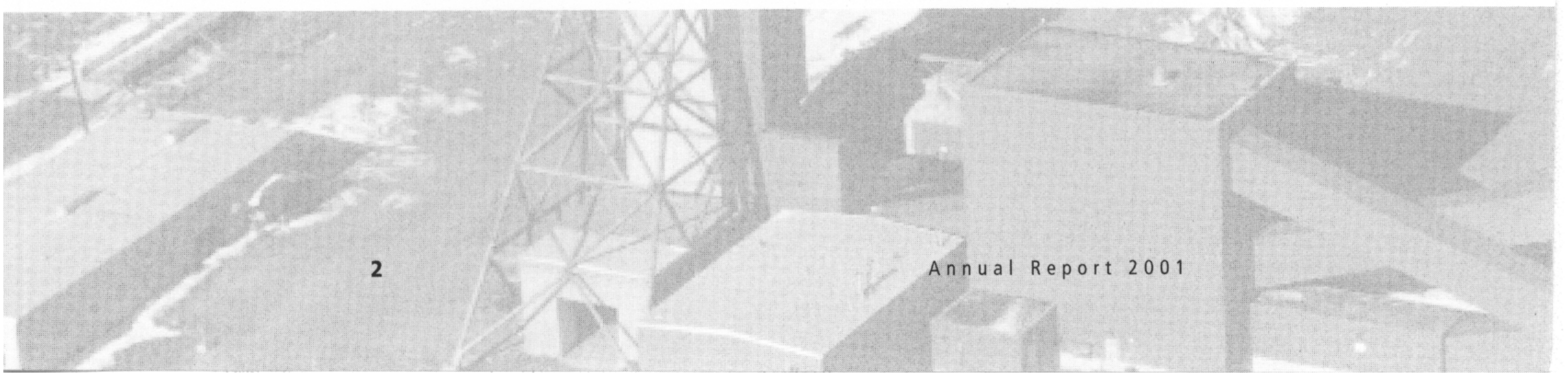
- **Restructure and refinance the Company**
- **Develop an exploration program that will build up gold reserves and resources for a future gold production profile**
- **Pursue opportunities to acquire and consolidate strategic land positions in prolific mining camps that would build our profile of gold reserves and resources**

The major restructuring and refinancing of St Andrew was completed in March 2001. During the rest of the year we undertook three financings to provide additional working capital for general corporate purposes and to provide funds for our exploration and acquisition programs.

Our exploration programs during 2001 involved two collaborations with Fractal Graphics Pty Ltd. of Perth, Western Australia. Fractal Graphics were the winners of the 2001 Goldcorp Red Lake Mine Gold Challenge. The collaboration with Fractal Graphics has resulted in the development of the St Andrew "Geoinformatics Technology Platform", that involves the collection, validation, 3D compilation, manipulation and modeling of vast heterogeneous diverse geological and geographical databases. We believe that the "Geoinformatics Technology Platform" improves our ability to define high quality exploration targets and properties, and to drive our exploration strategy which in turn places St Andrew in a competitive advantage position of having a better chance of a major discovery. Discoveries are seen as one of the key drivers of our strategy going forward to significantly add to our profile of gold reserves and resources.

The collaborations with Fractal Graphics were carried out in the Timmins and Eskay Creek Mining Camps, where camp-wide 3D databases were compiled and 3D models were produced, resulting in a number of interesting geological targets and areas of geological potential being highlighted.

Using the "Geoinformatics Technology Platform" as a guideline we started acquiring and consolidating strategic land positions in prolific Canadian gold mining camps, first acquiring an interest in Heritage Explorations Ltd., a TSX Venture Exchange company, and then an interest in Glenfred Holdings Inc., a private Ontario company. Both companies hold strategic land positions in the Eskay Creek Mining Camp. Additional staking and property



acquisitions were undertaken by Glenfred Holdings resulting in the accumulation of a significant land position of over 107,000 acres covering the very prospective Hazelton Rock formation, which is strategically and regionally important to the Eskay Creek Gold Mine, one of North America's richest gold and silver mines.

Heritage Explorations announced on April 12, 2002 the acquisition of a 100% interest in the issued and outstanding capital of Glenfred Holdings resulting in St Andrew owning a 44% interest in Heritage Explorations. This acquisition will result in Heritage Explorations becoming by far the largest landholder in the Eskay Creek Mining Camp, controlling interests in over 116, 000 acres. With the consolidation of this land position, we believe that Heritage Explorations will be a vehicle capable of financing the very impressive exploration and development potential that is emerging.

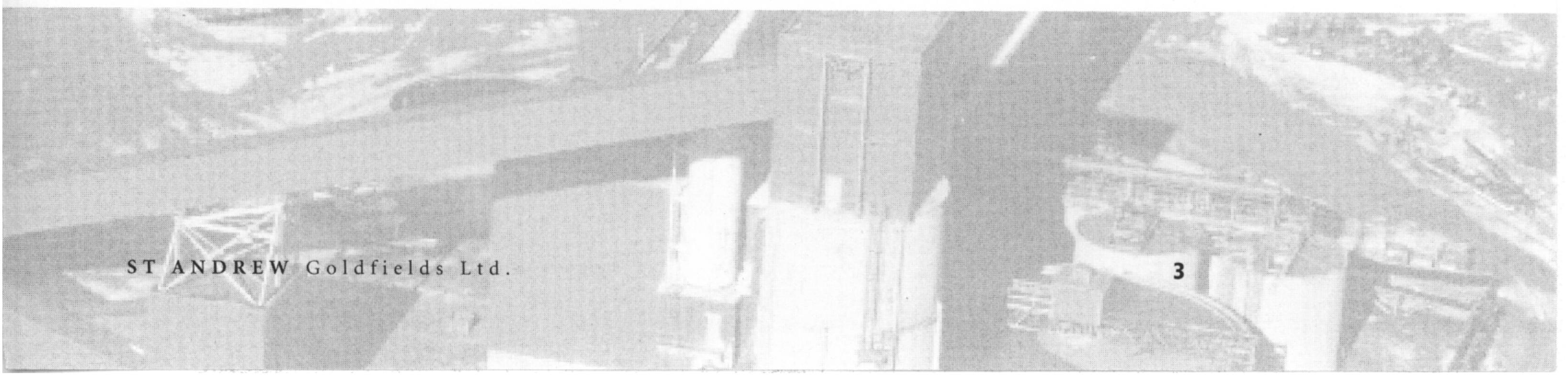
Based on the application of the "Geoinformatics Technology Platform" to the Timmins Mining Camp 3D database, St Andrew further implemented its land acquisition and camp consolidator strategy by acquiring a 30% interest in Royal Victoria Minerals Limited, a TSX Venture Exchange company that holds interests in 12 properties covering more than 16,000 acres in the eastern part of the Timmins mining camp. Additional land acquisitions are in progress.

St Andrew's strategy of accumulating and consolidating strategic land positions in some of Canada's most prolific mining camps, the use of the "Geoinformatics Technology Platform" which can define high quality exploration and mining targets, existing gold resources, our mines and gold mill at Timmins, and a rising gold market all places your Company in an extremely good position to participate in the present favourable climate for gold and precious mineral exploration and production.

I look forward to an interesting and exciting 2002.

Glenn Laing
President and Chief Executive Officer

Oakville, Ontario
May 16, 2002



Mineral Properties and Projects

Background

Towards the objective of building a gold reserve and resource base, St Andrew's gold property and project portfolio covers some of the more prolific gold camps in Canada.

Central Timmins Mining Camp

Stock Mine and Property

The Stock Mine properties consist of 247 wholly owned, staked, leased or patented claims in Stock Township. The Stock Mill was commissioned in 1988, refurbished in 1997, expanded in 1998 to a capacity between 1,100 to 1,300 tons per day and placed on care and maintenance at the end of 2000.

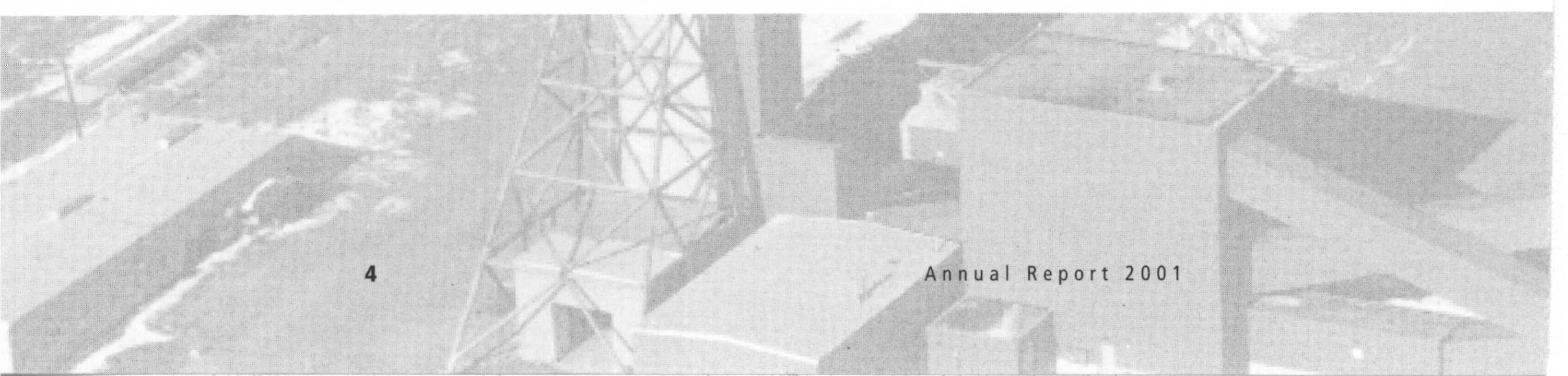
Between 1988 and 2000 the Stock Mine produced more than 131,000 ounces of gold. The mine has a shaft developed down to 900 feet and a production ramp from 450 feet to 1,100 feet below surface. Production in 2000 was 12,276 ounces at a cash operating cost of US$232 per ounce.

Previous exploration by St Andrew has suggested that the Stock gold system is open at depth and along strike. Surface drill holes intersected 0.40 ounces of gold per ton over 10 feet and 0.71 ounces per ton over 17 feet in two separate gold zones at a depth of 1,100 feet west of the existing mine workings. Another surface drill hole intersected 0.21 ounces of gold per ton over 17 feet, 500 feet below the mine workings.

The Taylor Mine and Property

The Taylor Township properties consist of 151 wholly owned, staked, leased or patented claims in the south-central part of Taylor Township, 43 miles east of Timmins. Located eight miles east of the Stock Mill, the Taylor Mine has estimated mineral resources of 2,716,000 tons grading 0.22 ounces gold per ton (at 0.10 ounces per ton cutoff grade using assays cut to one-ounce per ton) for a total resource of 605,600 ounces.

An extensive exploration effort by St Andrew with 461 surface diamond drill holes and 254 underground drill holes totaling 517,000 feet, has resulted in the delineation of a 1.5 mile long, 2,000 feet wide gold system, with over 20 mineralized zones including the Shaft, Shoot and West Porphyry Zones. The Taylor gold system is open to depth and along strike. A number of additional targets have been identified



Hislop Mine and Property

The Hislop property consists of 45 leased or patented claims in Hislop and Guibord Townships, 25 miles east of the Stock Mill. Between 1990 and 2000, production amounted to 49,618 ounces of gold from mining operations.

Since 1996, St Andrew has drilled 20 exploration targets, of which 15 have intersected gold mineralization. Among the best results was 1,500 feet below surface where 0.65 ounces per ton was intersected over 9.8 feet proving the depth potential of the property.

Other Properties in the Timmins Region

The Company also owns properties in German, Carr, and Bond Townships along the Porcupine-Destor Fault Zone. The Porcupine-Destor Fault Zone is the main structural feature that hosts most of the gold mines in the Timmins mining camp.

East Timmins Mining Camp

St Andrew's interests in the East Timmins Mining camp are held through its 30.4% interest in Royal Victoria Minerals Ltd. Royal Victoria has assembled twelve properties over 381 mineral claims covering approximately 7,450 hectares (over 16,000 acres) along the well mineralized Porcupine-Destor Fault Zone, in the Garrison, Michaud and Guibord Townships of Eastern Ontario. These properties host similar geological structures to the Barrick Holt-McDermott and Newmont Harker Holloway Gold Mines located several kilometres to the east. Each of these two mines has produced at an annual rate of 100,000 ounces of gold per year.

Eskay Creek Mining Camp

St Andrew's mineral property interests are held through its 37.2 % interest in Heritage Explorations and its 50% interest in Glenfred Holdings Inc. in the Skeena Mining Division, northwestern British Columbia. The combined Heritage and Glenfred interests cover over 116,000 acres, adjacent to, along strike, and in a regionally important context to one of North America's richest gold and silver mines, the Eskay Creek Gold Mine.

Beardmore-Geraldton Mining Camp

The QSR property, wholly owned by St Andrew, consists of 35 contiguous leased mining claims (1,623 acres) in the Townships of Irwin, Pifher, Walters and Elmhurst in the Beardmore-Geraldton Mining Camp, Northern Ontario.

The property includes the former Sturgeon River Mine, which mined 73,400 ounces of gold and 15,900 ounces of silver from 145,100 tons milled in the period from 1936 to 1942. Resources of 70,000 ounces of gold have been estimated. Exploration was done intermittently in the 1970's and in 1985. The property remains in good standing.

Kirkland Lake Mining Camp

The Larder "U Island" and the Winchester Larder properties, wholly owned by St Andrew, consist of patented claims plus licenses of occupation (1,495 acres) in McGarry and McVittie Townships of the Kirkland Lake Mining Camp, Larder Lake district, Ontario. The properties are near the Kerr Addison Mine.

Geoinformatics Technology Platform and Databases

A feature of the prolific and established mining camps in Canada and around the world is the vast amount of geological data and information that has been generated and the large number of diverse and heterogeneous databases within which this data and information is located.

Working in collaboration with Fractal Graphics Pty Ltd. of Perth, Western Australia, St Andrew has developed a "Geoinformatics Technology Platform" that provides for the collection and validation of geological data from a wide variety of sources, the compilation of such heterogeneous diverse databases into a single database, and the manipulation and modeling of this single database to produce a number of 3D exploration targets. These 3D exploration targets are then used to form the basis of an exploration and land acquisition strategy.

The application of this "Geoinformatics Technology Platform" has enabled St Andrew to compile very extensive 3D camp wide databases for the Timmins and Eskay Creek Mining Camps. These camp wide databases include the properties that St Andrew has interests in or wholly owns.

Compilation, manipulation and modeling of these databases have produced a number of interesting and exciting targets that will be further developed and explored in 2002.

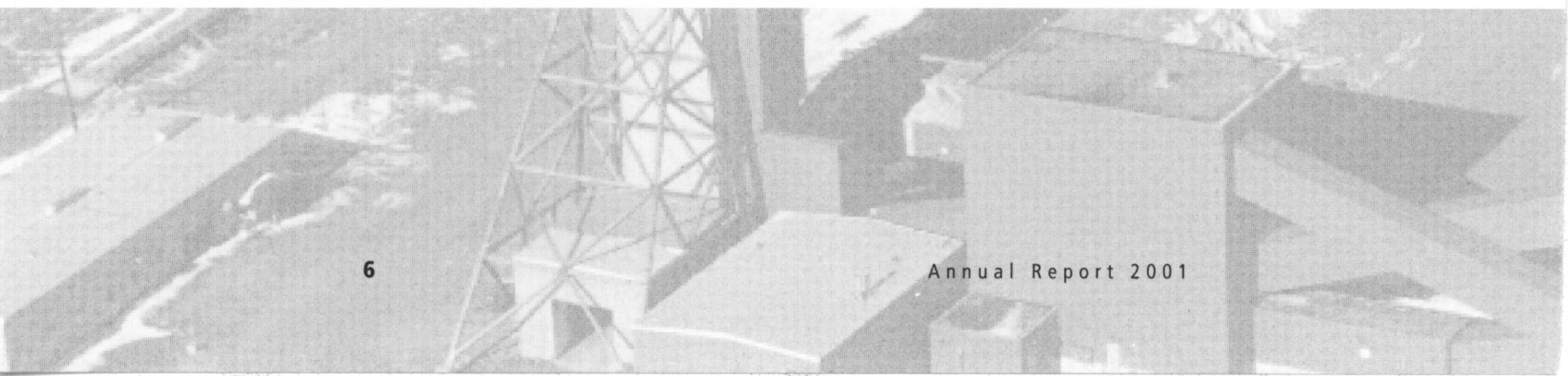
Gold Resources

Resources (1) *(as at December 31, 2001)*

		MEASURED			INDICATED			INFERRED			TOTAL	
Mines / Properties	**Tons**	**Grade ***	**Ounces**	**Tons**	**Grade ***	**Ounces**	**Tons**	**Grade ***	**Ounces**	**Tons**	**Grade ***	**Ounces**
Taylor												
West Porphyry Zone	–	–	–	1,330,000	0.26	339,000	520,000	0.25	129,000	1,850,000	0.25	468,000
Shaft				738,000	0.16	118,000	117,000	0.15	17,000	855,000	0.16	135,000
Shoot	–	–	–	6,000	0.22	1,300	5,000	0.27	1,300	11,000	0.24	2,600
Total - Taylor	–	–	–	2,074,000	0.22	458,300	642,000	0.23	147,300	2,716,000	0.22	605,600
Hislop Mine	108,000	0.10	10,000	212,000	0.17	37,000	118,000	0.41	48,000	438,000	0.22	95,000
Stock Mine	26,000	0.27	7,000	21,000	0.20	4,000	16,000	0.18	3,000	63,000	0.22	14,000
QSR				140,000	0.50	70,000				140,000	0.50	70,000
Total Resources	134,000	0.13	17,000	2,447,000	0.235	569,300	776,000	0.26	198,300	3,357,000	0.23	784,600

* Grade is given in ounces per ton

(1) The resources presented in this table have been classified according to the recommendations of the Canadian Institute of Mining, Metallurgy and Petroleum Ad Hoc Committee on mineral resource definitions



Management's Discussion and Analysis of Financial Results

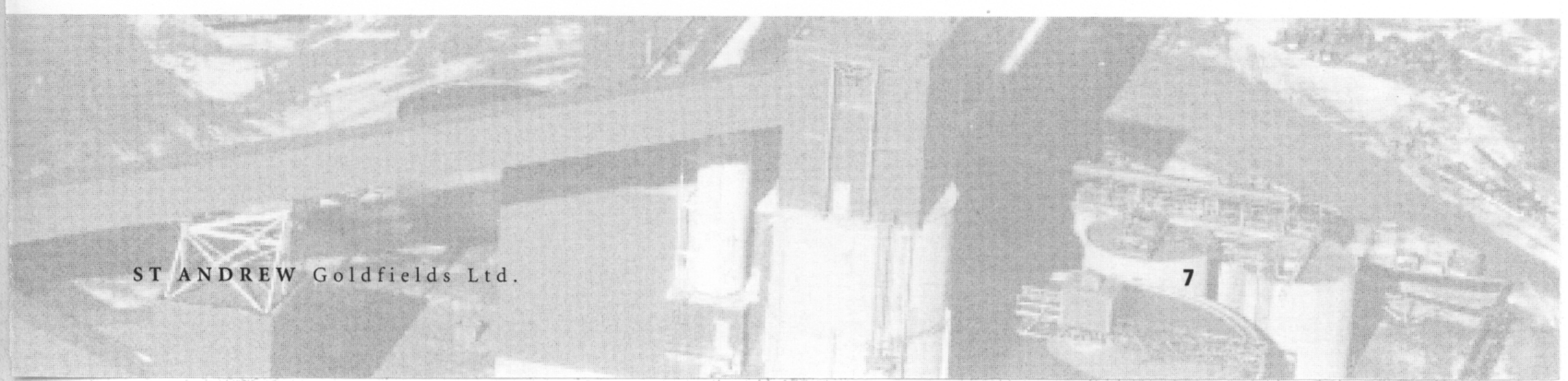
St Andrew Goldfields Ltd. ("St Andrew" or the "Company") is an exploration and mining company with known gold systems contained in a large land position with a permitted mill and mine sites in the Timmins area in Northern Ontario together with a significant ownership interest in both Heritage Explorations Ltd. ("Heritage") and Glenfred Holdings Inc. ("Glenfred"). Heritage and Glenfred hold interests in a large land position in the Eskay Creek region of Northern British Columbia. The Company will pursue a strategy to identify and expand its gold resources and reserves through a systematic exploration program, and pursue certain strategic opportunities.

Overview

After suspending mining and milling operations in December 2000, the Company focused on restructuring financially to deal with a substantial working capital deficit and an onerous debt burden. St Andrew, during 2001, undertook certain acquisition and exploration activities with the view to forming the basis of a future sustainable and profitable production profile.

The Company was able to significantly reduce its losses compared to the prior year. For the year ended December 31, 2001, St Andrew's loss was $2,107,000 or $0.04 per share compared to a loss of $8,404,000 or $0.31 per share for the previous year. For the year ended December 31, 2000, revenues were $10,869,000 including metal sales of $9,739,000 from the production of 23,613 ounces of gold at an average selling price of US$277. Based on the Gold Institute Standard for reporting production costs, cash costs averaged US$232 per ounce for the Stock Mine and US$278 per ounce for all production. Included in the prior year loss was $2,735,000 of depreciation, depletion and amortization due, substantially, to the amortization of capital assets associated with active operations. Since the Company was not in production in 2001, many of the assets were not amortized in accordance with the Company's accounting policy. Additionally, $2,439,000 of write-downs and accrual of shut-down costs were recorded in the 2000 fiscal year. Reductions in administrative costs, exploration expenditures and the elimination of direct operating costs were offset by the loss of revenue, increased care and maintenance expenses, losses on disposal of assets and the inclusion of the Company's share in losses of associated companies, Heritage and Glenfred.

Due to the reduction in debt and overdue accounts payable total interest charges were reduced. The company also realized $337,377 in debt forgiveness in 2001.



Quarterly Data *(unaudited)*

(in thousands of dollars, except per share amounts)

	March 2001	March 2000	June 2001	June 2000	September 2001	September 2000	December 2001	December 2000
Revenue	**$ –**	**$ 1,810**	**$ –**	**$ 3,264**	**$ –**	**$ 3,109**	**$ –**	**$ 2,686**
Loss from operations	**(419)**	**(1,629)**	**(331)**	**(3,682)**	**(389)**	**(1,746)**	**(843)**	**(565)**
Loss	**(488)**	**(1,730)**	**(436)**	**(3,812)**	**(491)**	**(1,882)**	**(692)**	**(980)**
Basic and diluted loss per share	**$ (0.01)**	**$ (0.06)**	**$ (0.01)**	**$ (0.14)**	**$ (0.01)**	**$ (0.07)**	**$ (0.01)**	**$ (0.04)**

Cash Flow and Liquidity

For the year ended December 31, 2001, cash used in operations before non-cash working capital changes was $1,562,000 compared to $3,770,000 for the same period in 2000. The Company's working capital deficit at December 31, 2001 was $313,000 compared to $8,214,000 at December 31, 2000. The $2,041,000 use of funds for the net change in non-cash working capital items in 2001 compared to the source of $3,857,000 for 2000 reflects the improvement in the working capital of the Company after the significant deterioration in working capital that took place in the prior year.

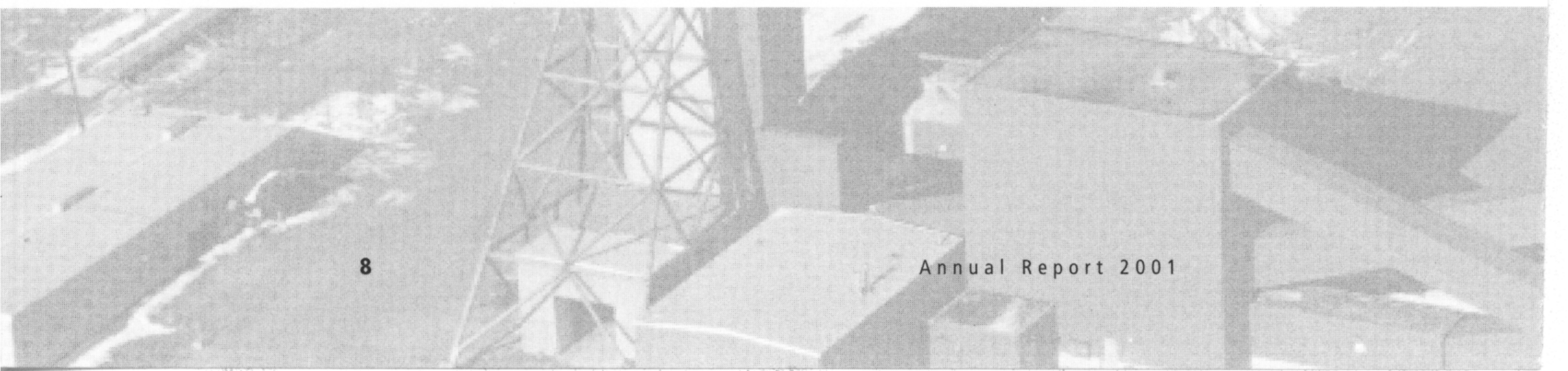
Capital Resources

During 2001, the Company completed numerous private placements, including the issuance of 11,747,936 shares to creditors as part of a debt settlement, to raise the funds necessary to stabilize the Company financially, to settle debt and to fund an acquisition and exploration program. Agreements were reached with certain leaseholders, whereby the Company settled its obligations, for some combination of debt forgiveness and cash payments including the proceeds from the disposal of the related equipment. The company has, at December 31, 2001, 22,895,333 warrants outstanding, most with an exercise price of $0.20, which, if exercised, would result in the Company receiving proceeds of approximately $4,570,000.

Outlook

St Andrew has, through its exploration program, developed an important relationship with Fractal Graphics Pty Ltd. The collaboration between the companies has not only identified exciting exploration targets to be followed up but has led to the development of St Andrew's "Geoinformatics Technology Platform". St Andrew has acquired a 37.2% interest in Heritage and a 50% interest in Glenfred. Subsequent to year end, St Andrew, Heritage and the other shareholders of Glenfred entered into an agreement whereby Heritage will acquire 100% of the issued and outstanding shares of Glenfred. This transaction is subject to Heritage's shareholders approval. Upon completion of this transaction, St Andrew will hold approximately 44% of Heritage and Heritage will hold interests in excess of 100,000 acres of mining claims in the Eskay Creek Mining Camp.

St Andrew, subsequent to year end, raised an additional $1,800,000 by way of private placement and has acquired, for $270,000, a 30.4% interest in Royal Victoria Minerals Limited ("Royal Victoria"). Royal Victoria holds interests in mining properties east of St Andrew's existing properties in the Timmins area.



Based on the data collected, verified, modeled and analyzed, exploration programs are being planned for the various projects to be funded by the related entities.

St Andrew owns interests in significant land positions in two world class gold mining regions where mining and milling infrastructure exists, has access to new technology giving the Company a competitive advantage and has the ability to effectively explore its land positions and generate new projects with exploration potential.

Recently Issued Accounting Standards

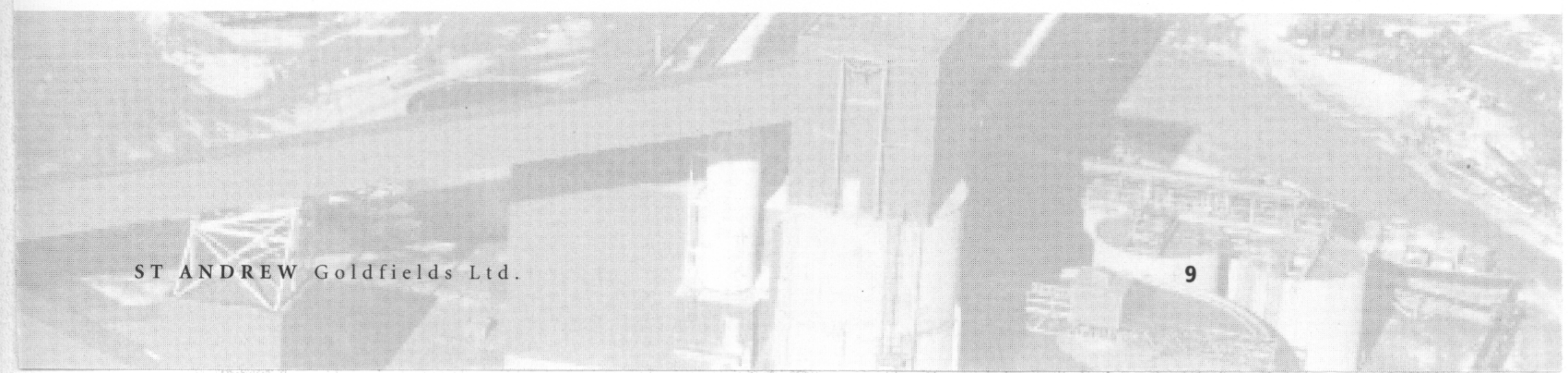
In December 2001, Handbook Section 3870, Stock-based Compensation and Other Stock-based Payments ("Section 3870") was issued. Section 3870 establishes standards for the recognition, measurement, and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services provided by employees and non-employees. It applies to transactions in which shares of common stock, stock options, or other equity instruments are granted or liabilities incurred based on the price of common stock or other equity instruments.

Section 3870 sets out a fair value-based method of accounting that is required for certain, but not all, stock-based transactions. Section 3870 must be applied to: all stock-based payments to non-employees, and to employee awards that are direct awards of stock, that call for settlement in cash or other assets, or are stock appreciation rights that call for settlement by the issuance of equity instruments. However, the new standard permits the Company to continue its existing policy that no compensation cost is recorded on the grant of stock options to employees. Consideration paid by employees on the exercise of stock options is recorded as share capital and contributed surplus.

Section 3870, however, does require additional disclosures for options granted to employees, including disclosure of pro forma earnings and pro forma earnings per share as if the fair value-based accounting method had been used to account for employee stock options.

Section 3870 will be applied prospectively to all stock-based payments to non-employees, and to employee awards that are direct awards of stock, call for settlement in cash or other assets, or are stock appreciation rights that call for settlement by the issuance of equity instruments, granted on or after January 1, 2002, except grants outstanding at January 1, 2002 that call for settlement in cash or other assets or stock appreciation rights that call for settlement in equity instruments. For such grants, the new recommendations are applied retroactively, without restatement.

The Company does not believe that the adoption of these standards will have a material impact on the Company's financial condition.



Management's Responsibility for Financial Reporting

The accompanying financial statements and all other information in this annual report are the responsibility of management and have been approved by the Board of Directors. The financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the financial statements.

The Company maintains systems of internal accounting and administrative controls in order to provide, on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board, and a majority of its members are outside directors. The Committee meets with management as well as the external auditors to discuss auditing matters and financial reporting issues and to review the annual report, the financial statements and the external auditors' report. The Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the shareholders. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or reappointment of the external auditors.

The financial statements have been audited by KPMG LLP, the external auditors, in accordance with the generally accepted auditing standards on behalf of shareholders. The external auditors have free access to the Audit Committee.

Glenn Laing	**Julian Kemp**
President and	*Chief Financial Officer*
Chief Executive Officer	
May 16, 2002	

Auditors' Report to Shareholders

To the Shareholders of St Andrew Goldfields Ltd.

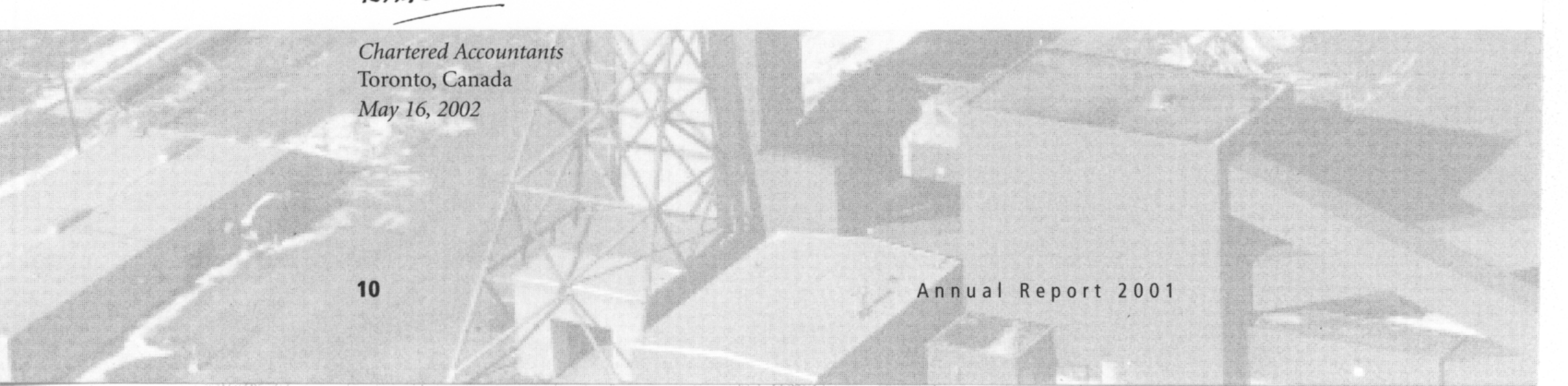
We have audited the balance sheets of St Andrew Goldfields Ltd. as at December 31, 2001 and 2000 and the statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion 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, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Toronto, Canada
May 16, 2002



Balance Sheets

December 31, 2001and 2000

	2001	2000
Assets		
Current assets:		
Cash and cash equivalents (note 9(c))	**$ 434,005**	$ 127,431
Accounts and settlements receivable	**275,581**	191,404
Inventory, supplies and prepaid expenses	**28,114**	95,509
	737,700	414,344
Capital assets (note 3)	**16,176,643**	17,306,639
Equity investments (note 5)	**639,157**	–
Funds on deposit (note 8)	**930,519**	1,064,839
Deferred financing costs	**96,322**	32,684
	$ 18,580,341	$ 18,818,506
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 1,028,741**	$ 4,880,884
Current portion of capital lease obligations and loans payable (notes 4 and 6)	**21,857**	3,747,527
	1,050,598	8,628,411
Capital lease obligations (note 4)	**16,395**	144,254
Convertible debenture liability (note 7)	**3,203,984**	–
Reclamation costs (note 8)	**1,287,509**	1,287,509
Shareholders' Equity:		
Share Capital (note 9)	**99,581,465**	93,606,277
Other paid-in equity (note 7)	**796,016**	–
Contributed Surplus	**16,536,988**	16,536,988
Deficit	**(103,892,614)**	(101,384,933)
	13,021,855	8,758,332
Basis of presentation (note 1)		
Commitments and contingencies (note 13)		
	$ 18,580,341	$ 18,818,506

See accompanying notes to financial statements.

On behalf of the Board:

Glenn Laing, *Director*

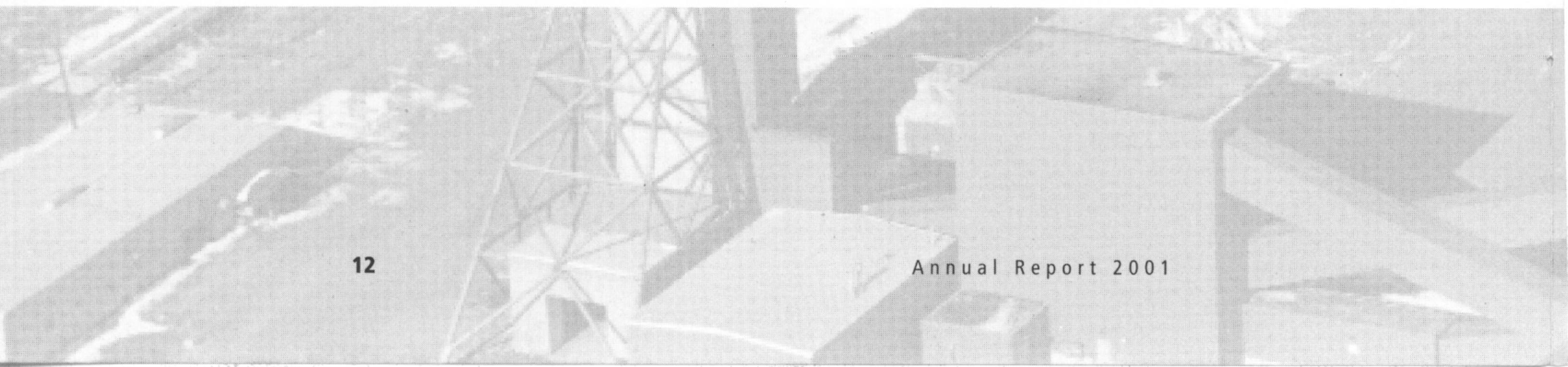
Herbert Abramson, *Director*

Statement of Operations and Deficit

Years Ended 31 December
Canadian Funds

		2001		2000
Revenue:				
Metal Sales	**$**	**–**	$	9,739,262
Custom milling (note 16)		**–**		1,129,397
		–		10,868,659
Expenses:				
Mining		**–**		5,997,619
Milling		**–**		4,218,878
Site services		**–**		1,076,039
Administration		**673,416**		1,209,139
Care and maintenance		**443,191**		132,050
Exploration		**610,686**		591,322
Share of loss in equity investments (note 5)		**119,828**		–
Depreciation, depletion and amortization		**134,955**		2,734,833
Reclamation		**–**		56,301
Write-down of capital assets and shut-down costs (note 3)		**–**		2,439,059
		1,982,076		18,455,240
Operating loss		**(1,982,076)**		(7,586,581)
Interest expense on long-term liabilities		**(364,993)**		(453,027)
Other income (expense) (note 10)		**239,763**		(364,018)
Loss for the year		**(2,107,306)**		(8,403,626)
Deficit, beginning of year		**(101,384,933)**		(92,981,307)
Accretion of equity component of convertible debentures		**(71,610)**		–
Share issue costs		**(328,765)**		–
Deficit, end of year	**$**	**(103,892,614)**	$	(101,384,933)
Basic and diluted loss per share (note 14)	**$**	**(0.04)**	$	(0.31)

See accompanying notes to financial statements.

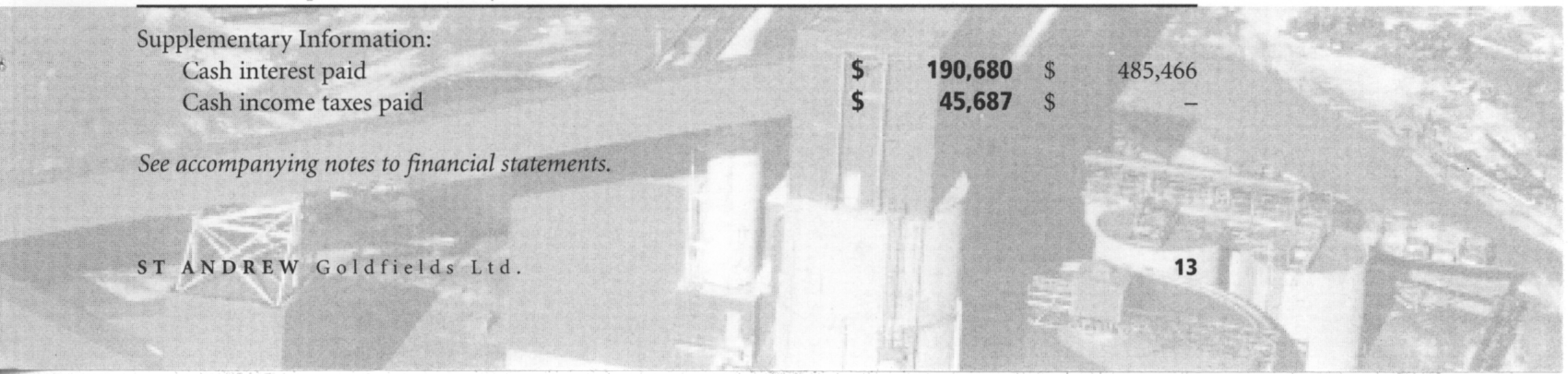


Statement of Cash Flows

Years Ended 31 December
Canadian Funds

	2001	2000
Cash provided by (used for):		
Operating activities:		
Loss for the year	$ (2,107,306)	$ (8,403,626)
Items not affecting cash:		
Depreciation, depletion and amortization	134,955	2,734,833
Write-down of capital asset	–	1,807,059
Share of loss in equity investment	119,828	–
Loss on disposal of capital assets	398,234	35,739
Gain on settlement of debt and accounts payable	(337,377)	–
Convertible debenture interest	229,760	–
Reclamation	–	56,301
	(1,561,906)	(3,769,694)
Net change in non-cash working capital (note 15)	(2,040,994)	3,857,417
	(3,602,900)	87,723
Financing activities:		
Common shares issued	2,210,160	–
Warrants issued	363,840	–
Convertible debentures	3,490,000	–
Loans payable	600,000	1,000,000
Payments on capital lease obligations and loans	(2,583,863)	(707,648)
Share and debenture issue costs	(207,595)	–
	3,872,542	292,352
Investing activities:		
Additions to plant and equipment	(13,713)	(236,290)
Acquisition cost of mining properties	–	(115,000)
Development expenditures	–	(1,414,415)
Acquisition cost of equity investments	(758,985)	–
Proceeds on disposal of assets	675,310	38,255
Decrease (increase) in funds on deposit	134,320	(2,316)
	36,932	(1,729,766)
Increase (decrease) in cash and cash equivalents	306,574	(1,349,691)
Cash and cash equivalents, beginning of year	127,431	1,477,122
Cash and cash equivalents, end of year	$ 434,005	$ 127,431
Supplementary Information:		
Cash interest paid	$ 190,680	$ 485,466
Cash income taxes paid	$ 45,687	$ –

See accompanying notes to financial statements.



Notes to Financial Statements

31 December 2001 and 2000
Canadian Funds

St Andrew Goldfields Ltd. (the "Company") is incorporated under the laws of Ontario. Its activities are directed toward gold exploration activities.

1. Basis of presentation:

During 2001, the Company carried out a financial restructuring program to address its working capital deficit and took steps to reduce its operational losses. As at December 31, 2001, the Company had no source of operating revenue, it had a working capital deficit and it is dependant on obtaining additional financing. Subsequent to year end the Company issued 12,000,000 units for gross proceeds of $1,844,710. Of these, 9,764,500 units were issued at $0.15 per unit and 2,235,500 units were issued at $0.17 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant from the $0.15 units entitles the holder to acquire one common share for $0.20 per share for up to three years from the date of closing. Each warrant from the $0.17 units entitles the holder to acquire one common share for $0.17 per share for up to three years from the date of closing. The Company's existence is dependent upon its continued ability to raise additional financing, to fund the future acquisition and exploration programs and to generate profitable operations.

2. Significant accounting policies:

These financial statements are prepared in accordance with accounting principles generally accepted in Canada.

a) **Cash and cash equivalents:**

Cash and cash equivalents include cash on account and highly liquid investments with a remaining term to maturity of three months or less at date of purchase.

b) **Revenue recognition:**

Metal sales revenue is recognized when gold has been extracted and processed at the on-site mill facility. Accounts and settlements receivable includes unsold refined gold and silver, dore or concentrates in process at the refiner and dore or concentrate in transit to the refiner. Settlements receivable are recorded at estimated net realizable value.

c) **Inventory:**

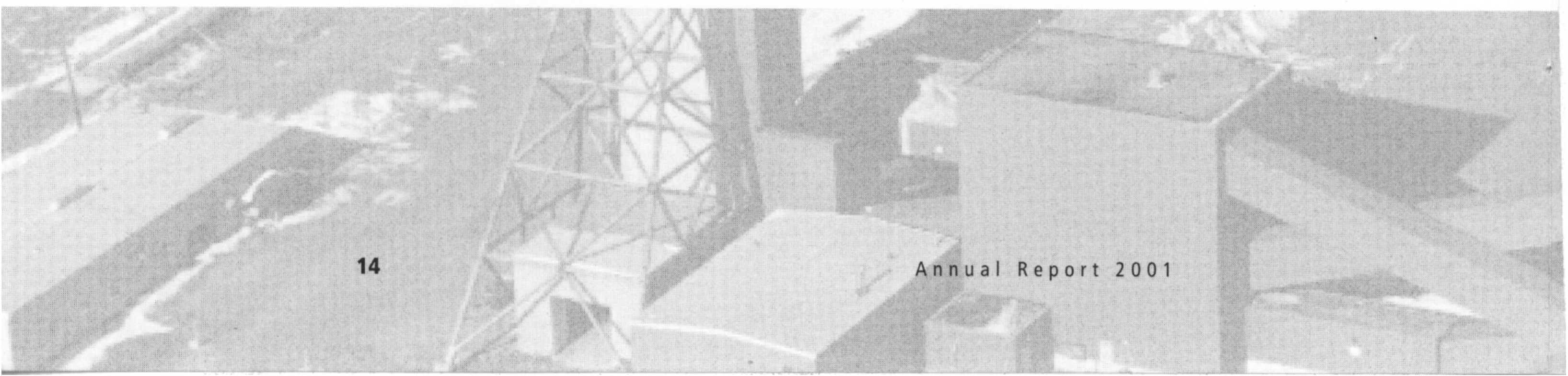
Gold in process and ore in stockpiles are stated at the lower of average production cost or net realizable value. Production costs include direct labour, benefits, direct material and other direct production costs. Supplies are stated at the lower of cost, on a first in first out basis, or replacement cost.

d) **Plant and equipment, and equipment under capital leases:**

Plant and equipment, and equipment under capital leases are recorded at the lower of cost and net recoverable amount. Depreciation is being provided on the unit-of-production basis or in certain circumstances on the straight-line basis designed to fully depreciate the assets over their estimated useful lives. Depreciation is suspended while the assets are not being utilized.

e) **Mining interests:**

Mining interests represent the cost of acquisition and all deferred development expenditures, less recoveries and write-offs, of non-producing mining properties, which have potential economically recoverable reserves. These costs will be charged against income if the properties to which they apply are brought into commercial production, or written off when the claims to which they relate are sold, abandoned or otherwise disposed of or if the costs are considered to be not economically recoverable. The cost of open pit waste rock removal is expensed as incurred.



Mining properties and deferred development expenditures are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. If the estimated future net cash flows expected to result from the use of the properties and their eventual disposition are less than the carrying amount, then these properties are written down to their estimated recoverable amount determined on a non-discounted basis.

Depletion is provided on mining interests, being producing mining properties and deferred mine development costs, using the unit-of-production method over the life of the estimated reserves.

The recoverability of the carrying value of the Company's mining interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development, and future profitable production or proceeds from disposition of its interests.

f) **Exploration expenditures:**

All exploration and pre-development evaluation expenditures incurred prior to establishing that a property has potential economically recoverable reserves are charged to earnings. Costs incurred subsequently are capitalized.

g) **Equity investments:**

Investments, over which the Company has the ability to exercise significant influence, are accounted for by the equity method. Under this method the Company includes in the statements of operations its share of the net earnings or losses of equity investees. The difference between the cost of the investments and the Company's share of the net assets acquired relates to specific mining interests and will be charged against income if the properties to which they apply are brought into commercial production, or written off when the claims to which they relate are sold, abandoned or otherwise disposed of or if the costs are considered to be not economically recoverable.

h) **Reclamation and closure costs:**

The provision for reclamation costs is based on engineering estimates of the anticipated method and extent of site restoration required to meet regulatory requirements. Estimated reclamation and closure costs relating to properties in commercial production will be charged to income over the estimated life of the mine on a unit of production basis. Estimated reclamation costs relating to properties which are not in commercial production, are capitalized as part of mining interests as the development work is carried out. Expenditures relating to ongoing environmental programs are charged against income as incurred.

In view of the uncertainties concerning environmental remediation, the ultimate cost of future reclamation and closure cost to the Company could differ from the amount provided. The Company continues to review anticipated costs associated with the future closure of its mines, including dismantling of the plant and equipment and reclamation costs of the land. Future changes, if any, in requirements, laws, regulations and the Company's operations may be significant and would be recognized prospectively.

i) **Stock-based compensation plans:**

The Company has a stock option plan, which is described in note 9. No compensation expense is recognized for these plans when stock options are issued. Any consideration paid by the optionee on exercise of stock options is credited to share capital.

j) **Income taxes:**

The Company uses the liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases as well as for the benefit of losses available to be carried forward to future years for tax purposes that are more likely than not to be realized.

k) **Loss per share:**

In December 2000, The Canadian Institute of Chartered Accountants released Section 3500, "Earnings per share", which has been applied on a retroactive basis in 2001. The standard requires the use of the treasury stock method in calculating diluted earnings per share. The retroactive application of this standard had no impact on the determination of diluted loss per share for 2000.

l) **Use of estimates:**

Management makes various estimates and assumptions in determining the reported amounts of assets and liabilities, revenues and expenses for each year presented. Changes in the estimates and assumptions will occur based on additional information and the occurrence of future events.

m) **Comparative figures:**

Certain of the comparative figures have been adjusted to conform to the December 31, 2001 presentation.

3. Capital assets:

	2001	2000
Milling:		
Plant and equipment, and equipment under capital leases	**$ 19,015,280**	$ 19,433,334
Less accumulated depreciation	**7,764,161**	7,773,783
Net book value	**11,251,119**	11,659,551
Mining:		
Plant and equipment, and equipment under capital leases	**4,395,630**	5,117,194
Less accumulated depreciation	**3,446,696**	3,446,696
Net book value	**948,934**	1,670,498
Deferred development and acquisition costs, net		
Taylor Township	**1,049,031**	1,049,031
Hislop Township	**1,116,433**	1,116,433
Stock Township	**1,418,621**	1,418,621
Other properties	**392,505**	392,505
	3,976,590	3,976,590
Total capital assets	**$ 16,176,643**	$ 17,306,639

In June 2000, the Company implemented plans to cease operations at the Hislop Open Pit. In December 2000, mining operations ceased at the Hislop Open Pit and mining and milling operation were suspended at the Stock mine and mill. During 2000, the Company wrote-down its carrying value of plant and equipment, and equipment under capital leases relating to the Hislop Open Pit mine in the amount of $1,057,038 and wrote off the deferred development costs associated with the pit in the amount of $689,396. A total of $60,625 was written off in respect of property acquisition costs for properties abandoned. In addition, the Company charged to income $632,000 relating to shutdown costs associated with suspension of operations. A net loss of $35,739 was realized on the disposal of property, plant and equipment.

In March 2001, the Company reached an agreement with its primary equipment lessor whereby the lessor would realize on its security and any shortfall between the proceeds on disposal and the obligation would be settled with the issuance of common shares. During 2001, the equipment lessor received sale proceeds of $575,310 and the Company realized a loss on disposal of $146,253 related to the leased equipment. The Company reached a new agreement with the equipment lessor to settle the shortfall, whereby the lessor agreed to forgive $241,190 of debt and the Company would make a $250,000 cash payment. Additionally, another equipment lessor agreed, prior to maturity, to a reduced cash buyout forgiving $27,477 of the obligation. The Company disposed of the related equipment for proceeds of $100,000, paid to the lessor, and realized a loss on disposal of $251,981.

At December 31, 2001, included in plant and equipment, and equipment under capital leases is leased equipment having a cost of $78,680 (2000 - $1,240,414) and a net book value of $73,435 (2000 - $1,070,641).

4. Capital lease obligations:

During 2001, the Company reached agreements with its principal equipment lessors and paid off certain outstanding obligations and sold the related equipment (refer to note 3). At December 31, 2001, the Company has remaining capital lease obligations totalling $38,252 (2000 – $1,191,781). The leases have three-year terms, bearing interest at rates from 8.2% to 10.5%, and have fixed principal and interest payments totalling $1,986 (2000 - $49,099) per month. Future minimum rental payments under the capital lease, excluding interest, are $21,857 for 2002 and $16,395 for 2003.

5. Equity investments:

The Company's equity investments and share in losses from its equity investments are as follows:

	Heritage Explorations Ltd.	*Glenfred Holdings Inc.*	*Total*
Common shares held	2,750,000	500	
Carrying Value, January 1, 2001	$ –	$ –	$ –
Acquisition cost	306,592	452,393	758,985
Equity loss	(66,172)	(53,656)	(119,828)
Carrying value, December 31, 2001	$ 240,420	$ 398,737	$ 639,157

In September 2001, the Company completed, by way of private placement, the acquisition of a 50% interest in Glenfred Holdings Inc. ("Glenfred") for $452,393 including the costs of acquiring the shares. The difference of $216,324 between the cost of the investment and the Company's share of the net assets acquired relates to mineral properties.

At December 31, 2001, the Company held 50% of the equity voting rights of Glenfred. However, as it is not the intention of the Company to maintain a controlling interest in Glenfred, the Company's interest is shown as an equity accounted investee. Subsequent to year end, the Company entered into an agreement with Heritage Explorations Ltd. ("Heritage") and the remaining shareholders of Glenfred whereby Heritage will acquire all of the issued and outstanding shares of Glenfred. Upon completion of this transaction the Company's ownership interest in Heritage will be approximately 44%.

In September 2001 and December 2001, the Company completed, by way of private placement, the acquisition of 1,250,000 and 1,500,000 units, respectively, of Heritage for $306,592 including the cost of acquiring the units. Each unit consisted of one common share and one common share purchase warrant. The acquisition of the shares in September 2001 gave the Company a 28.5% interest in Heritage. The acquisition of the shares in December 2001 increased the Company's interest to 37.2%. The Company's share of the net assets acquired exceeds the cost of the investment by $522,771. This excess relates to mineral properties.

Subsequent to year end, the Company completed, by way of private placement, the acquisition of a 2,000,000 units or a 30.7% interest in Royal Victoria Minerals Limited for $270,000. Each unit consists of one common share and one common share purchase warrant.

6. Loans payable:

A term loan was entered into with a private merchant bank on December 2, 1999. The loan was to mature on March 31, 2001. Interest, payable monthly, was calculated at Royal Bank of Canada's prime rate plus 7.5%. Monthly principal payments of $25,000 were required with the balance due at maturity. The loan was secured by mortgages on certain properties together with a general security agreement on all of the assets of the Company. The balance outstanding at December 31, 2001 was $Nil (2000 - $1,675,000). The Company incurred $176,020 in fees and expenses to arrange the term loan. These costs were deferred and charged to income over the term of the loan. This loan was repaid on March 30, 2001.

During 2000, the Company entered into a demand loan with a private investment company. Interest, payable monthly, was calculated at Royal Bank of Canada's prime rate plus 2%. The loan was secured by second mortgages on certain properties together with a general security agreement on all of the assets of the Company, subject to the first position of the term loan outstanding. During the first quarter of 2001, the Company was advanced a further $600,000 under this facility. The balance outstanding at December 31, 2001 was $Nil (2000 - $1,000,000). This loan, together with associated interest of $67,321 was settled by a $66,321 payment in cash, $510,000 of convertible debentures issued pursuant to a private placement (Note 7) and $1,091,000 of units issued pursuant to a private placement (Note 9(c)). In connection with the various financing initiatives undertaken by the Company including the arrangement of this demand loan, an agreement for financial advisory services was entered into with a private investment company. The president of this private investment company is also a director of the Company. During 2001, fees aggregating $10,000 (2000 - $80,000) were incurred under this agreement.

7. Convertible debentures:

On March 30, 2001, the Company completed a private placement of $4,000,000 secured convertible debentures. The debentures mature on March 30, 2004, bear interest at a rate of 10% per annum and are secured by mortgages on certain properties together with a general security agreement on all of the assets of the Company. The interest, payable semi-annually, may be settled, at the Company's option, in shares. The debentures may be converted into units in the Company, at a conversion price of $0.15 per unit, any time prior to maturity. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company for $0.20 per share any time until March 30, 2004. Any time subsequent to the Company's closing share price averaging more than $0.45 per share during any 30 consecutive trading day period, the Company, at its option, may redeem the debentures. If all of the debentures are converted, 26,666,666 shares and 13,333,333 warrants of the Company would be issued.

These convertible debentures have been classified into debt and equity components in the financial statements. The portion of the obligation representing the value of the Company's right to satisfy the interest obligation with common shares of $1,025,776 plus accretion of $71,610 less the issuance of 2,753,685 shares to December 31, 2001 of $301,366 has been presented as other paid-in equity in shareholders' equity. The equity component will accrete over the life of the debenture to ensure the carrying value of the debenture is equal to the value of the interest obligation being settled in shares. The financial liability component at December 31, 2001 has been shown as a convertible debenture liability of $3,203,984 classified as long-term and includes accrued accounting interest charges of $229,760. The costs of issuing the debenture of $128,430 were deferred and will be charged to earnings over the life of the debenture.

8. Reclamation costs:

The Company's estimates and amounts provided are as follows:

	Estimated cost	*2001*	*2000*
Stock Mine and Mill	$ 1,068,350	**$ 1,068,350**	$ 1,068,350
Hislop Mine	141,278	**141,278**	141,278
Taylor Mine	336,801	**77,881**	77,881
	$ 1,546,429	**$ 1,287,509**	$ 1,287,509

The Company's reclamation plans for the Stock Mine and Mill, the Hislop Mine, and the Taylor Mine were approved by the Ontario Ministry of Northern Development and Mines. The Company has fully provided for the anticipated costs for the Stock Mine and Mill and the Hislop Mine. The reclamation plan for the Taylor Mine anticipates the cost of closure subsequent to completing an underground exploration and development work program, which has not been implemented.

Included in funds on deposit at December 31, 2001 is $866,878 (2000 - $866,878) as financial assurance against these future costs.

9. Share capital:

a) *Authorized share capital:*

20,000,000 convertible preferred shares of no par value with a non-cumulative dividend of $0.20 per annum. There were no preferred shares outstanding during the years presented.

Unlimited number of common shares of no par value.

	Number of warrants	*Number of shares*	*Amount*
Common shares		27,178,039	$ 93,606,277
Warrants	338,800		–
Balance, January 1, 1999 and 2000	338,800	27,178,039	$ 93,606,277
Common shares:			
Issued for cash		17,160,000	2,210,160
Issued for the settlement of debt		11,747,936	1,758,122
Issued for the settlement of loans		7,273,333	916,440
Issued for settlement of convertible debenture and other interest		2,753,685	302,466
Issued for agent's financing fee		1,600,000	240,000
	338,800	67,712,993	$ 99,033,465
Warrants:			
Issued for cash	15,160,000		363,840
Issued for the settlement of loans	7,273,333		174,560
Issued for agent's financing fee	430,000		9,600
Expired	(306,800)		–
Balance, December 31, 2001	22,895,333	67,712,993	$ 99,581,465

b) *Common Shares and Warrants*

On December 28, 2001, by way of private placement, the Company issued 2,000,000 flow-through common shares for gross proceeds of $300,000. The Company renounced the tax benefit to the shareholders in February 2002.

Between August 28, 2001 and November 1, 2001, by way of private placement, the Company issued 9,100,000 units consisting of one common share and one common share purchase warrant for gross proceeds of $1,365,000. Included were $600,000 of proceeds relating to certain flow through arrangements. The Company renounced the tax benefit to shareholders on February 2002. Each warrant entitles the holder to acquire one common share for $0.20 on or before August 29, 2004 for 4,100,000 warrants and on or before October 4, 2004 for 5,000,000 warrants. In the Company's accounts $218,400 has been allocated to warrants. The agent received 400,000 common shares and 400,000 warrants as fees. Each warrant entitles the agent to acquire one common share for $0.20 on or before October 4, 2004.

On March 30, 2001, by way of private placement, the Company issued a total of 13,333,333 units for cash proceeds of $909,000 and loans settlements of $1,091,000. Each unit consisted of one share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share for $0.20 on or before March 30, 2004. In the Company's accounts $320,000 was allocated to warrants.

On March 30, 2001, pursuant to agreements reached with trade and other creditors, the Company settled certain accounts payable by issuing a total of 11,747,936 shares in the amount of $1,758,122. In addition, $68,710 of creditor obligations was forgiven.

During 2001, pursuant to a demand loan, the lender and certain of its investors received in total 30,000 warrants and 30,000 stock options under the Company's stock option plan. Each warrant entitles the holder to acquire one common share at a price of $0.15 on or before August 28, 2002. During 2000, the lender and certain of its investors received in total 20,000 warrants and 80,000 stock options under the Company's stock option plan. Each warrant entitles the holder to acquire one common share at a price of $0.30 on or before February 4, 2002 for 17,500 warrants and $0.125 on or before March 20, 2002 for 2,500 warrants. At December 31, 2001, none of the warrants had been exercised. Subsequent to year end, 20,000 warrants expired unexercised and 15,000 stock options were exercised for proceeds of $1,750. Pursuant to a certain property acquisition agreement, 12,000 common shares were reserved for warrants to purchase common shares. As at December 31, 2001, all the warrants have been issued and remain outstanding. Each warrant entitles the holder to acquire one common share at a price of $1.90 on or before September 9, 2002.

c) Stock Options:

The Company has a director, officer and employee incentive stock option plan under which a maximum of 5,400,000 common shares may be issued. Options granted under the plan will be exercisable for a maximum period of 5 years from the date of granting and the exercise price will be the closing price on The Toronto Stock Exchange on the day immediately prior to the date of granting. The vesting periods for the options granted vary and are determined by the Board of Directors on the date of grant. During 2001, a total of 4,065,000 options were granted including the re-grant of 1,635,000 options previously cancelled. These options have the same vesting and expiry dates as the original options but were re-priced at $0.15 per share.

		2001		*2000*
Stock Options	***Shares***	***Weighted-Average Exercise Price***	*Shares*	*Weighted-Average Exercise Price*
Outstanding at beginning of year	2,625,000	$0.93	2,474,000	$1.00
Granted	4,065,000	0.15	430,000	0.37
Exercised	–	–	–	–
Forfeited or expired	(2,795,000)	0.88	(279,000)	0.71
Outstanding at end of year	3,895,000	0.15	2,625,000	0.93
Options exercisable at year end	2,065,674	0.15	1,953,020	0.96

The following table summarizes information about stock options outstanding at December 31, 2001.

Exercise Prices	***Options Outstanding***	***Weighted-Average Remaining Contractual Life*** *(years)*	***Weighted-Average Exercise Price***	***Options Exercisable***	***Weighted-Average Exercise Price***
$0.10 - $0.14	20,000	0.4	$0.12	20,000	$0.12
$0.15	3,875,000	3.6	$0.15	2,045,674	$0.15

10. Other income (expense):

	2001	*2000*
Interest income	$ **24,292**	$ 9,424
Interest expense	**(56,542)**	(241,076)
Gain on settlement of debt and accounts payable	**337,377**	–
Loss on disposal of capital assets (note 3)	**(398,234)**	(35,739)
Other income (expense)	**332,870**	(96,627)
	$ **239,763**	$ (364,018)

11. Income taxes:

As at December 31, 2001, the Company had approximately $7,200,000 (2000 - $6,000,000) of non-capital loss carry-forwards expiring between the years 2003 to 2008. In addition, the Company had approximately $900,000 (2000 - $900,000) of capital loss carry-forwards. The ability of the Company to utilize these losses is unlikely and therefore a full valuation allowance has been provided against these assets.

As at December 31, the significant components within the Company's net future tax asset are as follows:

		2001		*2000*
Loss carry-forwards	$	**2,847,000**	$	2,676,000
Capital assets		**268,000**		144,000
Canadian resource deductions		**6,628,000**		6,966,000
Reclamation liabilities		**358,000**		397,000
Financing costs		**151,000**		130,000
		10,252,000		10,313,000
Valuation adjustment		**(10,252,000)**		(10,313,000)
	$	**–**	$	–

Income tax expense (recovery) varies from the amounts that would be computed by applying the federal and provincial statutory tax rates because the Company has not recognized the tax benefit of operating losses incurred.

12. Fair values of financial assets and financial liabilities:

The carrying amounts of cash and cash equivalents, accounts and settlements receivable, funds on deposit, accounts payable and accrued liabilities, lease obligations and convertible debenture obligation approximate their fair values.

13. Commitments and contingencies:

In March 1996, a subsidiary of the Company entered into a financing arrangement in which it issued to an unrelated party a $17,095,000 debenture and $2,755,000 of preferred shares for total cash of $19,850,000. The debenture bore interest at 6.1725% and was repaid March 19, 1997. The debenture was secured by funds held on deposit for the debenture repayment. The Company also guaranteed the repayment of the debenture. In connection with this arrangement, the subsidiary renounced to the investor certain mineral development expenditures for tax purposes in the amount of $19,850,000. As a result, the redemption amount of the preferred shares was reduced to $100 and the difference of $2,754,900 has been included in contributed surplus. During 1997, the preferred shares were redeemed.

The mineral development expenditures, which were renounced to the investor in 1996, were based, in part, on independent valuations of certain related mineral properties. Canada Customs and Revenue Agency (CCRA) have challenged certain of those valuations and accordingly the amount renounced to the investor. The Company may be contingently liable for certain losses or damages to the investor, if any, that may result if CCRA is ultimately successful in its challenges.

14. Loss per share:

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period. Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued. The impact of outstanding options, warrants and the convertible debentures on the Company's loss per share has been excluded, as it would be antidilutive.

		2001		*2000*
Numerator:				
Loss for the year	$	**(2,107,306)**	$	(8,403,626)
Accretion of equity component of convertible debentures		**(71,610)**		–
Loss applicable to common shares		**(2,178,916)**		(8,403,626)
Denominator:				
Weighted average common shares outstanding		**50,159,707**		27,178,039
Basic and diluted loss per common share	$	**(0.04)**	$	(0.31)

15. Changes in non-cash working capital:

The changes in the non-cash working capital relating to operations which provided (used) cash are detailed below:

		2001		*2000*
Accounts and settlements receivable	$	**(84,177)**	$	879,266
Inventory, supplies and prepaid expenses		**67,395**		453,342
Accounts payable and accrued liabilities		**(2,024,212)**		2,524,809
	$	**(2,040,994)**	$	3,857,417

16. Significant customer:

For the year ended December 31, 2000, one customer accounted for all of the Company's custom milling revenue.

Corporate Information

Board of Directors

Herbert Abramson
President
Strategic Capital Partners Inc.

Stephen Burns
Partner
Shimmerman. Penn. Becker. Burns, LLP

David (Jerry) Groberman
Retired financial investment advisor

Glenn Laing
President and CEO of the Company

Nominee
Warren Newfield
President and CEO
Tau Capital Corp.

Officers and Senior Management

Herbert Abramson
Chairman

Glenn Laing
President and Chief Executive Officer

Julian Kemp
Chief Financial Officer

Bruce Ramsden
Corporate Secretary

Corporate Office

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Tel: (705) 273-2525
Fax: (705) 273-3333

Auditors

KPMG LLP
Chartered Accountants
Toronto, Ontario

Legal Counsel

Lang Michener
Toronto, Ontario

Bank

Canadian Imperial Bank of Commerce
Oakville, Ontario

Registrar and Transfer Agent

CIBC Mellon Trust
320 Bay Street, 6th floor
Toronto, Ontario
M5H 4A6

Share Listing

The Toronto Stock Exchange
Trading Symbol "SAS"

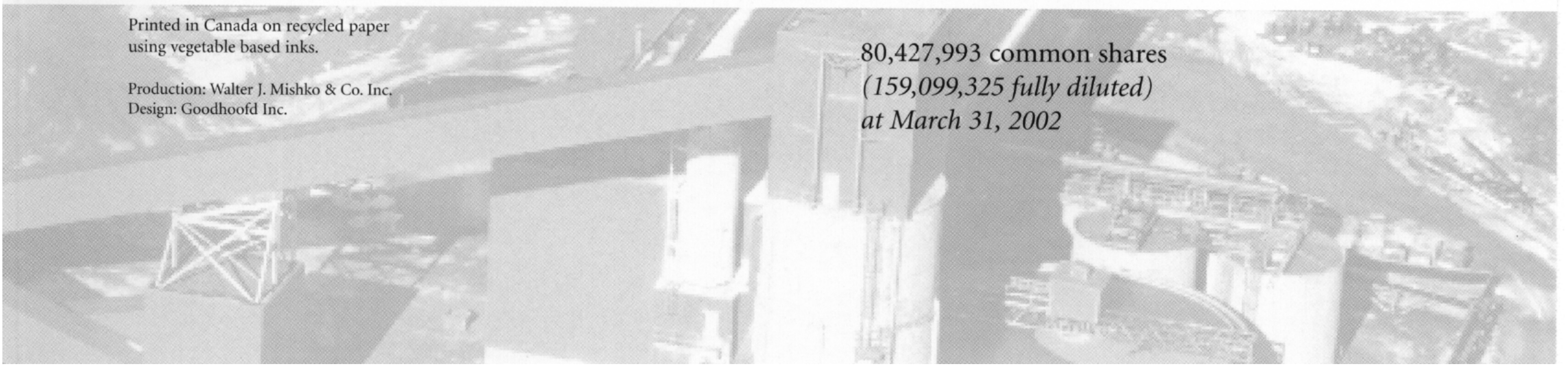
Issued and Outstanding

67,712,993 common shares
(134,503,325 fully diluted)
at December 31, 2001

80,427,993 common shares
(159,099,325 fully diluted)
at March 31, 2002

Conversion Factors

1 foot	=	.3048 metres
1 mile	=	1.6093 kilometres
1 sq. mile	=	2.59 sq. kilometres
1 sq. mile	=	640 acres
1 acre	=	.4047 hectares
1 troy ounce	=	31.1035 grams
1 ton	=	.90718 tonnes
1 ton	=	2000 pounds
1 pound	=	.4536 kilograms
1 ounce/ton	=	34.2857 grams/tonnes



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