No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

AMENDED AND RESTATED
EXCHANGE OFFERING PROSPECTUS

NEW ISSUE **DATED: November 29, 2001**
AS AMENDED ON: March 28, 2002

PANAMEX RESOURCES INC.
(Name to be changed to Ross River Minerals Inc.)
(the "Company")

$1,500,000 – 5,000,000 Units (Maximum)
$1,200,000 – 4,000,000 Units (Minimum)

$0.30 per Unit, Each Unit Consisting of One Common Share and One Common Share Purchase Warrant

This amended and restated exchange offering prospectus (the "Prospectus") qualifies for distribution a maximum of 5,000,000 and a minimum of 4,000,000 units (each a "Unit") of the Company at a price of $0.30 per Unit (the one common share of the Company ("Common Share") and one common share purchase warrant ("Purchase Warrant"). Each Purchase Warrant will entitle the holder to acquire one additional Common Share at a price of $0.35 for a period of one year following the day the Purchase Warrants are posted and called for trading on the Canadian Venture Exchange (the "Exchange") (see "Plan of Distribution") and at a price of $0.45 thereafter for a period ending 18 months following the day the Purchase Warrants are posted and called for trading on the Exchange. This Prospectus also qualifies for distribution the maximum of 5,000,000 Common Shares and 5,000,000 Purchase Warrants that comprise the Units. The offering price of the Units was determined by negotiation between the Company and Canaccord Capital Corporation. The outstanding Common Shares of the Company are listed for trading on the Exchange under the trading symbol "PAX". Trading in the Common Shares on the Exchange was suspended on October 25, 1999. The closing price of the Common Shares was $0.05 per share on October 12, 1999, being the last day the Common Shares were traded on the Exchange. An application has been made with the Exchange to reinstate the Common Shares for trading. **There is no market through which the Purchase Warrants may be sold and purchasers may not be able to resell the Purchase Warrants purchased under this Prospectus.** An application has been made to conditionally list the Purchase Warrants offered under this Prospectus on the Exchange. The listing of Purchase Warrants is subject to the Company fulfilling all of the requirements of the Exchange, including the distribution of a sufficient number of such warrants to a minimum number of public holders.

PRICE: $0.30 per Unit

	Price to the Public	Agent's Discounts and Commissions[(1)]	Net Proceeds to Company[(2)]
Per Unit:	$0.30	$.024	$0.276
Minimum Offering	$1,200,000	$96,000	$1,104,000
Maximum Offering	$1,500,000	$120,000	$1,380,000

Notes:

1. The Agent will receive a corporate finance fee of 100,000 Common Shares and a cash commission equal to 8% of the gross proceeds. In addition, the Company has agreed to grant the Agent that number of compensation warrants of the Company (the "Agent's Warrants") equal to 20% of the Units issued under this Offering, for no additional consideration. Each Agent's Warrant will entitle

Agent's Warrants".

2. Before payment of the expenses of the Offering, the total of which are estimated at $180,000, including the Agent's expenses estimated at $5,000 plus GST and a sponsorship fee payable to the Agent of $25,000 plus GST. Approximately $110,000 of the total estimated expenses have been paid and the remaining $70,000 will be deducted from the gross proceeds of the Offering. See "Use of

The Company has engaged Canaccord Capital Corporation (the "Agent") to act as the Company's agent to offer the Units on an agency basis in accordance with the conditions that are contained in the Agency Agreement referred to under the heading "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by Reid & Company and on behalf of the Agent by Miller Thomson.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Following a consolidation of the Common Shares, with every five Common Shares being consolidated into one Common Share (the "Share Consolidation"), the Company expects to acquire an aggregate of 5,035,000 common shares of Ross River Gold Ltd. ("Ross River

exchange agreement dated effective July 10, 2001, in exchange for Common Shares of the Company (the "Transaction"). The Transaction will involve a reverse takeover of the Company and a change of control to the former shareholders of Ross River will result therefrom. In connection with the Transaction and subject to approval of the Exchange, 750,000 Common Shares (150,000 Common Shares post-consolidation) held in escrow (the "Escrowed Shares") will be transferred from a former director and officer of the Company to Marcus N. Foster, President, Chief Executive Officer and a director of the Company or, if the proposed transfer cannot be effected, the Escrowed Shares will be cancelled. **It is a condition of the Offering that the Transaction be completed prior to the closing of the Offering. See "Business of the Company - The Transaction". The closing of the Offering will occur on or about the fifth day following the "Offering Day", which will be set by the Agent following the receipt for this Prospectus (the "Effective Date"). The Offering Day must be on or before the earlier of 90 days following the Effective Date, 180 days from the date of the final receipt of the prospectus of the Company or 12 months after the date of issue of the receipt for the preliminary prospectus of the Company.** It is expected that certificates representing the Common Shares and Purchase Warrants comprising the Units will be available for delivery at closing. The Company and the Agent have agreed that the Offering will cease if the minimum amount of funds is not subscribed for on or before **May 22, 2002**.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. AS A RESULT, THE SECURITIES OFFERED HEREBY MAY NOT BE OFFERED OR SOLD OR OTHERWISE TRANSFERRED OR ASSIGNED IN THE UNITED STATES OR TO U.S. PERSONS EXCEPT IN CERTAIN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE UNITED STATES SECURITIES ACT OF 1933 AND ANY APPLICABLE STATE SECURITIES LAWS. THIS PROPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF SUCH SECURITIES TO U.S. PERSONS OR WITHIN THE UNITED STATES.

THE GROSS PROCEEDS OF THE OFFERING WILL BE HELD BY THE AGENT AND WILL ONLY BE RELEASED TO THE COMPANY UPON THE CLOSING OF THE TRANSACTION, WHICH IS EXPECTED TO OCCUR IMMEDIATELY BEFORE THE CLOSING OF THE OFFERING. IN THE EVENT THAT THE MINIMUM SUBSCRIPTION IS NOT OBTAINED BY THE CLOSE OF MARKET ON THE FIFTH BUSINESS DAY AFTER THE OFFERING DAY, THE GROSS PROCEEDS OF THE OFFERING WILL BE RETURNED TO INVESTORS WITHOUT DEDUCTION OR INTEREST.

AN INVESTMENT IN A NATURAL RESOURCE ISSUER INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE PROPERTIES IN WHICH THE COMPANY HOLDS INTERESTS ARE IN THE EXPLORATION AS OPPOSED TO THE DEVELOPMENT STAGE, AS IN THE CASE WITH THIS COMPANY AND ITS SUBSIDIARY. SEE "BUSINESS OF THE COMPANY – THE TRANSACTION". THE UNITS ARE SUITABLE ONLY FOR INVESTORS WHO ARE ABLE TO ACCEPT THE RISKS INHERENT IN THE COMPANY'S BUSINESS. IN ADDITION, THERE ARE A NUMBER OF OTHER RISK FACTORS THAT SHOULD BE CONSIDERED BY PERSONS PROPOSING TO MAKE AN INVESTMENT IN THE UNITS.

SUBSCRIBERS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS TO ASSESS THE INCOME TAX, LEGAL AND OTHER ASPECTS OF THE INVESTMENT. SEE "RISK FACTORS".

NO PERSON IS AUTHORIZED BY THE COMPANY TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED BY THE COMPANY.

AGENT:

CANACCORD CAPITAL CORPORATION
Suite 2200 – 609 Granville Street
Vancouver, B.C., Canada V7Y 1H2

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GLOSSARY OF TERMS

Certain terms used herein are defined as follows:

Corporate Terms

"Agent's Warrants" mean warrants issued to the Agent which permit the Agent to acquire one additional Common Share at a price of $0.35 for a period of one year following the day the common shares of the Company are listed on the Exchange and at a price of $0.45 for a period ending 18 months following the day the common shares of the Company are listed on the Exchange;

"Offering Price" means the price paid for the Units under the Offering, being $0.30 per share;

"Preliminary Prospectus" means the preliminary prospectus relating to this Offering dated July 19, 2001;

"Prospectus" means this amended and restated exchange offering prospectus;

"Purchase Warrants" means the common share purchase warrants issued pursuant to the Offering which entitle the holder to acquire one additional Common Share at a price of $0.35 for a period of one year following the day the Purchase Warrants are posted and called for trading on the Exchange and at a price of $0.45 for a period ending 18 months following the day the Purchase Warrants are posted and called for trading on the Exchange;

"Reverse Takeover" or ***"RTO"*** means the reverse takeover (as that term is defined by Policy 5.2 of the Canadian Venture Exchange) by Ross River of the Company by way of a share exchange pursuant to the Share Exchange Agreement; and

"Share Exchange Agreement" means the share exchange agreement dated effective July 10, 2001 between the shareholders of Ross River and the Company.

Geological Terms

"Ag" - silver;

"ankerite" - a carbonate mineral with the chemical formula (Ca, Mg, Fe) CO_3;

"arsenopyrite" - a sulphide of arsenic and iron having the chemical formula FeAsS;

"alteration" - usually referring to chemical reactions in a rock mass resulting from the passage of hydrothermal fluids;

"anomalous" - value, or values, in which the amplitude is statistically between that of a low contrast anomaly and a high contrast anomaly in a given data set;

"anomaly" - any concentration of metal noticeably above or below the average background concentration;

"assay" - analysis to determine the presence, absence or quantity of one or more components;

"Au" - gold;

"bismuthinite" – a bismuth bearing mineral with the chemical formula $4[Bi_2S_3]$;

"breccia" – means a rock in which angular fragments are surrounded by a mass of fine-grained minerals;

"chalcopyrite" - a copper bearing mineral having the chemical formula $CuFeS_2$;

"Cu" - copper;

"disseminated" - mineralization scattered through a volume of host rock;

"EM" - electromagnetic (a type of geophysical survey);

"facies" - the sum total of features which characterize a rock as having been formed in a given environment;

"fault" **-** fracture in a rock where there has been displacement of the two sides;

"felsic" **–** describing light-coloured igneous rocks containing an abundance of one or all of the chief felsic minerals, being quartz, feldspar, feldspathoid and muscovite;

"float" - a rock which has been transported from its bedrock source;

"fracture" - Breaks in a rock, usually due to intensive folding or faulting;

"g/t" - grams per tonne;

"galena" - a lead bearing mineral having the chemical formula PbS;

***"geochemical survey"*-** exploration or prospecting of an area depending on chemical analysis of the rocks or soils;

"geophysical survey" **-** exploration of an area in which geophysical (e.g., magnetic, electrical, density etc.) properties and relationships unique to the area are mapped by one or more geophysical methods;

"geosyncline" **–** a linear trough, in which sedimentary and volcanic rocks accumulate, along the margin of continent;

"gossan" - the leached and oxidized near surface part of sulphide mineralization usually consisting largely of hydrated iron oxides left after metal (iron) sulphides and other minerals have been removed by downward leaching;

"grab sample" **-** a selected sample taken from a specific location which is not necessarily representative;

"grade" **-** concentration of each ore metal in a rock sample, usually given as weight percent;

"intrusive" **-** rock mass formed below earth's surface from magma which has intruded into a pre-existing rock mass;

"IP" - induced polarization (a type of geophysical survey);

"immiscibility" - describing the inability to undergo mixing or blending;

"mafic" - a term used to describe ferromagnesian-rich minerals and rocks;

"magnetite" – an iron bearing mineral, with the chemical formula $8[FeOFe_2\ O_3]$;

"metamorphic" – pertaining to the process of metamorphism or its results;

"metamorphism" **–** the mineralogical, chemical, and structural adjustment of solid rock to physical or chemical conditions which have generally been imposed at depth below the surface zones of weathering and cementation, and which differ from the conditions under which the rocks in question originated;

"mineralization" **-** implies minerals of value occurring in rocks;

"miogeosynclinal" **–** describing rock types or location related to a miogeosyncline;

"miogeosyncline" – that part of a geosyncline occurring closest to the continent, that contains shallow marine clastics and shelf carbonates**;**

"NSR" - means net smelter returns royalty;

"Ordovician" - the geological period commencing 500 million years ago and lasting approximately 75 million years;

"ore" - natural aggregated of one or more minerals which may be mined and sold at a profit, or from which some part may be profitably separated;

"outcrop" - means an exposure of rock at the earth's surface;

"oz/ton" - ounces per short ton;

"ppb" - parts per billion;

"ppm" - parts per million;

"pyrite" - an iron sulphide mineral with the chemical formula FeS_2;

"pyrrhotite" - an iron bearing sulphide mineral having the chemical formula $Fe_{1-x}S$;

"quartz" - SiO2, a common constituent of veins, especially those containing gold and silver mineralization;

"sedimentary rocks" – secondary rocks formed from material derived from other rocks and laid down under water;

"sericite" - **a** white, fine-grained potassium mica occurring as an alteration product of various aluminosilicate minerals, and found in various metamorphic rocks, or in the wall rocks, fault gouge, and vein fillings of many ore deposits;

"siliceous" **–** rock containing an abundance of quartz;

"silicified" - an alteration, the result of introducing quartz (SiO_2) into a rock;

"skarn" – A term for silicate gangue of certain iron ore and sulfide deposits and includes lime-bearing silicates (amphibole, pyroxene, garnet, etc.) derived from nearly pure limestone and dolomite with the introduction of large amounts of Si, Al, Fe, and Mg;

"strike" **–** the direction, or bearing from true north, of a vein or rock formation measured on a horizontal surface;

"stockwork" - a small- to large-scale branching and cross-cutting series of fissures filled with mineral matter;

"stratabound" - contained within beds or layers of rock;

"tellurbismuth" **–** a bismuth, tellurium bearing mineral with the chemical formula $Bi_2\ Te_2\ S$;

"tourmaline" – any member of the boron bearing mineral group with the chemical formula $XY_3\ Z_6$ (BO (sub 3)$)_3$ $Si_{16}\ O_{18}\ (OH,F)_4$ where X is Na partially replaced by Ca, K, Mg or a vacancy, Y is Mg, Fe^{2+}, Li or AL, and Z is Al and Fe^{3+}; an accessory mineral of felsic igneous rocks, and metamorphic rocks;

"tuff" - a volcaniclastic rock made up primarily of volcanic ash-size (<2 mm) volcanic material;

"ultramafic" - igneous rocks consisting mainly of ferromagnesian minerals to the exclusion of quartz, feldspar and feldspathoids;

"veins" - mineral deposits that are found filling openings in rocks created by faults or replacing rocks on either side of faults; and

"volcanic rocks" **–** igneous rocks formed from magma that has flowed out of, or has been violently ejected from, a volcano.

Conversion Table

Metric		Imperial
1.0 milimetre (mm)	=	0.039 inches (in)
1.0 metre (m)	=	3.28 feet (ft)
1.0 kilometre (km)	=	0.621 miles (mi)
1.0 hectare (ha)	=	2.471 acres (ac)
1.0 gram (g)	=	0.032 troy ounces (oz)
1.0 metric tonne (t)	=	1.102 short tons (ton)
1.0 g/t	=	0.029 oz/ton

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PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Company

Panamex Resources Inc. (the "Company") is a junior resource company which, on closing, will be engaged in the acquisition, exploration and development of mineral resource properties, principally in the Yukon Territory. The Company is presently inactive, subject to a cease trade order of the British Columbia Securities Commission (the "Commission") and is suspended from trading on the Canadian Venture Exchange (the "Exchange"). See "Business of the Company". The Company was incorporated in British Columbia on June 12, 1996, under the name 521844 B.C. Ltd., by filing of a Memorandum and Articles with the Registrar of Companies under the *Company Act* (British Columbia). The Company changed its name to Panamex Resources Inc. on September 4, 1996. The Company continued into the Yukon Territory by filing Articles of Continuance with the Registrar of Corporations under the *Business Corporations Act* (Yukon) on June 23, 1998. See "The Company" and "Business of the Company".

The Transaction

The Company has agreed with Ross River Gold Ltd. ("Ross River") to enter into a reverse takeover (the "Reverse Takeover") of Ross River, whereby the Company seeks to acquire all of the issued and outstanding common shares of Ross River in exchange for common shares ("Common Shares") of the Company (the "Transaction"). The Company expects to acquire an aggregate of 5,035,000 common shares of Ross River pursuant to a Share Exchange Agreement dated effective July 10, 2001, but will seek to acquire all of the issued and outstanding common shares of Ross River, up to a maximum of 6,000,000 common shares. Ross River has recently conducted private placements of its common shares and placees were not required to sign the Share Exchange Agreement. It is possible that such placees may choose not to exchange their Ross River shares for Common Shares of the Company. The Transaction will involve a Reverse Takeover of the Company and a change of control to the former shareholders of Ross River will result therefrom. See "Business of the Company – The Transaction". Ross River is a junior natural resource exploration company currently holding options on and title to 377 mineral claims in the Yukon Territory. Ross River is currently evaluating other mining properties in the Yukon Territory and Alaska for the purpose of staking additional mineral claims. See "Information Concerning Ross River". It is expected that the reorganization of the Company contemplated by the Transaction and the Offering will result in the cease trade order against the Company being lifted by the Commission and the reinstatement for trading of the Company's securities on the Exchange.

On August 23, 2001, shareholder approval was obtained to approve the transfer within escrow of 750,000 Common Shares (the "Escrowed Shares") currently held in escrow in the name of Bjarne Jeppesen, a former director and senior executive of the Company, to Marcus N. Foster, President, Chief Executive Officer and a director of the Company. Shareholder approval was also obtained to have the Escrowed Shares cancelled in the event that the Escrowed Shares cannot be transferred. See "Escrow Securities".

Following the Transaction, the Company will change its name to "Ross River Minerals Inc.", or such other name as may be approved by the directors of the Company, the Exchange and the Yukon Registrar of Corporations.

As of February 28, 2002, there were 5,678,000 common shares of Ross River issued and outstanding. Pursuant to the terms of the Transaction, one common share of Ross River will be exchanged for one Common Share of the Company (the "Share Exchange"), up to a maximum of 6,000,000 Common Shares. Prior to the Share Exchange, the Company's issued and outstanding capital, consisting of 5,713,000 Common Shares if the Escrowed Shares are transferred and 4,963,000 Common Shares if the Escrowed Shares are cancelled,

Offering

Use of Proceeds

Gross proceeds raised by the Offering will be $1,200,000 if the minimum number of Units is sold, or $1,500,000, if the maximum number of Units is sold. If the minimum number of Units offered pursuant to the Offering are sold, the estimated net proceeds to the Company from the Offering, after deducting the Agent's commission and fees and the unpaid estimated expenses of the Offering, will be $1,034,900. The Company intends to apply the net proceeds of the Offering to further the Company's business objectives as set out in the "Use of Proceeds". There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its business objectives. The Company will only redirect the funds allocated to the proposed work programs to other properties and will do so only on the basis of a written recommendation from an independent, professional geologist or engineer. See "Use of Proceeds".

Selected Financial Information

The tables below set out selected historical financial information for the Company for the nine month period ended September 30, 2001 and for the fiscal years ended December 31, 2000, 1999 and 1998 and for Ross River for the nine month period ended November 30, 2001 and for the fiscal years ended February 28, 2001, February 29, 2000 and February 28, 1999 prepared in accordance with Canadian generally accepted accounting principles. The tables are based upon, and should be read in conjunction with, the financial statements of the Company attached to this Prospectus as "Schedule "A" Consolidated Financial Statements of Panamex Resources Inc.", the discussion set out under "Selected Financial Information and Management's Discussion and Analysis", the financial statements of Ross River attached to this Prospectus as "Schedule "B" Consolidated Financial Statements of Ross River Gold Ltd." and "Information Concerning Ross River Selected Financial Information and Management's Discussion and Analysis".

The Company:

	9 Months Ended Sept. 30, 2001 (unaudited)	9 Months Ended Sept. 30, 2000 (unaudited)	Fiscal Year Ended Dec. 31, 2000	Fiscal Year Ended Dec. 31, 1999	Fiscal Year End Dec. 31, 1998
Exploration and Development Expenses	$nil[(1)]	$nil	$nil	$988,581	$295,733
Office and Administrative Expenses	143,343	883	3,405	42,606	390,251
Earnings (Loss)	(143,343)	(883)	($3,405)	($1,031,187)	($682,270)
Earnings (Loss) per share	($0.03)	($0.01)	($0.01)	($0.18)	($0.15)

	Sept. 30 2001 (unaudited)	Dec. 31 2000	Dec. 31 1999	Dec. 31 1998
Total assets	$104,744	$2,647	$26,741	$1,036,011
Total liabilities	295,265	49,825	70,514	48,597
Shareholder's Equity	(190,521)	(47,178)	(43,773)	987,414
Retained earnings (deficit)	(1,968,089)	(1,824,746)	(1,821,341)	(790,154)

Note:

1. These expenses were deferred on the Company's balance sheet.

Ross River:

	Fiscal Period Ended Nov. 30, 2001 (unaudited)	Fiscal Period Ended Nov. 30, 2000 (unaudited)	Fiscal Year Ended Feb. 28, 2001	Fiscal Year Ended Feb. 29, 2000
Exploration and Development Expenses	$nil	$nil	$nil	$89,044
Office and Administrative Expenses	77,505	35,079	75,347	36,714
Earnings (Loss)	(77,505)	(35,079)	($75,347)	($165,234)
Earnings (Loss) per share	($0.015)	($0.009)	($0.018)	($0.044)

	Nov. 30 2001 (unaudited)	Feb. 28 2001 (audited)	Feb. 29 2000 (audited)
Total assets	$349,503	$251,309	$122,256
Total liabilities	204,709	158,310	201,385
Shareholder's Equity	144,794	92,999	(79,129)
Retained earnings (deficit)	(380,192)	(302,687)	(227,340)

Risk Factors	The Company's and Ross River's property interests are without a known body of commercial ore. The Company is in the business of exploring and developing natural resource properties - a highly speculative endeavour. Operations in which the Company and Ross River have an interest will be subject to all the hazards and risks normally incidental to exploring and developing natural resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. There is no assurance that minerals will be discovered in sufficient quantities to justify commercial operations. The marketability of any minerals discovered may be affected by factors beyond the Company's control. All of the Company's and Ross River's operations are subject to environmental regulation which can make operations expensive or prohibit them altogether. The Company does not currently have sufficient resources to undertake all phases of recommended exploration programs, and, as a consequence, it will have to seek equity or debt financing which may or may not be available. The prices of gold and base metals fluctuate widely and are affected by numerous factors beyond the Company's control and therefore the economic viability o operations cannot be accurately predicted. The Company operates in a competitive industry and competes with other more well established companies, some of whom have far greater financial resources and technical facilities than the Company. There may be challenges to the title to the Company's or Ross River's properties which, if successful, could impair its operations on those properties. In addition, a small number of the mining claims to which the Company asserts an interest are not recorded in the name of the Company and cannot be recorded in its name until certain steps are taken by other parties. Exploration on the Company's and Ross River's properties is affected by government regulation, and there is no assurance future changes in regulations will not adversely affect the Company's operations. Aboriginal rights may be claimed on Crown properties or other types of tenure to which mining rights have been conferred. The Company depends on a small number of key employees, the loss of any one of whom could have an adverse affect on the Company. Certain of the Directors, senior officers, promoters and principal holders of the Company's securities have an interest in certain transactions involving the Company. See "Interest of Management and Others in Material Transactions". The amounts attributed to Ross River's mineral property interests in its balance sheet represent amounts expended on exploration, and should not be taken to represent realizable value. See "Risk Factors".

MAP OF PROPERTY LOCATIONS

THE COMPANY

The Company was incorporated in British Columbia on June 12, 1996, under the name 521844 B.C. Ltd., by filing of a Memorandum and Articles with the Registrar of Companies under the *Company Act* (British Columbia). The Company changed its name to Panamex Resources Inc. on September 4, 1996. The Company continued into the Yukon Territory by filing Articles of Continuance with the Registrar of Corporations under the *Business Corporations Act* (Yukon) on June 23, 1998. The Company's registered office and address for service are located at 200 204 Lambert Street, Whitehorse, Yukon, Y1A 3T2. The Company was registered as an extra-provincial company in British Columbia on July 27, 1998 and its registered office and address for service in the province are located at 1040 – 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9. Its head office is located at 1004 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7. The Company presently has no subsidiaries. Upon closing of the Transaction (as defined below), the Company will own all issued and outstanding common shares of Ross River Gold Ltd. ("Ross River"). See "Business of the Company - The Transaction".

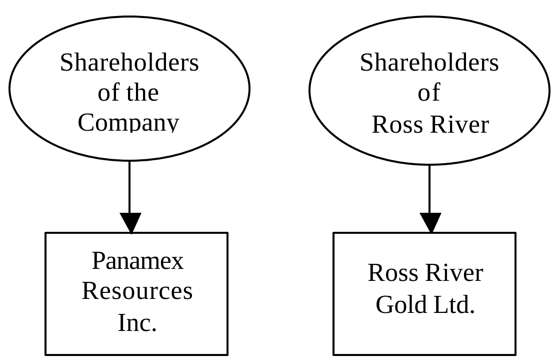
BUSINESS OF THE COMPANY

Intercorporate Relationships

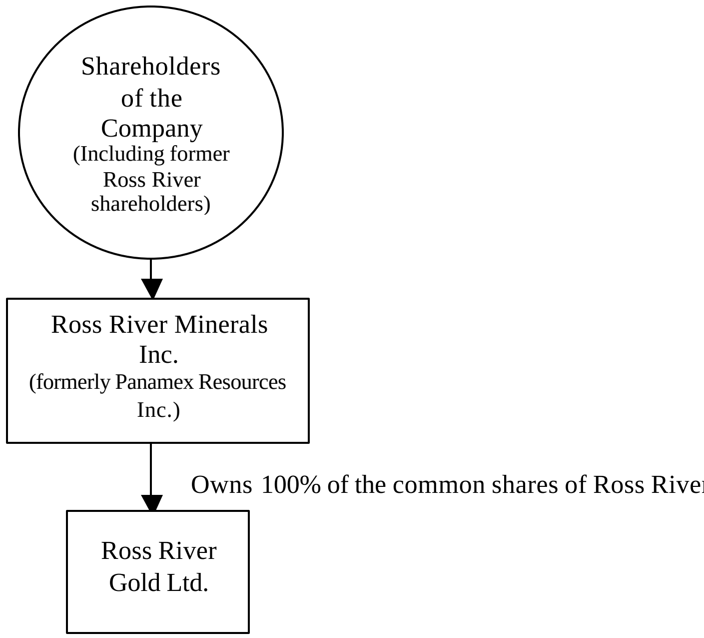
The Company presently has no subsidiaries. However, the Company has agreed to enter into a Reverse Takeover of Ross River, by which the Company seeks to acquire all of the issued and outstanding shares of Ross River in exchange for Common Shares of the Company on a one-to-one basis resulting in a change of control to the former Ross River shareholders. See "Business of the Company - The Transaction". Ross River was incorporated in British Columbia on January 9, 1997 under the name 534305 B.C. Ltd. by filing of a Memorandum and Articles with the Registrar of Companies under the *Company Act* (British Columbia). See "Information Concerning Ross River". Following closing of the Transaction (as defined below), which is expected to occur prior to the closing of this Offering, Ross River will be the wholly-owned subsidiary of the Company.

The intercorporate relationship between the Company and Ross River both prior to and after the Transaction are as follows:

Before the Reverse Takeover of Ross River Gold Ltd.



After the Reverse Takeover of Ross River Gold Ltd.



Description and General Development

The Company is engaged in the acquisition, exploration and development of mineral resource properties and is primarily engaged in exploration and development of gemstone properties, although all of the properties of the Company are without a known body of commercial ore and were abandoned in 2000. Consequently, the Company has no production, sales, or inventory, and no revenues from mineral properties as of the date of this Prospectus. The Company is a mineral exploration enterprise and does not engage in conventional research and development. The Company has identified the Tay-LP Project (as defined below) as a property suitable for exploration. The Tay-LP Project is owned by Ross River. The Company will acquire Ross River, assuming closing of this Offering. See "The Transaction".

Following its incorporation in June of 1996, the Company signed a letter agreement dated September 4, 1996, as amended by letter agreements dated December 20, 1996 and December 21, 1996, granting it an option to acquire from Mrs. Janet Dickson and Balaclava Mines Inc. a 50% interest in 8 mineral claims and 4 mineral claim fractions (the "Len Claims") in the Mayo Mining District, Yukon. The Company was required to incur $1,000,000 in exploration expenditures on the property before October 31, 1998, and a minimum of $150,000 of exploration expenditures within twelve months of the Company's shares being listed for trading on the Vancouver Stock Exchange, failing which the Company was required to pay the difference directly to the mineral property owner. The Company further agreed to issue the mineral property owner 75,000 Common Shares at a deemed value of $0.25 per share, in equal annual installments on May 24, 1997, 1998, and 1999.

Shares of the Company were listed and posted for trading on the Vancouver Stock Exchange on May 30, 1997, following the Initial Public Offering of 1,000,000 units at $0.40 per unit. The Company immediately proceeded to carry out a Phase 1 exploration program on the Len Claims, completing a total of 500 metres in six diamond drill holes.

Pursuant to a Property Acquisition Agreement dated as of January 30, 1998, the Company acquired from Gem Mining Concessions Limited, of the Cayman Islands, a 100% interest in and to certain concessions located in the Vang Hay area, Sam Tai District, Sam Neua Province, Laos Peoples' Democratic Republic ("Laos PDR"), in consideration for the Company issuing a maximum of 1,300,000 Common Shares to, or to the order of, Gem Mining Concessions Limited. The concessions comprised an aggregate of approximately 54 square kilometres at the junction of the Nam Hin and Nam Ang rivers near the Vang Hay village.

In the quarter ended June 30, 1998, the Company entered into an agreement with Mrs. Janet Dickson confirming the Company's option to acquire the entire 100% right, title and interest in and to the Len Claims, Mayo Mining District, Yukon. The consideration for this acquisition was 50,000 of the Common Shares issued at a deemed price of $0.25 per share. In 1998, management wrote down this property to an estimate of its net recoverable amount at the time. In 1999, management recorded a further write down to reduce the carrying value of this property to "nil" as it was management's intention to pursue other mineral exploration activities.

In the quarter ended September 30, 1998, the Company carried out exploration on its gemstone exploration area in Laos PDR. No field operations were conducted but the Company acquired satellite imagery and aerial photography enabling the Company to identify significant areas of alluvium in regions with gemstone potential.

In the quarter ended March 31, 1999, the Company commissioned a major geological study of its Laos PDR ruby concession using a Vietnamese team led by Dr. Quoc. In the quarter ended September 30, 1999, management decided to abandon its exploration permits in Laos PDR. Management concluded that recovery of funds advanced to finance the Laos PDR project was unlikely and wrote-off all but $20,000 of such exploration advances. The Company sought new mineral exploration opportunities and evaluated several prospects but to date it has not located an acceptable property.

The Company has entered into an agreement to acquire Ross River which would result in Ross River becoming the wholly owned subsidiary of the Company. See "The Transaction". The Company proposes that prior to the closing of the Offering, the Company will complete the Transaction (as defined below) with Ross River by way of a Reverse Takeover of Ross River, including a share exchange of Common Shares for all of the issued and outstanding common shares of Ross River, resulting in a change of control of the Company to the former shareholders of Ross River. See "Business of the Company - The Transaction". Marcus N. Foster, President, Chief Executive Officer and a director of the Company, is President and a director of Ross River and a shareholder of Ross River. See "Interest of Management and

Ross River holds interests in 377 claims within the Tintina Gold Belt in the Yukon Territory, referred to in this Prospectus as the "Tay-LP Project". See "Information Concerning Ross River The Company intends to allocate approximately $404,708 of the proceeds of the Offering to fund exploration on the Tay-LP Project during 2002 following completion of the Offering and the Transaction (as defined below). However, the Company may seek to option the Tay-LP Project to a major mineral exploration Company or, alternatively, enter into a joint venture with another company to continue exploration of the Tay-LP Project. See "Business of the Company The Transaction – Plans for Ross River's Properties".

Ross River has conducted further research on the Tintina Gold Belt and has developed a plan to explore and, where feasible, stake claims within certain other areas of the Tintina Gold Belt that Ross River believes exhibit potential to host intrusive related gold deposits. The Company's proposed exploration program was commenced in October 2001 and was funded by a US$100,000 (approximately Cdn.$150,000) loan to the Company from a US investment fund. The proposed Tintina Gold Belt exploration program is expected to take an additional two years to complete at a total cost of approximately $457,899 (of which approximately $123,754 was expended in 2001). When funds become available, the Company intends to continue its mineral exploration programs in the Tintina Gold Belt with a view to staking mineral claims based on the results of that exploration. See "Proposed Tintina Gold Belt Exploration Program." If the Company options the Tay-LP Project to another company or enters into a joint venture with another company with respect to the Tay-LP Project, any remaining funds that were allocated to the Tay-LP Project will be reallocated to its proposed Tintina Gold Belt exploration program. If the Company does not do so, none of the proceeds of this Offering will be applied to the proposed Tintina Gold Belt exploration program. See "Proposed Tintina Gold Belt Exploration Program".

The objective of such mineral exploration is to locate suitable mineral properties for development. Such development may take years to complete and the expenses of development and amount of resulting income, if any, are difficult to determine with any certainty. The following are key events which must occur for the Company to achieve its objectives:

1. the Company must undertake mineral exploration programs to locate suitable mineral properties for development;

2. once a suitable mineral property is located, the Company must obtain mineral rights to that property and obtain regulatory approval to enable further development; and

3. the Company must develop the mineral property and commence production, secure others to develop the property, or sell or lease its interest in the mineral property to others.

Trend Information

The Company is a mineral exploration company. The Company's financial success will be dependent upon the extent to which it can discover mineralization and the economic viability of developing such properties. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine with any certainty. The Company lacks mineral reserves and to date has not produced revenues. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control such as the market value of the metals produced.

Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon the Company's net sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

Suspension from Trading and Cease Trade Order

On February 17, 2000, the British Columbia Securities Commission (the "Commission") issued a cease trade order against the Company (the "Cease Trade Order") for failure to file interim financial statements and quarterly reports. In order to have the de Order lifted, the Company is required to establish a plan to reorganize its affairs and to file its outstanding financial statements. On April 5, 2001 the Company filed its annual audited financial statements for the year ended December 31, 1999 and interim financial statements for the periods ended September 30, 1999, March 31, 2000, June 30, 2000 and September 30, 2000. On April 30, 2001, the Company filed its annual audited financial statements for the year ended December 31, 2000. Because the Comp any has been cease traded for over 90 days with the Commission, it is required to file a reactivation application with the Commission. The Company filed a reactivation application, including the Preliminary Prospectus, with the Commission on July 19, 2001. On July 23, 2001, the Company obtained a receipt for the Preliminary Prospectus and an order under section 171 of the *Securities Act* (British Columbia) (the "Securities Act") partially revoking the Cease Trade Order to enable the Company to give out the Preliminary Prospectus, solicit expressions of interest and engage in other activities outlined in section 78(2) of the Securities Act. On November 30, 2001, the Company obtained a final receipt for its prospectus and an order under section 171 of the Securities Act partially revoking the Cease Trade Order to enable the Company to distribute the securities qualified under the prospectus dated November 29, 2001 and permit certain other distributions. The Company anticipates that the Commission will accept the late filing of outstanding financial statements of the Company and accept the Transaction as an appropriate reorganization of the Company's affairs in order to lift the cease trade order against the Company.

The Common Shares of the Company are listed on the Exchange but trading was suspended on October 25, 1999. Pursuant to policy 2.9 of the Exchange, the Company must make an application for reinstatement of trading, demonstrating that it meets the Exchange's minimum listing requirements and is otherwise in good standing. In addition, the Company must obtain sponsorship of an Exchange member firm. The Company has retained the Agent as its Sponsor. Since the Company's shares have been suspended for trading for over 12 months, the Company was required to file a reinstatement submission. The Company filed its reinstatement application with the Exchange on June 26, 2001. The Exchange will review any compliance problems and investigations, the Company's planned steps to achieve the minimum listing re
business proposal, and will consider whether it appears to be in the best interests of the investing public to permit continued listing.

The Company entered into the Transaction in order to satisfy the requirement of the Commission to reorganize the affairs of the Company, and to have its Common Shares reinstated for trading on the Exchange. See "Business of the Company The Transaction".

The Transaction

The Company expects to acquire an aggregate of 5,035,000 common shares of Ross River pursuant to an agreement dated effective July 10, 2001 (the "Share Exchange Agreement"), whereby the Company will conduct a Reverse Takeover of Ross River. Ross River is a private mineral exploration company headquartered in British Columbia that holds options to certain properties in the Yukon Territory. Pursuant to the Share Exchange Agreement, the Company seeks to acquire all of the issued common share of Ross River being exchanged for one Common Share of the Company (the “Share Exchange”). Following completion of the Transaction, which must take place as a condition of completion of the Offering, Ross River will be the wholly-owned subsidiary of the Company. Pursuant to the Share Exchange Agreement, the Company will purchase the Ross River common shares of the following Ross River shareholders:

Name of Ross River Gold Ltd. shareholder	**Number of Ross River Gold Ltd. Common Shares Held**	**Number of Common Shares of the Company to be issued**
Marcus N. Foster(1)	2,100,000	2,100,000
Denise Foster(2)	100,000	100,000
Cameron Foster(3)	100,000	100,000
Stanley J. Stanley	15,000	15,000
Frank R. Varseveld	33,500	33,500
Michael A. Reimann	30,000	30,000
Victor Walker	15,000	15,000
Jon Bergvinson	20,000	20,000
R. Barry Fraser	45,000	45,000
Evelyn Clucas	30,000	30,000
Carolyn Crick	15,000	15,000
Nelson Capital Ltd.(4)	1,022,800	1,022,800
Hanover Company Limited(5)	307,200	307,200
Bradley Resources Canada Ltd.(6)	400,000	400,000
Hodgson Ventures Ltd.	15,000	15,000
NorWest Mine Services	60,000	60,000
Ted Bartsch	56,250	56,250
Jim Schnare	56,250	56,250
Peter Long	56,250	56,250
Robin S. Tolbert(7)	136,250	136,250
William Walls	95,000	95,000
Arthur T. Fisher & Associates(8)	20,000	20,000
Gordon Ellis	7,500	7,500
David C. Smith	7,500	7,500
Antoinette Jones	15,000	15,000
Darryl Jones	10,000	10,000
Fairfield Minerals Ltd.	250,000	250,000
Ron Thomas	16,500	16,500
Total	**5,035,000**	**5,035,000**

Notes:

1. Marcus N. Foster is a director and the President of both the Company and Ross River. Mr. Foster holds no common shares of the Company, and 2,100,000 common shares of Ross River, representing approximately 35% of the total issued and outstanding common shares of Ross River.
2. Spouse of Marcus N. Foster.
3. Child of Marcus N. Foster.
4. Nelson Capital Ltd. is a Barbados company controlled by a trust, of which none of the insiders or principals of the Company or Ross River are beneficiaries. Marcus N. Foster is a director of Nelson Capital Ltd.
5. Hanover Company Limited is controlled by a trust. Gary Shugg, director of the Company, owns 5% of the outstanding common shares of Hanover Company Limited. Mr. Shugg will resign as director of the Company upon completion of the Transaction. See “Business of the Company the Transaction”.
6. Bradley Resources Canada Ltd. is a Canadian company that, to the knowledge of the Ross River, is owned by George Holbrook.

7. Robin S. Tolbert is a director, Vice-President, Chief Financial Officer and Secretary of Ross River and will be appointed Vice-President of the Company following completion of the Transaction.
8. A private company controlled by Arthur T. Fisher. Mr. Fisher will be appointed a director of the Company following completion of the Transaction.

Ross River has recently conducted private placements of its common shares, issued bonus shares and issued shares to settle outstanding debts and placees and other recipients of shares were not required to sign the Share Exchange Agreement. However, all placees were asked to sign an Addendum to the Share Exchange Agreement ("Addendum"), whereby the placees would agree to be bound by the terms and conditions of the Share Exchange Agreement as if they had been original signatories to the Share Exchange Agreement. The following placees have signed Addendums and, accordingly, the Company will purchase their Ross River common shares:

Name of Ross River Gold Ltd. shareholder	**Number of Ross River Gold Ltd. Common Shares Held**	**Number of Common Shares of the Company to be issued**
Taff Management Corp.[1]	20,000	20,000
Praveen K. Vohora	2,000	2,000
Maybond Holdings Inc.	20,000	20,000
Germina P. Bond	20,000	20,000
Yale R. Simpson	80,000	80,000
Canaccord Capital Corporation[2]	24,000	24,000
Don Hewson	20,000	20,000
Nina M. Becker	1,000	1,000
Merlyn Sutherland	1,000	1,000
Cheryle Becker	1,000	1,000
Dontra Investments Ltd.	10,000	10,000
Bob Rasmussen	32,000	32,000
Bryan Harrap[3]	17,000	17,000
David Austin	20,000	20,000
Catherine J. Kirk[3]	50,000	50,000
Stanley J. Stanley	5,000	5,000
Bradley Resources Canada Ltd.[4]	100,000	100,000
Jim Schnare[5]	5,000	5,000
Ted Bartsch[5]	5,000	5,000
Peter Long[5]	5,000	5,000
Gaye L. Goldstein[5], [6]	5,000	5,000
Otway Investments Inc.[7]	100,000	100,000
Fairmont Investments Ltd.[8]	100,000	100,000
Total	**643,000**	**643,000**

Notes:

1. A company controlled by Philip J. Walsh, proposed director, Secretary and Chief Financial Officer following completion of the Transaction.
2. In trust for Bob Rasmussen.
3. Flow-through shares.
4. Bradley Resources Canada Ltd. is a Canadian company that, to the knowledge of the Ross River, is owned by George Holbrook.
5. Shares issued on February 28, 2002 pursuant to agreements dated April 27, 2001 and February 28, 2002 between Ross River and Long & Associates. See "Information Concerning Ross River Property – Property Description and Location".
6. These shares were to be distributed to Robin S. Tolbert as a partner in Long & Associates but were assigned by Mr. Tolbert to Gaye L. Goldstein, spouse of Robin Tolbert. Robin S. Tolbert is a director, Vice-President, Chief Financial Officer and Secretary of Ross River and will be appointed Vice-President of the Company following completion of the Transaction.
7. These shares were issued to settle an outstanding debt of Ross River and were assigned to Otway Investments Inc., which, to the knowledge of the Company, is beneficially owned by Thomas R. Saunders.

8. These shares were issued to settle an outstanding debt of Ross River and were assigned to Fairmont Investments Inc. which, to the knowledge of the Company, is beneficially owned by Ian A. Restall.

It is possible that some placees may choose not to sign an Addendum and exchange their Ross River shares for Common Shares of the Company.

Prior to completion of the Transaction, Exchange approval will be sought to approve the transfer within escrow of 750,000 Common Shares (the "Escrowed Shares") currently held in escrow in the name of Bjarne Jeppesen, a former director and senior executive of the Company, to Marcus N. Foster, President, Chief Executive Officer and a director of the Company. If the Escrowed Shares cannot be transferred, the Escrowed Shares will be cancelled. See "Escrow Securities".

The Company currently has 5,713,000 Common Shares issued and outstanding. Prior to the closing of the Transaction, including the issuance of Common Shares pursuant to the Share Exchange, the Company will conduct a share consolidation, with every five Common Shares being consolidated into one Common Share (the "Share Consolidation"). Following the Share Consolidation but prior to the issuance of Common Shares pursuant to the Share Exchange or this Offering, the Company will have 1,142,600 Common Shares issued and outstanding if the Escrowed Shares are transferred and 992,600 Common Shares issued and outstanding if the Escrowed Shares are cancelled.

Subject to acceptance for filing by the Exchange, the Company anticipates that it will issue a maximum of 6,000,000 Common Shares to purchase the 6,000,000 common shares of Ross River that are issued and outstanding. Of the 6,000,000 Common Shares that will be issued to the shareholders of Ross River, 2,626,250 Common Shares, if the Escrowed Shares are transferred, or 2,476,250 Common Shares, if the Escrowed Shares are cancelled, will be issued to the "principals" as defined under Exchange policies and will be subject to escrow restrictions pursuant to Exchange policy 5.4 (see "Escrow Securities"). An aggregate of 1,450,000 Common Shares of Bradley Resources Canada Ltd., Nelson Capital Ltd. and Hanover Company Limited are subject to a voluntary pooling agreement (see "Escrow Securities"). The balance of the 6,000,000 Common Shares will be free trading, subject to applicable Exchange resale restrictions.

The closing of the Transaction is subject to a number of conditions (which in certain circumstances may be waived by the parties) including the following:

1. approval by the shareholders of the Company of the Transaction;

2. acceptance of the Share Exchange Agreement by the Exchange;

3. the present directors and officers of the Company (other than Marcus N. Foster) resigning and the nominees of Ross River being appointed in their place (see "Change in Directors and Senior Officers");

4. the execution of a voluntary pooling agreement ("Voluntary Pooling Agreement") with respect to the pooling of an aggregate of 1,450,000 Common Shares to be received by Bradley Resources Canada Ltd., Nelson Capital Ltd. and Hanover Company Limited pursuant to the Share Exchange (see "Escrow Securities");

5. closing of this Offering; and

6. satisfaction of the usual conditions for share exchange agreements including that the representations and warranties of the parties being true and correct as of the closing.

Under the Share Exchange Agreement, the Share Exchange Agreement will terminate by agreement in writing of the Company and Ross River or on August 31, 2001, unless the date for closing has been extended by agreement in writing between the Company and Ross River. In the event that the Transaction doesn't close as contemplated in the Share Exchange Agreement and Ross River is ready, willing and able to close, the Company has agreed to pay Ross River $100,000 plus an amount equal to Ross River's reasonable costs in connection with the Transaction and the Offering. Pursuant to a letter agreement dated August 31, 2001, the Company and Ross River agreed to extend the termination date of the Share Exchange Agreement from August 31, 2001 to October 31, 2001. Pursuant to a letter agreement dated October 31, 2001, the Company and Ross River agreed to extend the termination date of the Share Exchange Agreement from October 31, 2001 to December 31, 2001. Pursuant to a letter agreement dated December 31, 2001, the Company and Ross River agreed to further extend the termination date of the Share Exchange Agreement from December 31, 2001 to March 15, 2002. Pursuant to an agreement dated March 15, 2002, the Company and Ross River agreed to further extend the termination date for the Share Exchange Agreement from March 15, 2002 to May 31, 2002.

In connection with the closing of the Transaction, the Company will apply to the Exchange and the Yukon Registrar of Corporations to change its name to "Ross River Minerals Inc.", or such other name as may be approved by the directors of the Company, the Exchange and the Yukon Registrar of Corporations.

Plans for Ross River's Properties

See "Information Concerning Ross River Property – Exploration and Development by Ross River".

Proposed Directors and Management of the Company

At the closing of the Transaction, Gary V. Shugg and Lindsay Birrell will resign as directors of the Company. Marcus N. Foster will remain as a director, President and CEO of the Company. In addition, Lindsay Birrell will resign as Executive Vice-President, Chief Financial Officer and Secretary of the Company. The following nominees of Ross River will be appointed to the positions set opposite their names:

Name	Position
Robin S. Tolbert	Vice-President
Philip J. Walsh	Secretary, Chief Financial Officer & Director
Arthur T. Fisher	Director
David R. Reid	Director

See "Directors and Officers".

Principal Shareholders of the Company after the Transaction and the Offering

To the best of the knowledge of the directors and senior officers of the Company, after giving effect to the Transaction and the Offering, the following table lists the shareholdings of the anticipated directors, senior officers and promoters of the Company, the former directors and officers of Ross River and the Company, and all shareholders of the Company who will beneficially own, directly or indirectly, or who will exercise control or direction over more than 10% of the Common Shares:

Name	Number of Company Shares Owned or Controlled	% Owned Following Transaction and Minimum Offering(1)
Marcus N. Foster	2,300,000(2)	20.46%(3)

Notes:

1. If the maximum Offering is subscribed for, Marcus N. Foster will hold approximately 18.79% of the outstanding Common Shares of the Company. Percentages rounded to the nearest 1/100th.
2. Including 100,000 Common Shares held by Mr. Foster's wife and 100,000 Common Shares held by Mr. Foster's child. Not including 150,000 post-consolidated Common Shares that may be transferred in escrow to Marcus N. Foster from Bjarne Jeppesen, a former director and senior executive of the Company. See "Escrow Securities".
3. Based on a total of 11,242,600 Common Shares outstanding, consisting of 1,142,600 Common Shares of the Company outstanding following the Share Consolidation, assuming the maximum of 6,000,000 Common Shares being issued pursuant to the Transaction, 4,000,000 Common Shares being issued pursuant to the Offering and 100,000 Agent's corporate finance fee shares issued pursuant to the Offering.

Shareholder Approval of Transaction

At the annual and special meeting of the shareholders of the Company held on August 23, 2001 (the "Shareholders' Meeting"), the shareholders approved the Transaction and the resulting change of control of the Company, the Share Consolidation and the proposed change of name of the Company to "Ross River Minerals Inc."

In addition, shareholders approved a transfer within escrow of 750,000 Common Shares held by Bjarne Jeppesen, a former director and senior executive of the Company. Shareholders also approved a special resolution to cancel the Escrowed Shares if a transfer within escrow is not possible. See "Escrow Securities".

Closing

The closing of the Transaction will occur following final acceptance of the Transaction by the Exchange and satisfaction of certain conditions precedent as required by the Share Exchange Agreement. At the closing, in addition to issuing up to 6,000,000 Common Shares to the shareholders of Ross River, the members of the present Board of Directors of the Company (other than Marcus N. Foster) will resign and be replaced by the nominees of Ross River as set out under "Proposed Directors and Management" above. The Company will then close this Offering. The Company will announce the completion of the closings by press release at the appropriate time.

INFORMATION CONCERNING ROSS RIVER

General

Ross River was incorporated on January 9, 1997 under the name 534305 B.C. Ltd. by filing of a Memorandum and Articles with the Registrar of Companies under the *Company Act* (British Columbia). The company changed its name to Ross River Gold Ltd. on November 3, 1999. The company received extra-territorial registration in the Yukon Territory on January 16, 2001. The company's registered office and address for service are located at Suite 1040 Guinness Tower, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9. Its head office is located at 1004 – 750 West Pender Street, Vancouver, B.C. V6C 2T7.

Business of Ross River

Ross River is a natural resource exploration company currently holding options on a mining property in the Yukon Territory. Ross River is currently evaluating other mineral properties in the Yukon Territory and Alaska for the purpose of staking additional mineral claims.

Property

The following is a description of Ross River's Tay-LP mineral exploration properties and its interests in such properties. The Tay-LP Project is the subject to a report dated September 11, 2001, as amended November 21, 2001, January 14, 2002 and March 11, 2002 (the "Tay-LP Report") by Marvin A. Mitchell, P. Eng., entitled "Summary Geological Report on the Tay-LP Project", a copy of which is available for inspection at the principal office of the Company at 1004 – 750 West Pender Street, Vancouver, British Columbia during normal business hours for a period of thirty days following the date of this Prospectus.

In preparing the Tay-LP Report, Marvin A. Mitchell reviewed all the data made available by Newmont Exploration of Canada Ltd. ("Newmont") on the Tay-LP property, including information considered confidential by Newmont. In the Tay-LP Report, Marvin A. Mitchell concluded that "the review of this data does not materially affect the writer's interpretation, conclusions and recommendations". Newmont had held an option on the Tay-LP property and results of Newmont's 2001 exploration work on the Tay-LP Project were reviewed in the Tay-LP Report. See "Exploration and Development by Newmont 2001 Program". Marvin A. Mitchell concluded in the Tay-LP Report that the Tay-LP Project is a property of merit. However, Newmont has exercised its right to terminate the Newmont Agreement (as defined below). See "Property Description and

The Company will allocate approximately $404,708 of the proceeds of the Offering to continue exploration of the Tay-LP Project. See "Exploration and Development by Ross River". However, the Company may seek to option the Tay-LP property to another major mineral exploration company or enter into a joint venture with another company to explore the Tay-LP Project, in which case any available funds will be re-allocated to continue with the proposed Tintina Gold Belt exploration program. See "Proposed Tintina Gold Belt Exploration Program".

Property Description and Location

The Tay-LP property is located in the south central Yukon Territory at approximately 61° 33' north latitude and 132° 40' west longitude, 50 kilometres to the south of the town of Ross River and 160 kilometres to the northeast of Whitehorse. See "Map of Property Locations". The property covers an area of approximately 20 kilometres in length by 2 to 5 kilometres in width, totaling 9,425 hectares. The Tay-LP property consists of 308 contiguous quartz mineral claims, while the adjoining Ram property consists of an additional 69 quartz mineral claims, for a total of 377 claims (collectively, the "Tay-LP Project"). The Tay-LP Project claims expire in 2004 to 2006, except for the Try 1-60 claims and the 69 Ram property claims. The Try 1-60 claims expired on August 23, 2001, but Newmont filed on August 31, 2001 a Certificate of Work to bring these claims current to December 31, 2005. The 69 Ram property claims expire on December 31, 2004. To the knowledge of Ross River, there are no liens or encumbrances filed against the claims and there are no known conflicts with other claim owners. To the knowledge of Ross River, there are no environmental liabilities on the Tay-LP Project. The locations of known zones of mineralization and geochemical anomalies are shown on Figure 1.

In an agreement dated June 14, 1999 (the "Long & Associates Agreement"), Ross River optioned 143 Tay-LP and Jef quartz mineral claims (the "Tay-LP Claims") from Ted Bartsch, Jim Schnare, Peter Long and Robin S. Tolbert (collectively doing business as a partnership known as "Long & Associates") covering approximately 3,050 hectares. In addition to being a partner of Long & Associates, Robin S. Tolbert is Vice-President, Chief Financial Officer, Secretary and a director of Ross River and, upon closing of the Transaction, will become Vice-President of the Company. See "Information Concerning Ross River – Interests of Management and Others in Material Transactions". Pursuant to the Long & Associates Agreement, Ross River has an option to acquire a 100% interest in the Tay-LP Claims provided Ross River incurs $1 million in exploration expenditures over 4 years on or before May 31, 2004, maintains the property in good standing during the currency of the option, and makes cash payments to Long & Associates aggregating $220,000, or an equal value of common shares of Ross River, as follows:

1. $20,000 upon execution of the Long & Associates Agreement (paid);
2. $20,000, or delivery of public company shares having a value equal thereto on or before May 31, 2000 (shares issued);
3. $40,000, or delivery of public company shares having a value equal thereto on or before May 31, 2001 (shares issued);
4. $60,000, or delivery of public company shares having a value equal thereto on or before May 31, 2002; and
5. $80,000, or delivery of public company shares having a value equal thereto on or before May 31, 2003.

Pursuant to the Long & Associates Agreement, Long & Associates retains a 2.5% NSR on production.

By way of a letter agreement dated June 14, 1999, Ross River and Long & Associates agreed to pay a 0.5% NSR on production from the Tay-LP Claims to Marcus N. Foster as a finders fee payable in connection with the acquisition of the Tay-LP Claims by Ross River. In an agreement dated for reference June 7, 2001 (the "NSR Option Agreement") between Marcus N. Foster and the Company, Marcus N. Foster agreed to grant the Company an option to purchase his 0.5% NSR, for a period of 30 days following receipt of a bankable feasibility study, at a price of one-half of the fair market value of the NSR, as determined by an independent third party valuator to be based upon the bankable feasibility study, but in no event for a price of less than US$600,000. The grant of the option under the NSR Option Agreement is subject to the completion of the Transaction. Marcus N. Foster is President and a director of Ross River and President, Chief Executive Officer and a director of the Company. See "Information Concerning Ross River Interests of Management and Others in Material Transactions".

Ross River entered into a letter agreement dated April 25, 2000 with Long & Associates under which Long & Associates agreed to accept 60,000 common shares of in lieu of a $20,000 cash payment which was payable on May 31, 2000 pursuant to the Long & Associates Agreement.

In a letter agreement dated December 31, 2000, Long & Associates agreed to accept 30,000 common shares of Ross River at a deemed price of $0.30 per common share in consideration of the delay experienced in Ross River becoming a public company.

In a letter agreement dated April 24, 2001, Long & Associates agreed to accept 135,000 common shares of Ross River in lieu of a $40,000 cash payment that was payable on May 31, 2001 pursuant to the Long & Associates Agreement.

In a letter agreement dated April 27, 2001 between Ross River and Long & Associates, Long & Associates agreed to accept $4,000 in the event that Ross River had not become a public company by July 31, 2001. In a letter agreement dated February 28, 2002 between Ross River and Long & Associates, Long & Associates agreed to accept $1,000 in the event that Ross River had not become a public company by April 30, 2002. In an agreement dated February 28, 2002, Long & Associates agreed to accept 20,000 common shares of Ross River at a deemed value of $0.25 per share in satisfaction of both agreements. See "Material Contracts – Ross River".

In an agreement dated May 31, 2000 (the "Fairfield Agreement") as amended by agreement dated June 14, 2001, Ross River has optioned 69 Ram quartz mineral claims (the "Ram Claims") from Fairfield Minerals Ltd.
approximately 1,440 hectares. Pursuant to the Fairfield Agreement, Ross River has an option to acquire a 70% interest in the Ram Claims. In order to earn the 70% interest, Ross River is to complete $500,000 exploration expenditures over five years on or before April 1, 2006. The Fairfield Agreement further provides that Ross River issue to Fairfield 240,000 common shares of Ross River as follows:

1. 50,000 common shares on execution of the Fairfield Agreement (shares issued);
2. 50,000 common shares on or before April 1, 2001 (shares issued);
3. 50,000 common shares on or before April 1, 2002;
4. 50,000 common shares on or before April 1, 2003;
5. 20,000 common shares on or before April 1, 2004; and
6. 20,000 common shares on or before April 1, 2005.

The Fairfield Agreement provides that Ross River will expend on or before April 1. 2006 not less than $500,000 in exploration and development of the property subject to the Ram Claims in the following periodic minimum amounts:

1. on or before April 1, 2001, $30,000 (expended by Newmont);
2. on or before April 1, 2002, an additional $50,000;
3. on or before April 1, 2003, an additional $70,000;
4. on or before April 1, 2004, an additional $100,000;
5. on or before April 1, 2005, an additional $100,000; and
6. on or before April 1, 2006, an additional $150,000.

The Fairfield Agreement required Ross River, at the request of Fairfield, to purchase or arrange for the purchase at a price of $1.00 per share the shares of Ross River held by Fairfield if Ross River failed to attain a listing of its securities on a recognized stock exchange by December 31, 2000. As Ross River failed to obtain a stock exchange listing as set out in the Fairfield Agreement, the parties entered into a letter agreement dated February 28, 2001 (the "First Fairfield Amendment") to amend the

Fairfield Agreement. Pursuant to the First Fairfield Amendment, Ross River agreed to issue an additional 150,000 common shares of Ross River to Fairfield in consideration of Fairfield agreeing to remove the provision in the Fairfield Agreement requiring Ross River, at the request of Fairfield, to purchase or arrange the purchase of the Ross River shares held by Fairfield and to delay the requirement for Ross River to obtain a stock exchange listing until July 31, 2001. The First Fairfield Amendment provided that if Ross River failed to obtain a stock exchange listing by July 31, 2001, the parties would negotiate an extension. Ross River did not obtain a stock exchange listing on or before July 31, 2001 and management anticipates that a further amendment to the Fairfield Agreement will be negotiated in connection with the April 1, 2002 payment under the Fairfield Agreement.

The Fairfield Agreement requires Ross River to issue common shares of Ross River to Fairfield. In an agreement dated for reference June 14, 2001 (the “Second Fairfield Amendment”), the Company, Ross River and Fairfield agreed to amend the Fairfield Agreement to provide for issuances of Common Shares to Fairfield in lieu of the requirement to issue common shares of Ross River to Fairfield. The amendment to the Fairfield Agreement contemplated by the Second Fairfield Amendment is subject to completion of the Transaction.

Ross River staked the 105 Gai and Cam mineral claims and Newmont staked the 60 Try claims. Fairfield is the registered owner of the Ram claims. Newmont is the registered owner of the Tay, LP, Jef, Gai, Try and Cam claims but, following its termination of the Newmont Agreement, Newmont must transfer those claims to Ross River pursuant to the terms of the Newmont Agreement. Ross River has requested Newmont transfer the Tay, LP, Jef, Gai, Try and Cam claims to Ross River but as at the date of this Prospectus, such transfers have not been effected. To the knowledge of Ross River, Newmont acquired all necessary permits to carry out exploration work on the Tay-LP Project.

By a letter agreement dated March 14, 2000 between Ross River and Newmont (the “Newmont Letter Agreement”), Ross River granted to Newmont an option to acquire a 51% interest in Ross River’s interest in the Tay-LP Claims.

The Newmont Letter Agreement was superceded by the agreement (the “Newmont Agreement”) entered into by Ross River and Newmont on June 1, 2000 covering all 377 mineral claims in the Tay-LP Project. Pursuant to the Newmont Agreement, Ross River granted to Newmont, subject to terms of the Long & Associates Agreement and the Fairfield Agreement, an option (the “First Option”) to acquire a 51% interest in Ross River’s interests in the Tay-LP Project by making cash payments to Ross River of $305,000 over 4 years, incurring exploration expenditures totaling $4 million over 4 years on or before December 31, 2004, reimbursing Ross River for the share allocations contained in the Fairfield Agreement for a total of $200,000 in stages until April 1, 2005 and assuming cash payments to be made by Ross River under the Long & Associates Agreement in the aggregate of $200,000 occurring in stages until May 31, 2003. Pursuant to the Newmont Agreement, Newmont could let its option lapse by providing notice to Ross River, at which time the Newmont Agreement would terminate. On December 20, 2001, Newmont provided notice to Ross River that it wished to let the First Option lapse.

Pursuant to the Newmont Agreement, Newmont was transferred title to all claims in the Tay-LP Project, with the exception of the Ram Claims, at its own cost and for administrative efficiency only. Newmont terminated the Newmont Agreement on December 20, 2001. Pursuant to the terms of the Newmont Agreement, Newmont must transfer all title it holds to the claims in the Tay-LP Project to Ross River.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Tay- LP Project is located in the south central Yukon Territory at approximately 61 33’ north latitude and 132 40’ west longitude, 50 kilometres to the south of the town of Ross River which is on the Robert Campbell highway, and 160 kilometres to the northeast of Whitehorse. See Figure 1.

The Tay-LP Project is situated within the St. Cyr Range of the Pelly Mountains, and mostly covers the lower elevations of the gently sloping Seagull Creek valley, where elevations range from between approximately 1,000 metres to just under 2,000 metres above mean sea level. Most of the property lies below tree line, with the claims centered along Seagull Creek, which locally forms oxbows and typically meanders through this broad sediment filled valley. Local swampy areas exist along the creek.

The property within the Tay-LP Project can be reached via a summer season 4X4 road, or alternatively can be reached via helicopter from Ross River or via floatplane to Seagull Lake from Whitehorse. The drive from Whitehorse to Seagull Lake camp on the property via Johnsons Crossing and the gravel Canol Road is about 6 hours. From the Canol Road, the property is reached by following a 4X4 dirt road for approximately 20 kilometres, which runs along side of Groundhog Creek eastward, before crossing over a height of land at 1,700 metres elevation and then descending into the Seagull Creek valley. In early June during mobilization into the project this pass was still under snowdrifts up to three metres deep, requiring clearing using a bulldozer.

Once on the property, this access road continues on along the east side of Seagull Creek almost the entire length of the claims. A limited number of secondary dirt roads and Cat trails are located on the property, which provide some local access for 4X4 vehicles. Thick underbrush is widespread over much of the property along Seagull Creek valley, which was found to impede geological traverses and the search for outcrops during mapping. Water levels along Seagull Creek were higher during the initial weeks of the field program, making access across the creek on foot or in vehicle difficult to impossible. The property is most accessible to basic exploration work during the period from mid June to mid September, but drilling can be conducted outside this time-frame.

Mobilization of camps and heavy equipment to the Tay - LP Property has, in the past, been from Whitehorse. Travel by way of the Alaska-Yukon Highway from Whitehorse to Johnson's Crossing on the Teslin River is on a paved highway, a distance of approximately 135 kilometres. From Johnson's Crossing the route follows the gravelled South Canol Road to the Nisutlin River valley and north beyond Quiet Lake to Groundhog Creek in the Lapie Lakes area, a total distance of approximately 160 kilometres. A nursing station, an airstrip and some other facilities are available at Ross River.

If necessary, chartered fixed wing aircraft could be used from centres such as Whitehorse, Watson Lake or Ross River to fly into Seagull Lake. Communication by ordinary VHF radio from the TAY- LP property has, however, been quite unreliable. Tractor roads have been developed to reach drill sites. East of Seagull Creek several of these tractor roads have been used with 4-wheel drive trucks. In places, care must be taken crossing creeks as the water may be deeper than it first appears. Tractor, or track mounted reverse circulation drills, have made trails up and along the slopes west of Seagull Creek but the majority of these are impassable with 4-wheel drive trucks. All terrain vehicles may be useful for future access to the various exploration sites. No significant gravel deposits have been encountered within the property although some of the glacial till may be useful for road repair and maintenance. Several low, wet, areas along the access road should have culverts installed and suitable till material might be used to build up the road approaches.

Weather patterns during summer months at the Tay-LP Project include typically moderate to cool temperatures in the 10°C - 20°C range, with frequent rainy and drizzly conditions and afternoon wind and thundershowers. The date of the first frost in the area is highly variable but, in general, the snow and frost fee period is approximately 75 days or about 2.5 months.

History and Exploration

The original Tay 1 – 21 claims were staked in 1984 by a group of prospectors, Peter Long, Jim Schnare and Ted Bartsch, after discovering rusty float boulders with appreciable gold values located along the Seagull Creek valley. The claims were optioned to Cominco Limited in 1985. The LP and Jef claims were added to the claim group during 1985 to 1987. In 1985 Cominco carried out an airborne electromagnetic and magnetometer geophysical survey over 197 line kilometres. This survey was followed by HLEM and magnetic ground geophysical surveys along 30 line kilometres, completed in conjunction with soil geochemistry over a 4.0 kilometre by 1.0 kilometre grid.

Five diamond drill holes were completed in 1985, totaling 533 metres. Drilling targeted coincident EM and magnetic anomalies, and mineralization discovered at the Gossan Showing along Tolbert Creek. In addition, one Cat trench was completed and over 200 rock samples were collected, mostly from mineralized float boulders along the Seagull road and from Tolbert Creek.

In 1987, Cominco optioned the property to junior Cinnibar Resources Limited. Under the management of Cominco, 11 diamond drill holes were completed totaling 961 metres. These holes tested EM and magnetic high anomalies, areas of abundant mineralized float boulders in till, and areas where limestone formed part of the stratigraphic package.

In 1988, junior explorer Pacific Comox Resources Limited ("Pacific Comox") took on management and exploration of the property. Pacific Comox completed six diamond drill holes totaling 947 metres, as well as excavation of two Cat trenches and completion of 9.5 line kilometres of IP and 19 line kilometres of magnetometer and VLF-EM Surveys. Petrographic analysis was performed on 15 samples.

In 1991, Pacific Comox contracted a Dighem airborne magnetic and VLF-EM survey over an area much larger than the Cominco surveys. This survey was followed by additional ground magnetometer, VLF and GENIE SE-88 EM surveys to define targets. This was followed by 12 RC drill holes totaling 941.7 metres.

In 1994, a second RC drill program was conducted by Pacific Comox consisting of 30 holes totaling approximately 412 metres. Most of these drill holes were drilled only to the depth of overburden, averaging a depth of less than 15 metres. Limited Cat trenching was also conducted during this program.

In 1997, Pacific Comox relinquished management and interest in the Tay-LP property and control reverted back to Cominco. Cominco relinquished their interest in the property in April 1998 to Mr. Robin S. Tolbert, acting as agent for the prospectors who originally staked the ground. A partnership, consisting of Robin S. Tolbert, Ted Bartsch, Jim Schnare, and Peter Long and referred to as Long & Associates, assumed management and interest in the Tay-LP property. Long & Associates entered into the Long & Associates Agreement on June 14, 1999 whereby Ross River, for which Mr. Tolbert is a principal and a shareholder, was granted the exclusive right and option to acquire Long & Associates' 100% undivided right, title and interest in the Tay-LP property in exchange for cash payments and/or shares of Ross River. See "Information Concerning Ross River Property Description and Location".

In 1999, Ross River Gold completed a selective leach soil sampling survey over parts of the original Cominco grid. In early 2000, the Gai 1 – 65 and Cam 1 – 40 mineral claims were staked at the western and southern property boundaries by Ross River.

In March of 1999, Newmont entered into the Newmont Letter Agreement with Ross River to option the Tay-LP Claims. During the 2000 field season, Ross River gained management and control of the Ram Claims, which lie contiguously north of the Tay-LP property. In June of 2000, Newmont entered into the Newmont Agreement with Ross River to option the entire Tay-LP Project, including the Gai, Cam, Ram, Tay, LP and Jef mineral claims.

The Ram Claims, which now make up part of the Tay-LP Project, formed part of a much larger block of 758 claims staked in 1984 and 1985. Work completed in 1985 on the Ram property, by Regional Resources Limited, included line cutting, grid geochemical surveys, geological mapping, prospecting and minor hand trenching. In 1987, additional soil sampling and ground geophysical surveys, as well as rock sampling was carried out by Fairfield Minerals Limited.

During 1988, Fairfield Minerals and Equity Silver Mines Limited carried out diamond drilling and additional soil sampling. Thirty-one BQ drill holes were completed on the Ram property, totaling 3,723 metres. Fifteen of these holes tested the Vole, Trout and Mouse Showings, located on claims included in the Newmont land package.

Elsewhere in the area, during 1987 Canamax Resources Inc. was working on its Pass Peak property, located immediately to the west of the Ram and Tay-LP properties. This claim block area encompassed the Tolbert Creek soil anomaly, which was outlined during the 2000 Newmont program. Work on the Pass Peak property by Canamax included an airborne VLF-EM and magnetometer survey over an approximate 6 x 5 kilometre area, covering from Tolbert Creek in the south and from Seagull Creek in the east. This survey identified a number of EM as well as magnetic anomalies. Soil samples were collected along a 600 metres by 1,200 metres grid area, which covered a zone of multiple EM conductors.

Exploration activity by Newmont during 2000 at the Tay-LP project was completed between May 19th and August 15th. Work completed included snow clearing along the Seagull access road, airborne electromagnetic and magnetic geophysical surveys, geological mapping, soil geochemical sampling, rock sampling and prospecting, and Bombardier mounted auger overburden drill sampling. In addition to this work, tags were affixed to claim posts and additional claims were staked.

Newmont contracted Fugro Airborne Surveys to complete an airborne EM and magnetometer geophysical survey over a 23 x 10 kilometre area, encompassing the Tay-LP property and surrounding area. This work was completed between May 19th and May 28th, 2000. The survey was flown at 200 metres line spacing for a total of 1,133 line-kilometres.

Geological mapping coverage was completed over the northern three quarters of the property area, including the Ram Claims, a total area of some 13 kilometres in length by 2 to 4 kilometres wide. The 2000 mapping was intended to expand on and add detail to the very limited amount of geological data already available on the property.

In conjunction with this mapping, a total of 63 grab rock samples were collected on the project. Samples were sent to ALS Chemex Labs in North Vancouver for analysis.

Soil sampling was completed over a 13 x 2 to 4-kilometre area covering much of the Ram Claims and the northern two thirds of the Tay-LP claim block. Grid lines were located to cover known mineral occurrences and geophysical anomalies, and to extend coverage laterally and along strike of these areas. A total of 729 soil samples were collected.

In addition to conventional soil samples, a Bombardier track mounted power screw auger drill was used to collect samples in areas of thick overburden cover. In total 31 auger samples were collected. These samples along with soil samples were also sent to ALS Chemex Labs in North Vancouver for analysis.

In addition to the sampling and mapping carried out during the 2000 field program, tags were affixed to the Gai 1 – 65 and Cam 1 – 40 claim posts, as required under the *Yukon Quartz Mining Act*.

As well, the Try 1 – 60 claims were staked by Newmont and are located contiguously along the western property boundary. These claims cover an area of approximately 1,250 hectares.

During 2001, Newmont conducted an exploration program of ground geophysics on the Try claims, but as of September 4, 2001, assessment reports had not yet been filed with the Watson Lake Mining Recorder's office. There are no reserve or resources estimates and there has been no production from the Tay-LP Project.

On December 20, 2001, Newmont provided notice to Ross River that it intends to let the First Option lapse, which resulted in the termination of the Newmont Agreement. See "Business of the Company The Transaction – Plans for Ross River's Properties".

Geological Setting

The region is underlain by a sequence of moderately folded and faulted Paleozoic miogeosynclinal strata of the Pelly-Cassiar platform, considered to be autochthonous to the North American craton. The units which make up this stratigraphic sequence range in age from Lower Cambrian to Mississippian, and include the rock types siltstone, quartzite, limestone, argillite, phyllitic mudstone, calcareous phyllite, schist, shale, dolostone, silty dolostone and late felsic and mafic volcanic flows, tuff and agglomerate.

Structurally, the region is dominated by four significant thrust faults; namely, the McConnell, Porcupine-Seagull-Pass Peak, Cloutier and St. Cyr, and by the Ketza-Seagull Arch. Thrusts generally dip to the southwest and trend to the northwest, parallel to the Tintina fault. Thrusting is believed to have occurred during the Late Jurassic and Early Cretaceous. The Tintina fault, located approximately 30 kilometres to the northeast of the Tay-LP and Ram properties, has undergone at least 450 kilometres of dextral movement since the middle Cretaceous.

The Ketza-Seagull Arch is described as a domal uplift forming a broad area in which the strata in the lower Cloutier thrust sheet are exposed beneath the Porcupine-Seagull thrust. The Ketza-Seagull Arch is divided into the Ketza and Seagull uplifts, believed caused by uplift about one or more buried Cretaceous intrusions. Abbott J.G. (1986. *Epigenetic Mineral Deposits of the Ketza-Seagull District, Yukon: In Yukon Geology, Vol. 1, Exploration and Geological Services Div. Yukon, Indian and Northern Affairs Canada. p. 56-66*) notes that most gold and silver mineralization located in the Pelly Mountains of Central Yukon forms two adjacent clusters at the Ketza and Seagull uplifts, and he infers that this mineralization is related to the buried intrusions, which are believed to have caused this uplift. The Ketza deposit in 1986 had delineated reserves of 1.0 million tonnes averaging 13.7 g/t Au.

Intrusive rocks, which outcrop on the property, include a Cretaceous age quartz monzonite stock located to the north of Tolbert Creek, Upper Devonian to Mississippian age syenite located to the east of Seagull Creek, and probable Cretaceous age altered granitic intrusive at the Vole Showing and elsewhere on the Ram claims. A postulated buried intrusive is situated immediately to the south of the Tolbert Creek Quartz Monzonite.

At the Seagull uplift, auriferous mineralization at the Tay-LP claims appears to represent a central area within concentric zones of argentiferous and base metal occurrences. This pattern is based on preliminary data and should be confirmed with more detailed studies to be stated more confidently. However, known mineral occurrences appear to demonstrate a zonation from a central gold-arsenic-bismuth zone at Tay-LP, outward to more arsenic rich, then silver rich and finally lead-zinc-barite rich occurrences. Mineralization at Ram and Tay-LP is described mainly as quartz veins, stockwork zones and replacement zones, although skarn mineralization is also present. Mineral occurrences are hosted primarily within meta-sedimentary rocks. At Tay-LP, a quartz monzonite intrusive, which outcrops at the west side of the property, is variably sericite altered and has been noted to host arsenopyrite bearing quartz veins.

Structural features identified on the project include northwest and west-northwest faulting, and a penetrative metamorphic fabric imparting phyllitic to schistose textures on the meta-sedimentary rocks. This moderately well developed metamorphic texture is best developed in Lower Cambrian to probable Upper Devonian age rocks, occurring typically sub-parallel to the predominantly northwest trend of sedimentary bedding. Minor folding was noted in outcrop as small-scale isoclinal folds, typically having shallow to moderate plunges in variable directions.

The northwest trending Seagull Fault, which is located east of and parallel to Seagull Creek, is well documented in previous work and is mapped as a thrust fault on GSC Open File 486. This fault is not seen in outcrop, however, it is readily apparent in the topographical expression of the terrain. The Seagull fault trends approximately 330°. This fault marks a break between phyllite dominant stratigraphy of probable Upper Cambrian to Ordovician age to the west with Mississippian age slate and meta-volcanic rocks to the east. There appears to be no conclusive evidence to suggest whether this fault is a thrust or steeply dipping, although geophysical data suggests that it may be steep. It has been suggested that Seagull fault could be related to mineralization, however to date no direct link has been established.

Alteration at the project area is defined by a low grade regional metamorphic alteration of the meta-sedimentary rocks including very weak chlorite, and in the schistose rocks, muscovite, quartz and biotite. As well, graphitic alteration is related to movement along foliation planes and faulting and quartz and quartz-iron carbonate tension gash veins crosscut and parallel foliation.

Alteration associated with gold mineralization is believed to reflect hornfels zones related to mineralizing intrusive activity. Alteration occurs in association with pyrrhotite and pyrite +/- chalcopyrite, tellurbismuth, bismuthinite, galena and gold as zones of silicification and tourmaline (+/- biotite). Within these altered or hornfels zones strong quartz veining is often present. Minor amounts of disseminated pyrite and pyrrhotite along with quartz-tourmaline veinlets may form broader envelopes to areas of stronger alteration.

Alteration of intrusive rocks is variably weak to strong, including sericite, silicification, clay, tourmaline and quartz sulphide veins. The Tolbert Creek quartz monzonite is cut by flat lying quartz sulphide veins, which contain minor amounts of arsenopyrite and pyrite. These veins and related fractures are often enveloped by strong sericite alteration. This intrusive can also be weakly to moderately sericite altered away from veining. Tourmaline is reported at this intrusive.

Mineralization

Past work at the Tay-LP Project has identified gold mineralization associated with quartz veins, quartz stockwork zones and replacement zones, hosted within calcareous schist, phyllite and marble. The most important area discovered to date occurs over a three-kilometre long northwest trend along Seagull Creek, at the junction with Tolbert Creek. This mineralized zone is evident as a coincident EM and magnetic geophysical anomaly. Mineralization here occurs in drill hole intersections, in outcrop and in trenches. Mineralized float boulders occur in the glacial and fluvial sediments, which cover the area.

Quartz veining and stockwork zones account for most of the mineralization intersected in drilling at this area. Veins consist of quartz and variable amounts of tourmaline, up to >20% of vein material. Vein mineralogy includes pyrrhotite, ranging up to >40 %, +/- chalcopyrite, pyrite, arsenopyrite, bismuthinite, native bismuth, tellurbismuth, galena, marcasite and native gold. Tourmaline and silica form alteration or replacement zones with pyrrhotite and pyrite along vein margins. Individual veins are one centimetre to greater than 10 metres wide, and reportedly grade into stockwork zones. Some of the veining has undergone brecciation, likely during the mineralizing event. Veining is believed to be steeply dipping and northwest trending.

Quartz-pyrrhotite-tourmaline veining intersected in diamond drill hole 88-19 returned 7.0 metres with an average grade of 3.54 g/t gold. RC hole 91-24 returned 3.59 g/t gold over 24.4 metres from samples consisting of abundant quartz and pyrrhotite chips. Samples from this interval assayed up to 11.4 g/t gold.

Float boulders sampled from this area reported as quartz-pyrrhotite-chalcopyrite-tourmaline returned the highest average gold values of all types of boulders sampled, with 35% of these boulders assaying >3 g/t gold.

Replacement mineralization along this trend is closely associated with veining. This mineralization typically is hosted within schist, variably described as quartz-biotite-muscovite +/- chlorite +/- calcite +/- pyrrhotite schist, quartz-sericite schist and chlorite schist. Marble also is host to replacement or manto style mineralization, the best example of this occurring at the Gossan Showing trench, located along Tolbert Creek. Here, massive and semi-massive sulphides replace marble and occur along foliation planes in altered calcareous schist. Sulphides include pyrrhotite, arsenopyrite +/- pyrite +/- chalcopyrite. Quartz veins also occur at this location. Surface sampling at this showing has returned up to 5.0 g/t gold across 9.25 metres. Select samples have returned 28.4 g/t.

Gold bearing replacement mineralization encountered in drilling along this trend occurs as disseminations and possibly stratabound bands of pyrrhotite +/- minor chalcopyrite +/- pyrite parallel to foliation, associated with tourmaline and silica alteration. Diamond drill hole 85-1 is the best example of this style of mineralization. Here a 30 metre interval of schist averaged close to 1 g/t gold. Within this interval individual samples returned assays of up to 3.22 g/t gold. Bismuth and copper were geochemically anomalous over this interval.

Forty-three mineralized schist boulders collected along the Seagull Creek road in this area averaged 1.09 g/t gold, while a boulder of “tourmalinized schist” from Seagull Creek assayed 27.0 g/t gold.

Immediately to the east, and parallel to the mineralization described above, a second coincident EM and magnetic geophysical anomaly has been drill tested in the past. Diamond drilling here has returned up to 4.0 g/t gold over 2.0 metres (hole 87-9). Most holes drilled in this area intersected weakly anomalous gold values with shorter intervals of >1g/t. The anomalous gold results as reported in drill logs are related to quartz-pyrrhotite-tourmaline +/- chalcopyrite stockwork zones and veining.

Drill core and RC chips from previous programs on the Tay-LP property is presently stored at the camp location in the central claims area. Some of the core remains intact although some core and RC samples have been disrupted. It was noted that not all mineralized core from Tay-LP was originally split for sampling. Core from drilling on the Ram property is stored at the Seagull Lake camp site, although most of this core has been dumped on the ground.

Elsewhere at the project, gold mineralization is associated with quartz vein stockwork zones hosted along or adjacent to west-northwest faulting at the Vole Showing on the Ram claims. Drilling at the Vole Showing has returned up to 5.35 metres grading 2.2 g/t gold within quartz vein stockwork zones.

In addition, previously collected samples of quartz vein and sulphide float material from north of Tolbert Creek and southwest of Seagull Creek and hole 91-24, returned anomalous gold values of >25g/t. The sources of this sample material have not been located.

Exploration and Development by Newmont

Rock Chip Sampling

A total of 63 rock samples were collected in the project area during the course of Newmont’s 2000 exploration program. The most significant results have been returned from samples collected at the Tolbert Creek soil anomaly area. Here, samples returned from background up to 4.1 g/t gold from quartz-sulphide float material, and up to 1.1 g/t gold from highly oxidized talus material. These samples also returned anomalous bismuth, arsenic, antimony, silver, copper and lead.

To the south of this area at the Tolbert Creek quartz monzonite, samples returned anomalous bismuth and arsenic values from narrow, flat lying quartz veins containing minor arsenopyrite and pyrite. Quartz vein float previously collected in the area has been reported to have high gold assays. One sample assayed 25.4 g/t gold.

Elsewhere, a sample was collected from float material located down slope of the Vole Showing drilling on the Ram claims. The float material probably originated from this showing. Immediately to the north of the Vole Showing some of the samples returned anomalous gold, bismuth, arsenic, antimony, copper, lead and silver. These samples were collected from highly altered intrusive at the Mouse Showing, hosting arsenopyrite, pyrite and pyrrhotite veinlets and disseminations.

Limited rock samples collected at the Wolf soil anomaly returned weakly anomalous gold up to 290 ppb, along with anomalous bismuth, antimony, arsenic, copper, lead and silver. Samples were collected from sub cropping quartz-sulphide vein and quartz veining in altered dolostone.

Soil Geochemical Survey

Soil sampling was completed along 400 metre and 200 metre spaced east – west oriented grid lines over approximately 13 kilometres of Seagull Creek valley. Samples were collected at 100 metres intervals. Grid lines were established by compass and hip chain, and the end points along lines were surveyed in using hand held GPS. Lines were marked with pink flagging tape, while sample stations were marked with pink and blue flagging and metal tags embossed with sample numbers. Samples were not collected along the valley floor of Seagull Creek, nor where the presence of thick glacial deposits was indicated. A total of 729 soil samples were collected.

The samples were collected using a mattock at depths of between 15 to 40 centimetres and placed in paper kraft type soil bags for shipment to the lab. Attempts were made to sample the B-horizon soil profile, however, it was noted that the soil development was quite variable and it was often difficult to identify a clear B-horizon development. A white ash layer exists in the area, typically only a few to tens of centimetres in thickness and typically near the present soil surface. Samples were collected below this layer where identified.

Soil samples were shipped to ALS Chemex Labs in North Vancouver where they were analyzed for gold by FA-AAS and for a 32 - element ultra trace package by ICP.

Newmont sample standards were sent to the lab with soil samples.

Soil sample results for the elements gold, bismuth, arsenic, antimony and were plotted on histograms. Plots are based on the evaluation of histograms and mean and standard deviations. Comparison of standard deviations with the histogram curves was used to determine meaningful values for plotting of anomalous data. All of the data sets examined tended to have a strong positive skewness with a number of high outlying data points. Therefore, log transformation of the data was used to determine mean and standard deviation values.

The results show four main areas of anomalous gold values, the Vole, Wolf, Tolbert Creek, and Camp. The most significant of these is the Tolbert Creek Anomaly. This multi-element anomaly is centered approximately 4.5 kilometres west northwest of the junction between Tolbert Creek and Seagull Creek, or about one kilometre to the north of Tolbert Creek, situated above tree line on the upper rounded slopes to Seagull valley. Overburden cover here is estimated to be thin. This anomaly consists of an approximately 1200 x 1200 metre area, defined by >10 ppb gold values. Within this area is an irregular shaped central >20 ppb gold anomaly measuring approximately 600 x 800 metres. Highly anomalous arsenic, as well as anomalous antimony, bismuth, silver and lead were also returned from this area. Values range up to 220 ppb gold, >10,000 ppm arsenic, 54 ppm antimony, 28 ppm bismuth, 2990 ppm lead and 11.2 ppm silver. See figure 1.

The underlying geology at this area is relatively unknown as the anomaly was identified late in the field program and the area was not mapped. This soil anomaly overlies a coincident magnetic and EM anomaly, which is one of a group of geophysical anomalies here and to the north.

Stream sediment samples from creeks in this area have returned anomalous results from background up to 85 ppb gold, 5500 ppm arsenic, 11.0 ppm bismuth and 3.0 ppm antimony.

Southeast of the Tolbert Creek geochemical anomaly, spotty elevated gold, silver, arsenic and bismuth values occur around the Tolbert Creek quartz monzonite stock. This area is only partly covered by the soil grid, however spot high values range up to 105 ppm gold, 4.7 ppm silver, 714 ppm arsenic and 21.1 ppm bismuth.

The Wolf Anomaly, which is located east of Seagull Creek on the Ram claims, was first outlined by soil sampling in the 1980s by Fairfield. This anomaly is situated on a gently sloping forested side hill. Samples collected along 200 metre spaced soil lines during 2000 confirmed the presence of a gold-bismuth anomaly. Spotty anomalous gold values between 10 ppb and 250 ppb occur along a 1600 x 700 metre wide north-northwest trend. Highly anomalous bismuth is also present, ranging from a few parts per million to 53.9 ppm. Soil results also included values from background up to 1930 ppm arsenic, 6.4 ppm antimony, 4.5 ppm silver, 358 ppm copper and 152 ppm lead. The area between the Camp Anomaly and the Wolf Anomaly was not soil sampled (see Figure 1). The majority of the centre of the Seagull Creek valley from the Camp Anomaly south extending over a width of approximately 600 metres has not received soil sampling by Newmont, since the overburden was considered to be too deep. The southern most Newmont soil survey line on the property is 400 metres north of overburden drill hole 94-37 (see Figure 1A).

The Camp Anomaly is located along the lower slopes of Seagull Valley east of Seagull Creek, directly east of and southward from camp. Somewhat patchy anomalous gold values, ranging between 10 ppb and 105 ppb, occur along an approximate 3.0 kilometre north – northwest trend. Unlike the previous areas, this anomaly lacks a strong multi-element signature, although spotty anomalous bismuth and arsenic are present.

This area parallels the known gold mineralization along Seagull Creek to the west, and is located approximately 200 to 500 metres east of this zone. Schist and phyllite of probable Lower Cambrian age underlie this area, located adjacent to the projected Seagull fault.

The Vole Anomaly is located on the Ram claims, immediately west of Seagull Creek. This anomaly occurs as an approximate 800 x 100 to 200 metre wide north-northwest trending area defined by frequent >10 ppb gold results, situated within a larger area defined by >250 ppm arsenic results. Bismuth, silver, lead and antimony are also anomalous here, with values ranging up to 18.8 ppm bismuth, 3.9 ppm silver, 310 ppm lead and 4.5 ppm antimony. This anomaly was also identified by Fairfield Minerals in the 1980s, who tested the area with diamond drilling. The Vole anomaly is underlain by phyllite, schist, quartzite and dolostone of probable Upper Cambrian to Devonian age, intruded by an altered granitic stock with associated magnetite and chlorite calc-silicate skarn of probable Cretaceous age. This area is located along the projection of a west-northwest cross fault, which also intersects the Wolf Anomaly.

FIGURE 1A

Auger Geochemical Survey

As part of Newmont's evaluation of the project area, 31 samples were collected using a Bombardier mounted power screw auger drill.

The procedure used with this equipment was to drill to the point of suspected bedrock, often not easily determined, collecting whatever muck and rock chips are clinging to the final five foot long rod, after scrapping off the obvious transported outer material. A six-inch diameter rod was used, which typically extracted abundant sample material for a standard sample size. One exception to this was during wet drilling conditions, which often resulted in most of the sample material washing off of the rod during extraction of the rod string.

The most significant results were returned from two auger holes drilled at the Wolf Anomaly. Two samples returned anomalous results to 435 ppb gold, as well as anomalous bismuth, antimony, arsenic and copper. These holes were drilled where existing roads permitted access, testing the general area of the Wolf soil anomaly. Samples are described as of fair to poor quality of probable near bedrock or bedrock. Rock types encountered in both samples were phyllite with some quartz material. Examination of one of the samples (435 ppb gold) under a microscope revealed small amounts of a magnetic sulphide mineral and a light grey colour metallic mineral, possibly pyrrhotite and arsenopyrite, respectively.

Nine other auger samples returned gold results above background, between 5 ppb and 30 ppb. These samples are described in the following table, along with samples from the Wolf Anomaly. Note that in some cases, as reported below, the auger did not reach bedrock.

Airborne Geophysical Survey

Fugro Airborne Surveys flew a helicopter-borne magnetic - electromagnetic survey for Newmont over the Tay-LP Project. A total of 1,133 line-kilometres was completed during the period of May 19th to May 28th, 2000.

The airborne magnometer was a Picodas 3340 processor with geometrics G822, with a GEM Systems GSM-19T ground base station. The EM system used was Dighem's model DIGHEM-V recording coaxia and quadrature profiles at 1,000 Hz, 5,500 Hz, 7,200 Hz and 56,000 Hz. The towed bird was flown at 30 metres above ground surface. Navigation was completed using an in-flight Global Positioning System and ground base station correction.

Newmont's 2000 report provided, at 1:10,000 scale, a flight line plot, preliminary in-phase component 1,000 Hz EM maps, total field (nT) magnetic survey maps, and geophysical interpretation maps for the entire Tay-LP Project.

Twelve mag/EM targets were shown in the northern half of the property as well as numerous EM zones considered of lesser importance. These include SE-NW trending EM anomalies within the Tolbert Creek Soil Anomaly, through and between the Camp and Wolf soil anomalies, and extending at least 7 kilometres south-south east of 34S on the soil grid coincident with the thrust fault depicted on Figure 1A.

Newmont's 2001 Program

In 2001, Newmont competed ground geophysics, soil geochemistry, geological mapping and diamond drilling on the Tay-LP Project. On December 20, 2001, Newmont elected to terminate its option on the Tay-LP Project. See "Information Concerning Ross River – Property – Property Description and Location".

Exploration in 2001 carried out by Newmont, including project mobilization and demobilization, linecutting, geological mapping, rock sampling, claim post tagging (Try 1-60 claims), ground magnetic and electromagnetic surveys and diamond drilling was completed between July 29th and August 28th, 2001. Ross River has requested but Newmont has not yet provided to Ross River a report of Newmont's expenditures for its 2001 program on the Tay-LP Project, but Ross River expects these expenditures to exceed $450,000. A core handling facility, including temporary logging tent, diamond saw lean-to and permanent core storage racks was built at the Mouse showing area, located about 3.0 kilometres south of Seagull Lake. Personnel were quartered at YGC's Ketza Mine camp, some 23 kilometres to the east and core was logged and sampled in its entirety on site and sturdy 4"x4" post racks were built to store core.

Five man-days of 1:10,000 scale geological mapping and prospecting (35 rock samples) were undertaken in the Zone C area. Seven, 600 metre-long lines were cut to provide access for geophysical crews in Zones A and B in the brush filled Seagull Creek valley. Contract linecutting was carried out by Courier des Bois Ltd. of Whitehorse.

A one-week, ground geophysical survey was conducted by a Newmont geophysicist. Approximately 6.0 kilometres of magnetometer and Max Min II electromagnetic surveys were completed across 11 lines.

The Major Drilling Group of Smithers, B.C. completed 1,213.41 metres of diamond drilling in 13 days utilizing a JT2000 portable fly rig. Eleven NQII holes ranging in length from 90 to 150 metres were cored in three widely spaced anomalous magnetic and electromagnetic target areas. Whitehorse-based Capital Helicopters provided a Bell 206 Jet Ranger to transport personnel, supplies and drill rig. Drill pads were constructed with lumber and disassembled upon the completion of each hole, effecting ongoing environmental mitigation.

Each hole was logged for lithology, alteration, mineralization, structure, core recovery, rock quality density (RQD) and magnetic susceptibility. All core was cut using a diamond saw and sampled in its entirety. Rock and core samples were shipped to ALS Chemex Labs in North Vancouver, B.C. for gold and 41-element ICP analysis.

2001 Geological Mapping and Rock Chip Sampling

Five man-days of 1:10,000 scale geological mapping and prospecting (35 rock samples) were undertaken on the Tolbert Creek Soil Anomaly (Figure 1). The area is mapped as being underlain by Lower Cambrian marble, dolomitized limestone and grey to greenish-grey calcareous phyllites. This is consistent with Figure 1A, where the underlying rocks are noted as Lower Cambrian carbonates. Three small outcrops of Cretaceous quartz-maonzonite were located in the area as well as a 100 metre zone described as biotite-microgranodiorite dyke.

Thirty-five rock samples were collected in the area for analysis, and ranged from <5 ppb Au to 5.57 g/t Au. Sixteen of the 35 samples had analysis values of >50 ppb Au. Bismuth analyses ranged from 0.69 ppm Bi to 782 ppm Bi. Of the 16 samples that contained > 50 ppb Au seven analyzed > 50 ppm Bi. Arsenic values ranged from 9 to > 10,000 ppm As. Of the sixteen samples that contained > 50 ppb Au seven analyzed > 8,000 ppm As.

In neither Newmont's report nor accompanying maps are there any indication of the widths of these 35 rock samples, nor whether they are float, grab or channel samples.

2001 Ground Max-Min Geophysical Survey

Ground geophysical surveys were carried out during August 2001. The ground program was used to follow up a Dighem helicopter electromagnetic and magnetic survey flown by Fugro in May 2000. Ground data were collected for the specific purpose of locating the airborne EM and magnetic anomalies on the ground. The locations were used to select drill hole collar locations and determine the direction of drilling. Approximately 6,000 metres of line were surveyed with ground EM and magnetics along 10 lines.

The target of the geophysical surveys is gold rich massive pyrrhotite replacement bodies located along N40^{O}W striking trends within carbonate rich sediments. The strike of the pyrrhotite replacement bodies appears to be controlled by stratigraphy. Massive pyrrhotite is an extremely good conductor and is magnetic. The majority of the survey lines were oriented at N55^{O}E perpendicular to the strike of the geophysical targets.

Graphite rich shear zones also occur in the area and have similar strikes. These zones are conductive and are the main electromagnetic noise sources in the project area. The graphite zones are non-magnetic which in theory allows them to be distinguished from the massive pyrrhotite zones. One complexity is that drilling may have detected non-magnetic pyrrhotite.

Numerous conductive zones were identified by the Dighem airborne EM survey and eleven of these zones were identified as being of possible interest. They are short strike length conductive zones with a corresponding magnetic anomaly. Of these eleven zones six were selected for ground follow up and drill testing. A total of eleven drill holes were drilled on these six target zones.

The three areas selected for ground follow-up and ultimately drilled were:

A. two airborne mag-EM anomalies between drill holes 87-15 and 85-1, and between drill holes 88-20 and 91-31 respectively (Figures 1A and 1).

B. two short mag-EM anomalies 70 metres west of the Wolf Au-Bi soil anomaly near drill hole 94-84 (Figures 1A and 1).

C. two 1200 metre long mag-EM anomalies 1500 metres north of the Tolbert Creek Au-Bi soil anomaly drilled in 2001 by TLP01-1 and 2 and TLP01-3 and 11 respectively (Figure 1).

The location of the target airborne EM anomalies were identified using hand held GPS units using UTM coordinate system, NAD27 ellipse, Zone 8. The ground traverses were then laid out at N55^{O}E due to the strike of stratigraphy. The station locations were slope corrected to account for topography.

Frequency domain electromagnetic profiling using an Apex Parametrics Max-Min 11+ system was carried out on each line. Coil separation was determined by the use of an inclinometer and topography corrections were checked to see if they were required for interpretation of the resulting data. Station spacing along the lines is 25 metres. Three different coil separation, 50, 100 and 150 metres were collected where required. Data was recorded at three frequencies, 444, 888 and 1,777 Hz. Ground magnetic data was collected along the profiles. The station spacing along lines is 12.5 metres. Interpretation of the ground geophysics was carried out by Newmont and targets were selected for drilling.

2001 Diamond Drilling Program

The Major Drilling Group of Smithers, BC completed 1,213.41 metres of diamond drilling in 13 days utilizing a JT2000 portable fly rig. Eleven NQ11 holes ranging in length from 90 to 150 metres were cored in three widely spaced anomalous magnetic and electromagnetic target areas. Whitehorse-based Capital Helicopters provided a Bell 206 Jet Ranger to transport personnel, supplies and drill rig. Drill pads were constructed with lumber and disassembled upon the completion of each hole, effecting on-going environmental mitigation.

Each hole was logged for lithology, alteration, mineralization, structure, core recovery, rock quality density (RQD) and magnetic susceptibility. All core was cut using a diamond saw and sampled in its entirety. Rock and core samples were shipped to ALS Chemex Labs in North Vancouver, BC., for gold and 41-element ICP analysis. The locations of the 2001 drill holes are shown in the following table:

2001 TAY-LP Project
Diamond Drill Hole Summary

HOLE NUMBER	AREA	CLAIM NO.	ELEVATION	UTM NORTH	UTM EAST	AZ.	DIP	LENGTH (M)
TLP01-1	C	Try 48	1555m	6,828,719	620,319	050^{O}	-50^{O}	106.68
TLP01-2	C	Try 48	1520m	6,828,649	620,243	050^{O}	-50^{O}	100.58
TLP01-3	C	Try 20	1410m	6,829,707	620,678	090^{O}	-50^{O}	94.49
TLP01-4	A	Tay 19	1122m	6,827,552	624,645	245^{O}	-65^{O}	115.82
TLP01-5	A	LP 10	1111m	6,825,294	625,594	245^{O}	-50^{O}	109.73
TLP01-6	A	LP 12	1107m	6,825,687	625,444	235^{O}	-50^{O}	91.44
TLP01-7	B	LP 54	1162m	6,829,671	622,369	060^{O}	-50^{O}	122.22
TLP01-8	B	LP 58	1162m	6,830,295	622,193	050^{O}	-50^{O}	121.92
TLP01-9	A	LP 13	1143m	6,825,945	625,120	055^{O}	-50^{O}	109.73
TLP01-10	A	LP 10	1111m	6,825,230	625,494	065^{O}	-50^{O}	91.44
TLP01-11	C	Gai 47	1327m	6,830,242	620,451	055^{O}	-45^{O}	149.35

During the 2001 exploration program, these eleven diamond drill holes (1,213 metres) tested a broad succession of coincident airborne magnetic and electromagnetic anomalies derived from the 2000 Newmont-Fugro airborne geophysical survey. The aerial extent of the A, B and C areas exceed some 36.0 square kilometres. These areas of strong anomalism were expected to be a reflection of pyrrhotite, +/- gold replacement style mineralization or graphic pelitic strata.

Drilling in Area A returned a significant gold intercept with associated bismuthinite and non-magnetic, hexagonal pyrrhotite from hole TLP01-10 (11.47 metres of 2.94 g/t Au); short, sporadic intervals of gold in holes TLP01-4 (2.00 metres of 1.05 g/t Au) and TLP01-9 (2.00 metres of 0.92 g/t Au) and no significant values from holes TLP01-5 or TLP01-6. These two holes were interpreted to be drilled in the wrong direction based on an incorrect interpretation of a complex series of conductors axes. To the north, six holes testing the Areas B and C cut impressive sections of pyrrhotite replacement-style mineralization. However, results were disappointing with most values reporting below the detection limit for gold. The more significant gold intercepts are summarized in the following table:

Summary of Significant Gold Intercepts

Significant Gold Intercepts			
	TLP01-4		
From	To	Length (m)	Gold (ppb)
	7.00	1.80	640
60.75	61.60	0.85	470
67.95	69.25	1.30	415
81.70	82.20	0.50	1815
85.15	87.10	1.95	531
94.30	96.30	2.00	1051
	TLP01-10		
From	To	Length (m)	Gold (ppb)
37.40	42.85	5.45	4924
33.53	42.85	9.32	3565
33.53	45.00	11.47	2943
52.30	53.30	1.00	865
56.00	56.60	0.60	375

The 11.47 metre intercept hole TLP01-10 grading 2.94 g/t Au is 10 metres north-east from an intercept of 24.4 metres in drill hole 91-24 averaging 3.59 g/t gold. TLP01-01 is the only hole to be drilled, in 2001, on an EM anomaly with no coincident magnetic anomaly.

The testing of highly anomalous and very widespread coincident magnetic and electromagnetic anomalies failed to intersect widespread, significant gold mineralization. Therefore, it appears that the assumption that magnetic high anomalies are associated with auriferous pyrrhotite bodies is invalid and, where present, gold is associated with bismuthinite and a high temperature, non-magnetic form of pyrrhotite. This coincides with previous work conducted by Pacific Comox between 1991 and 1994, whose research indicated that “shearing and milling” of the vein material resulted in a substantial decrease in the magnetic properties of pyrrhotite. The Cominco programs targeted coincident “high” magnetic and “high” EM anomalies, but later work has suggested that “high” EM and “weak” magnetic zones may be more productive.

FIGURE 1

Exploration and Development by Ross River

Until December 20, 2001, Ross River's mining properties were under option to Newmont. On December 20, 2001, Newmont exercised its right to terminate its option agreement with Ross River. See "Information Concerning Ross River
Ross River is exploring opportunities to option its mineral interests to another major mineral exploration company or to enter into a joint venture agreement with respect to conducting further exploration and development of the Tay-LP Project. However, Ross River will allocate approximately $404,708 of the proceeds of the Offering to fund exploration of its mineral properties during 2002. In the Tay-LP Report, Marvin A. Mitchell, P.Eng. states at page 23 as follows:

> Past work on the (Tay-LP Project) has shown that gold grades can average in the plus one gram to multi grams range, demonstrating the ability to reach economic levels for a large deposit. The continuity of economic grade mineralization has yet to be proven on the property, however, the properties warrant further exploration. Extensive areas of cover have hindered past exploration efforts, however, as additional data is gathered a better understanding of the character and setting of mineralization may benefit the exploration process. Several kilometres of untested or under tested geophysical anomalies are located on the properties and the 2000 soil sampling has shown that new target areas can be developed.

In the Tay-LP Report, Marvin A. Mitchell, P.Eng. noted the assumption that magnetic high anomalies are associated with auriferous pyrrhotite bodies appears invalid, and that gold appears to be associated with bismuthinite and high temperature, non-magnetic form of pyrrhotite. Therefore, Mr. Mitchell suggests that an exploration program that targets "high" EM and "weak" magnetic zones may be more productive than an exploration program that targets "high" magnetic and "high" EM anomalies.

In the amendment dated March 11, 2002 to the Tay-LP Report, Marvin A. Mitchell, P.Eng. states at page 1 as follows:

> From the previous Summary Geological Report on the Tay-LP Property amended on January 14, 2002 for which this is an addendum it was stated that the airborne Magnetometer/EM anomalies are trending in an SE-NW direction. Three of these areas - A, B and C were among those identified during the 2000 exploration programme. These were eventually drilled with 11 diamond drill holes during the 2001 exploration programme. Only TLP01-04 and TLP01-10, drilled near the camp soil anomaly, in Area A, encountered significant gold mineralization. With respect to the southern part of Area A the surface trend of the main geophysical anomaly extends in a line between 91-24 and TLP01-10 (Figure 1) to hole TLP01-09. Holes TLP01-5 and 6 were drilled to the SW in the belief that the anomaly dipped to the NE. This was found to be incorrect and the holes were ultimately too short. Hole TLP01-09 drilled to the NE also missed the anomaly. Hole TLP01-10 and the previously drilled 91-24 intersected mineralization associated with only a weak part of a magnetic anomaly and vertical to steeply southwest dipping mineralization. The 2001 drilling in this area, with the exception of hole TLP01-10, was directed at strong magnetic targets to the west of the Camp Soil Anomaly. The fact that gold mineralization is not associated with magnetic pyrrhotite or magnetic geophysical anomalies has already been discussed in previous reports.
>
> A series of four holes is recommended to be drilled under the camp soil anomaly from the west. These holes should be oriented at approximately Azimuth 70° and be drilled at inclination of 45° or greater. It is recommended that these be collared close to the soil anomaly and if the whole zone is not penetrated that the holes be continued and not stopped in mineralization. Fewer holes would then be drilled. The maximum meterage for this drilling would be 400 meters.
>
> Six additional holes are recommended to be drilled on the Tolbert Creek soil anomaly, the Wolf, Vole and the Mouse showings. Approximately 100 metres of hole will be drilled per showing. The number of holes, location, and orientations should be at the discretion of the supervising geologist.

In the Tay-LP Report, Marvin A. Mitchell, P.Eng. recommends an exploration program in 2002 with a budget of at least $404,708 to re-evaluate the airborne geophysical data obtained by Newmont (since the assumption that magnetic high anomalies are associated with auriferous pyrrhotite bodies appears to be invalid), to complete geological mapping, prospecting and soil sampling on the Tay-LP Project and to complete approximately 1,000 metres of NQ diamond drilling. In the Tay-LP Report, Mr. Mitchell concluded that future work should not rely solely on geophysics, but also take into account known geochemistry, geology, previous drill information and mineralogy.

The 2002 program on the Tay-LP Project is estimated to last one and one-half months or approximately 50 or 51 days, with an additional 30 days to set up and close down the program. The following budget assumes that two junior geologists will be stationed on the Tay-LP Project for approximately one and one-half months (101 man days). The Project Geologist will supervise the ongoing work, including the set up and close down of the program. Ross River's budget for the 2002 for exploration of the Tay-LP Project during 2002 is as follows:

Item	**Total Dollars**
SALARIES:	
Project Geologist(1)	28,000
Two (2) Geologists	30,300
Cook	15,600
EXPENSES:	
Overhead	4,500
Geophysical reinterpretation	15,000
Airfares, hotel and travel	5,000
Meals	15,860
Camp, Genset, Wire, Pipe, etc. and Kitchen Trailer	16,250
Helicopter	28,500
Two (2) Trucks	9,000
Gasoline, Oil and Repairs and fuel for drill rig	5,400
Propane	400
Field Equipment	3,900
Assays: Soils/Silts/HM (1,000 samples)	30,660
Rocks (approximately 400 rocks)	10,000
Reassay (250 reassays)	3,350
Radio Communication	800
Telephone, Fax, Modem Communication	500
Drilling	107,123
Core Boxes and Splitting Saw	5,000
Drill Core Assaying	4,874
Report Audocad Drafting(1)	10,400
Sub-Total	350,417
Contingency (10%)	36,791
GST (7%) on select items	17,500
TOTALS	**404,708**

Note:

1. Robin Tolbert, director, Vice-President, Chief Financial Officer and Secretary of Ross River and proposed Vice-President of the Company following completion of the Transaction, will contract with Ross River as an independent contractor to be the Project Geologist and prepare the geological reports for the 2002 exploration program on the Tay-LP Project.

In the event that Ross River is successful in optioning the Tay-LP Project within the 12 month period following completion of the Transaction and the Offering, any remaining funds allocated to exploration of its mineral interests will be reallocated to its proposed exploration program. See "Proposed Tintina Gold Belt Exploration Program".

Description of Ross River Share Capital

Ross River is authorized to issue up to a maximum of 50,000,000 common shares without par value of which 5,678,000 Ross River common shares are issued and outstanding as fully paid and non-assessable as at February 28, 2002. Pursuant to the Share Exchange Agreement, a maximum of 6,000,000 common shares of Ross River will be issued and outstanding upon closing of the Transaction and therefore a maximum of 6,000,000 Common Shares will be issued to the Ross River shareholders pursuant to the Share Exchange.

The holders of the Ross River common shares are entitled to dividends, if, as and when declared by the by the board of directors of Ross River, to one vote per share at meetings of shareholders of Ross River and, upon liquidation, to receive such assets of Ross River as are distributable to the holders of Ross River common shares.

Capitalization

The following table sets forth the capitalization of Ross River as at the dates indicated:

Capital	Amount Authorized	Outstanding as at February 28, 2001 (audited)	Maximum to be Outstanding before giving effect to the Transaction (unaudited)
Common Shares (without par value)	50,000,000	4,833,500	6,000,000

Ross River has been conducting private placements of its shares to raise capital since its year ended February 28, 2001. Proceeds raised were used to partially fund costs of the Transaction and the Offering. Pursuant to the Share Exchange Agreement, Ross River shall not have more than 6,000,000 common shares outstanding upon closing of the Transaction. See “Business of the Company – The Transaction”.

Selected Financial Information and Management's Discussion and Analysis

The following selected financial information for Ross River should be read in conjunction with the financial statements and related notes included in this Prospectus.

Annual Information

	9 Months Ended November 30 *(unaudited)*	Financial Year Ended February 28		
	2001	2001	2000	1999 (unaudited)
Revenues	nil	nil	nil	nil
Expenses	$77,505	$75,347	$165,234	$14,554
Income (Loss) from Continuing Operations	(77,505)	(75,347)	(165,234)	(14,554)
Income (Loss) from Continuing Operations per share				
Basic	0.015	0.018	0.044	0.005
Fully Diluted	0.015	0.018	0.044	0.005
Net income (Loss)	(77,505)	(75,347)	(165,234)	(14,554)
Net income (Loss) per share				
Basic	0.015	0.018	0.044	0.005
Fully Diluted	0.015	0.018	0.044	0.005
Total Assets	349,503	251,309	122,256	107,069
Long-Term Liabilities	nil	nil	nil	nil
Working Capital (Deficit)	(197,055)	(152,009)	(196,289)	(21,295)
Share Capital				
Capital Stock	524,986	395,686	148,211	147,701
Number of Shares	5,266,000	4,833,500	4,030,000	3,878,572
Deficit	380,192	302,687	227,340	62,106

Dividends

Ross River has never paid cash dividends on its common shares and does not anticipate paying any cash dividends in the foreseeable future. There are no restrictions that prevent Ross River from paying dividends.

Management's Discussion and Analysis

This management's discussion and analysis should be read in conjunction with the financial statements of Ross River included elsewhere in this Prospectus. All financial information is presented in Canadian dollars unless otherwise noted. All references to a year refer to the fiscal year that ended on February 28th of that year.

General

Ross River incurred a loss of $77,505 for the period ending November 30, 2001 ($0.015 per share) compared with a loss of $35,079 for the comparable period ending November 30, 2000 ($0.009 per share). The increased loss was primarily due to audit and accounting fees related to the proposed acquisition of Ross River by the Company. Ross River reported a loss of $75,347 for the year ended February 28, 2001 ($0.018 per share) compared with a loss of $165,234 for the year ended February 28, 2000 ($0.044 per share). General and administrative expenses were $36,714 as at February 28, 2000 up from the previous period of $14,544, due to increases in rent and legal fees. General and administrative expenses for the year ended February 28, 2001 were $75,347 compared with $36,714 for the previous year. The increase was primarily due to an increase in rent and consulting fees as a result of increased company activity and office requirements. Consulting fees were paid to parties at arms' length to Ross River for services relating to corporate structure and transaction issues and sundry office assistance. Interest costs increased over 2000 due to interest charged on an outstanding loan from Marcus N. Foster, President and Chief Executive Officer of the Company and President of Ross River, and accounts payable.

Ross River incurred a loss of $165,234 ($0.044 per share) as at February 28, 2000 compared with a loss of $14,554 ($0.005 per share) as at February 29, 1999. The increase was primarily due to asset disposal and write-offs totaling $128,520.

Financial Condition

Ross River had no income from operations and had a working capital deficit of $197,055 as at November 30, 2001. Ross River increased it's share capital by $129,300 during the period ending November 30, 2001 and shareholders equity was $144,794. Ross River had a working capital deficit of $152,009 as at February 28, 2001 compared with a deficit of $196,289 as at February 28, 2000. During the year Ross River increased it's share capital from $148,211 to $395,686 by the issuance of new shares. Shareholder's equity as at February 28, 2001 was $92,999 compared with a deficit of $79,129 as at February 28, 2000. As at November 30, 2001, Ross River has advanced the Company $61,115 ($52,015 as at February 28, 2002) to help fund the legal, audit and regulatory costs of the transaction.

Ross River had a working capital deficit of $196,289 as at February 28, 2000 compared with a deficit of $21,295 as at February 28, 1999. Ross River increased it's share capital by $510 and mineral property costs increased by $49,186 during the period.

Included in fiscal 2000 were expenses of $128,520 representing the write-off of coal leases in the amount of $89,044 and a loss on asset disposal of $39,476. Deferred exploration costs totalled $209,933 for the fiscal year ended February 28, 2001 and increased by $75,468 during the period ending November 30, 2001 to total $285,401. Exploration costs for the period ended November 30, 2001 include $918 in equipment rental, $30,500 in geological consulting fees, $43,500 in project management fees, and $550 in costs relating to maps. Ross River's exploration costs are deferred until such time as commercial production of the properties commences, at which time the exploration costs will be amortized over the estimated useful life of the properties. Mineral property costs increased from $115,145 as at February 28, 2000 to $243,396 as at February 28, 2001 and to $279,364 as at November 30, 2001. Ross River incurred exploration expenses of $114,788 during the year ended February 28, 2001 compared with $118,230 as at February 29, 2000. Exploration costs for the year ended February 28, 2001 included $7,470 air and helicopter costs, $8,925 claim staking costs, $1,224 equipment rental costs, $270 fees and filing costs, $62,271 for geological and consulting fees, $30,000 for project management fees and $4,628 for costs relating to reports, drafting and maps. Exploration costs for the year ended February 29, 2000 included $5,484 assay costs, $1,700 contract labour, $2,030 in equipment rental, $1,290 fees and filing costs, $40,790 in geological and consulting costs, $23,085 in lease payments, $5,173 in materials and supplies, $30,041 in project management fees and $1,463 in travel and accommodation expenses.

Cash Flow

Ross River experienced a negative cash flow of $73 for the period ending November 30, 2001 compared with a negative cash flow of $309 for the previous comparable period. Shares issued and subscriptions received totaled $63,800 during the period. For the year ended February 28, 2001, Ross River experienced a negative cash flow of $73 compared with a positive cash flow of $128 for the year ended February 28, 2000. During fiscal 2001 Ross River issued a total of 803,500 shares from treasury: 453,500 shares for $133,975 cash, 60,000 shares for debt and 290,000 shares for mineral properties. Ross River's cash position as at February 28, 2001 was $234 compared with $307 as at February 28, 2000.

For the period ending February 28, 2000, Ross River experienced an increase in cash flow of $128 compared with a decrease of $33,607 for the previous period. Ross River incurred exploration expenses of $138,230 for the year ended February 29, 2000 compared with $22, 645 for the year ended February 28, 1999. Advances provided by a related party increased to $98,765 from $11,000 as at February 28, 1999.

Prior Sales

The following table describes sales of the securities of Ross River within the last 12 months prior to the date of this Prospectus.

Date	Number of Shares	Issued Price Per Share	Aggregate Issue Price	Nature of Consideration Received
March 30, 2001	16,500	$0.30	$4,950.00	Cash
April 1, 2001	50,000	$0.50	$25,000.00	Non-Cash(1)
April 24, 2001	135,000	$0.30	$40,500.00	Non-Cash(2)
May 2, 2001	20,000(3)	$0.30	$6,000.00	Cash
May 17, 2001	2,000	$0.30	$600.00	Cash
August 14, 2001	144,000	$0.25	$36,000.00	Cash
September 24, 2001	65,000	$0.25	$16,250	Cash
December 12, 2001	17,000 (flow-through)	$0.30	$5,100	Cash
December 13, 2001	20,000	$0.20	$4,000	Cash
December 31, 2001	50,000 (flow-through)	$0.30	$15,000	Cash
February 12, 2002	5,000	$0.25	$1,250	Cash
February 27, 2002	100,000	$0.225	$22,500	Cash
February 28, 2002	20,000	$0.25	$5,000	Non-Cash(4)
February 28, 2002	200,000	$0.30	$60,000	Non-Cash(5)

Notes:

1. Shares issued as April 1, 2001 installment pursuant to the Fairfield Agreement. See "Information Concerning Ross River – Property – Property Description and Location".
2. Shares issued pursuant to a letter agreement dated April 24, 2001 between Ross River and Long & Associates by which Long & Associates agreed to accept 135,000 common shares of Ross River in lieu of a $40,000 cash payment which was payable on May 31, 2001. See "Information Concerning Ross River – Property – Property Description and Location".
3. Shares issued to Taff Management Corp., a company controlled by Philip J. Walsh.
4. Shares issued pursuant to an agreement dated February 28, 2002 between Ross River and Long & Associates whereby Long & Associates agreed to accept 20,000 common shares of Ross River at a deemed price of $0.25 per common share in consideration of the delay experienced in Ross River

The directors of the Ross River have been elected to hold office until the close of the next annual meeting of shareholders of Ross River or until their successors are elected or appointed.

No director or officer of Ross River, or shareholder holding a sufficient number of securities of Ross River to affect materially the control of Ross River, is, or within ten years before the date of this Prospectus has been a director or officer of any other issuer that, while the person was acting in that capacity, (i) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any statutory exemptions, for a period of more than thirty consecutive days, or (ii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or officer of Ross River, or shareholder holding sufficient securities of Ross River to affect materially the control of Ross River, (i) has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by and Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

No director or officer of Ross River, or shareholder holding sufficient securities of Ross River to affect materially the control of Ross River, or a personal holding company of any such persons has, within the ten years before the date of the Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

Executive Compensation

The following table sets forth all compensation paid in respect of the Chief Executive Officer of Ross River and Ross River's other executive officers for the three most recently completed financial years, as well as the amounts that Ross River anticipates it will pay such persons during the 12-month period following completion of the Offering:

Summary Compensation Table

		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	**Year ended February 28**	**Salary ($)**	**Bonus ($)**	**Other Annual Compensation**	**Securities Under Option/ SAR's granted (#)**	**Restricted Shares or Restricted Share Units ($)**	**LTIP Payouts ($)**	**All Other Compen-sation ($)**
Marcus N. Foster[1] President and CEO	12 months following completion of the Offering	nil	nil	nil	nil	nil	nil	nil
	2002	72,000	nil	nil	nil	nil	nil	nil
	2001	30,000	nil	nil	nil	nil	nil	nil
	2000	30,000	nil	nil	nil	nil	nil	nil
Robin S. Tolbert Vice-President, Chief Financial Officer and Secretary	12 months following completion of the Offering	nil[2]	nil	nil	nil	nil	nil	nil
	2002	60,000	nil	nil	nil	nil	nil	nil
	2001	60,000[3]	nil	nil	nil	nil	nil	nil
	2000	40,790[3]	nil	nil	nil	nil	nil	nil
Van Steven Dickerson Secretary[4]	2001	nil	nil	nil	nil	nil	nil	nil
	2000	nil	nil	nil	nil	nil	nil	nil
	1999	nil	nil	nil	nil	nil	nil	nil
Denise Foster Secretary	1999	nil	nil	nil	nil	nil	nil	nil

Notes:

1. Paid to Intwood Investments Ltd., a company controlled by Mr. Foster.
2. Mr. Tolbert will contract as Project Geologist, in an independent contractor relationship to Ross River and the Company, and will prepare the geological report in connection with the Proposed Tintina Gold Belt Exploration Program. See "Proposed Tintina Gold Belt Exploration Program Exploration Strategy, Logistics and Budget."
3. Paid to R. S. Tolbert Geological Consulting Ltd., a company controlled by Mr. Tolbert.
4. Mr. Dickerson resigned as Secretary of Ross River on May 7, 2001.

Stock Options

No options to purchase securities of Ross River were granted by Ross River to its President and Ross River's other executive officers during the year ended February 28, 2002. In addition, no options to purchase securities of Ross River were exercised by Ross River's President and other executive officers during the year ended February 28, 2002.

Termination of Employment, Change in Responsibilities and Employment Contracts

Ross River does not have any employment contracts or compensatory plans or arrangements between Ross River and its President and Ross River's other executive officers that would give rise to any payments in the event of resignation, retirement or other termination of employment or from a change of control of Ross River. There are no written contracts of employment between Ross River and its President and Ross River's other executive officers.

In an agreement dated for reference September 1, 1999 (the "Ross River Management Agreement") between Ross River and HCL Administration Limited ("HCL"), HCL agreed to provide office space, secretarial, accounting, administrative and reception services to Ross River in consideration of a monthly payment of $2,500 to HCL. In addition, Ross River agreed to reimburse HCL for any expenses directly attributable to Ross River, including, but not limited to, photocopying, stationery, telephone expenses, travel and printing expenses. HCL agreed to ensure that its employees keep confidential all information obtained about the affairs of Ross River obtained by them while engaged in the business of Ross River. The Ross River Management Agreement may be terminated by either Ross River or HCL on 30 days written notice to the other party. The Company also has a management agreement with HCL upon similar terms as the Ross River Management Agreement. See "Executive Compensation and Proposed Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts". Each of the Company and Ross River have agreed with HCL that, following closing of the Transaction, the current management agreements with HCL will be cancelled without penalty and the board of directors of the Company will negotiate a new management contract either with HCL or another party as the board of directors considers prudent.

HCL is wholly owned by Marcus N. Foster. See "Information Concerning Ross River – Interests of Management and Others in Material Transactions".

Compensation of Directors

During the year ended February 28, 2002, no cash compensation was paid by Ross River to the directors of Ross River in their capacity as directors, consultants or experts of Ross River.

Indebtedness of Directors and Senior Officers

No individual who is, or at any time during the year ended February 28, 2002 was, a director or executive officer of Ross River, or an affiliate of the such an individual, is indebted to Ross River or whose indebtedness to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Ross River.

Dividend Record and Policy

Ross River has not paid dividends since incorporation. Ross River has no present intention of paying dividends on its shares as it anticipates that all available funds will be invested to finance the growth of its business. However, the directors of Ross River will determine if and when dividends should be declared and paid in the future based on Ross River's financial position at the relevant time.

Escrowed Shares

There are currently no securities of Ross River held in escrow.

Management's Discussion and Analysis".

6. Robin Tolbert, director, Vice-President, Chief Financial Officer and Secretary of Ross River and proposed Vice-President of the Company following completion of the Transaction, will contract with Ross River as an independent contractor providing services as Project Geologist for both of Ross River's 2002 program on the Tay-LP Project and, if commenced, the proposed Tintina Gold Belt exploration program in the Yukon Territory. As Project Geologist, Mr. Tolbert will be responsible for conducting geological exploration, supervising assistant geologists and managing all aspects of the 2002 program on the Tay-LP Project and, if commenced, the proposed Tintina Gold Belt exploration program while exploration is conducted in the Tay-LP Project and the Tintina Gold Belt, respectively. As Project Geologist, Mr. Tolbert will also be responsible for preparing the geological reports with respect to the exploration programs. Mr. Tolbert will receive approximately $28,000 as Project Geologist and approximately $10,400 to prepare geological reports for the 2002 program on the Tay-LP Project (see "Information Concerning Ross River – property – Exploration and Development by Ross River"). If the proposed Tintina Gold Belt Exploration Program is continued, Mr.

Auditor

The auditors of Ross River are Robert Jamieson, CA, at their offices at Suite 1607 – 805 West Broadway, Vancouver, British Columbia V5Z 1K1.

PROPOSED TINTINA GOLD BELT EXPLORATION PROGRAM

The proposed Tintina Gold Belt exploration program is the subject of a report dated August 31, 2001 by Barry J. Price, M.Sc., P.Geo. entitled "Geological Summary Report: A Regional Exploration Program for Gold" (the
an amendment to the report dated January 15, 2002, a copy of which is available for inspection at the principal office of the Company at 1004 – 750 West Pender Street, Vancouver, British Columbia during normal business hours for a period of thirty days following the date of this Prospectus.

No funds from the Offering will be allocated to the proposed Tintina Gold Belt exploration program. The Company intends to continue with the proposed Tintina Gold Belt exploration program when and if funds become available. If the Company options the Tay-LP Project to another company or enters into a joint venture with another company with respect to the Tay-LP Project, any remaining proceeds of this Offering or other available funds that were allocated to the Tay-LP Project will be reallocated to its proposed Tintina Gold Belt exploration program. See "Business of the Company Description and General Development".

Introduction to Proposed Tintina Gold Belt Exploration Program

Since 1998, the intrusive related gold deposits and prospects in the Yukon Territory and Alaska have been "regionalized" into what has been termed the Tintina Gold Belt. These deposits and prospect have been estimated to contain some 30 million ounces of gold (McCoy, D., "Regional Overview of the Geographical Setting of the Tintina Gold Belt", *Cordilleran Roundup*, Abstracts, 1999). The main unifying factor of these deposit types is an association with reduced, I-type, calc-alkalic and/or alkalic intrusions. The intrusions of the Tintina Gold Belt are part of one of the subduction-related magmatic arcs, which formed between 115 and 55 Ma, occurring in Main Interior Alaska and the Yukon. These intrusions are effective at fractionating gold, volatiles, and other metals into more differentiated plutonic rocks and pegmatite veins. The types, sizes and grades of the gold deposits depend on the 1) proximity and size of gold source, i.e., porphyritic granitoid bodies, 2) physico-chemical controls on hydrothermal fluids and cooling rock bodies (e.g., pressure and temperature gradients controlled by emplacement depth) and 3) local lithologies and structures (Smith, M., "Gold Mineralization on the Pogo Claims, East-Central Alaska", *Cordilleran Roundup*, Abstracts, 1999).

The mineralized settings around the host intrusive are described as *intrusion-hosted* (with Au-Bi-W-Te±Mo elemental associations), *proximal* (with Au-Cu-Bi, W-Cu or Au-As elemental associations) or *distal* (with Au-As-Sb-Hg elemental associations).

Ross River's Tay-LP property lies within the Tintina Gold Belt (see "Map of Property Locations"). The Tay-LP has lithologic and mineralogic characteristics of the intrusive associated gold deposit types occurring within this belt, with up to 28.8 g/t Au in surface samples. Mineralization found, to date, is in two main associations:

1. As quartz ±tourmaline veins with 3-5% ore minerals including, pyrrhotite, pyrite, arsenopyrite, chalcopyrite, native gold, native bismuth, bismuthinite and tellurbismuth (Bi-Te). The widest intercept in drilling this association is 3.77 g/t Au over 21.3 metres (70 feet); and

2. As prograde gold-bearing pyroxene skarn and replacement mantos, adjacent to an upper Cretaceous, biotite-quartz monzonite intrusive. Surface sampling and drilling this association has produced 5.25g/t Au over 9 m, and 1g/t Au over 30 m respectively.

A strong correlation, in >100ppb Au analyses, is observed between gold and bismuth from these two associations.

Recognizing the potential of, and already having a significant prospect within, the Tintina Gold Belt, Ross River has carried out research to identify similar, potentially mineralized areas within this belt. Ross River has identified multiple targets within the Tintina Gold Belt. These targets have been prioritized and Ross River's exploration objective is to explore these targets, and acquire those exhibiting the potential for hosting intrusive related gold mineralization. It is Ross River's belief that these areas have the potential to host intrusive related gold deposits.

Location Access, Logistics

The Yukon lies north of the 60th parallel of north latitude and partly within the Arctic Circle. Its area is 483,450 square kilometres (186,661 square miles), including 4,480 square kilometres (1,730 square miles) of inland water. The area of the Yukon Territory accounts for slightly less than 5 percent of Canada's total area. The administrative capital of the Yukon Territory is the city of Whitehorse. The population of the Yukon Territory at the time of the 1996 census was 30,766 people. The estimated population of the Yukon Territory in 1999 was 30,700 people, giving the territory an average population density of 0.06 persons per square kilometer (0.16 per square mile). Town and city residents made up 60 percent of the population. The only city in the territory is Whitehorse, the capital, which had 19,157 inhabitants in 1996. Next in size were the towns of Dawson (population, 1,287) and Watson Lake (population: 993). Other settlements include Faro, Ross River, Haines Junction, Mayo, Elsa, and Carmacks.

The most important transportation artery in the Yukon Territory is the Alaska Highway, which runs for 1,014 kilometres (630 miles) through the territory. The Klondike Highway connects the cities of Whitehorse and Dawson, with spurs to major mining centers such as Mayo, Keno, and Elsa. The Robert Campbell Highway forms an arc of 602 kilometres (374 miles) from the Alaska Highway east of Whitehorse to the Klondike Highway north of the capital. The Dempster Highway extends for 663 kilometres (412 miles) from the vicinity of Dawson to Inuvik, on the Mackenzie Delta in the Northwest Territories. The "CanTung" road was built from the Robert Campbell Highway to give access to the Canada Tungsten deposit in the Mackenzie Mountains, north of Watson Lake. The "Canol" road between the Alaska Highway near Teslin and Ross River, and continuing to the Macmillan Pass northeast of Ross River affords access to important mineral areas.

Air service is vital to those parts of the territory without access to roads, and about 10 airports operate in the Yukon Territory. There is daily jet air service connecting Whitehorse with Vancouver and Edmonton in Canada, and Anchorage, Fairbanks, and Juneau in Alaska. Internal air service links Whitehorse with Dawson, Watson Lake, Mayo, Clinton Creek, and Old Crow. Helicopters and float planes are available for charter in Whitehorse and generally or by arrangement in Watson Lake and Ross River.

Regional Geology of the Southern Yukon Territory

The Yukon Territory occupies the northern portion of a large geologic (and physiographic) province known as the Cordillera. This province is composed of relatively young mountain belts that range from Alaska to Mexico. Like most of the Cordillera, the Yukon Territory is composed of a diverse array of rock types that record more than a billion years of geological history. Most of the rocks have been affected by folding, faulting, metamorphism and uplift during various deformation events over at least the last 190 million years. This deformation has resulted in a complex arrangement of rock units and the mountainous terrain we see today. In the Yukon Territory, there are two main geological components which are largely separated by a major, northwest-trending fault (the Tintina): 1) the northeastern region is composed of a thick, older sequence of sedimentary rocks which was deposited upon a stable geological basement; and 2) the southwestern region is composed of a younger, complex mosaic of varying rock types that amalgamated and accreted to the stable sedimentary package.

Morphogeological Belts

The Canadian Cordillera is composed of five northwest-trending morphogeological belts that are parallel to the continental margin: from west to east they are: the Insular, Coast, Intermontane, Omineca and Foreland belts. Together these five belts form the Cordilleran continental crust which varies from less than 3 kilometres thick in the west to 50 kilometres thick in the east. These belts reflect the sum of geological processes which interacted over the past billion years to produce the geological framework of the Yukon Territory. Each belt is different due to the different rock types contained and the different geological history, as well as the varied effects of climate and glaciation. The close ties between geology and physiography has led some to call these morphogeological belts. Generally speaking, younger mountain belts are more topographically extreme. The age of a mountain belt refers to the timing of its uplift and not the age of the rocks.

The Insular Belt comprises very high, huge and craggy mountain ranges that are composed of mainly volcanic and sedimentary rocks of oceanic origin. Much of the Insular Belt has been tectonically uplifted during the last 15 million years at a rate of approximately 3 centimetres/year, or 3 kilometres every million years. Rapid uplift combined with several periods of extensive glaciation, as well as erosion in the past 1.6 million years have resulted in the extreme topography we see today.

The rugged, high relief, steep-sided mountains of the Coast Belt are mainly composed of granitic rocks. These rocks are rich in silica which is resistant to weathering, however well-developed fractures, or joints which are typical of granitic rocks result in steep or vertical mountain sides. Like the Insular Belt, the Coast Belt has also experienced dramatic tectonic uplift, but about 50 million years ago. Coast Belt topography has been modified by numerous glacial events, and more recently by excessive precipitation which has steepened the mountain sides by intensive gully erosion.

The Intermontane Belt is characterized by subdued relief and rounded or flat-topped mountains with long, straight slopes. This character is largely the result of the recessive nature of the sedimentary rocks composing this belt, and slow and continuous erosion over most of the past 100 million years. This region has also not experienced the tectonic uplift that affected the Insular and Coast Belts.

The Omineca Belt is the most complex and varied in the Yukon Territory and is composed of variably metamorphosed sedimentary rocks and granites. Most of this belt contains large mountain ranges with localized centres of high mountains called massifs. However, the northwestern part of this belt is characterized by low, rolling, heavily vegetated hills. This area was not reached by northward advancing glaciers. Consequently, millions of years of erosion has established a thick cover of soil and weathered bedrock. Where glaciated, this cover has been scoured away and exposed craggy bedrock. Massifs in the glaciated portion are usually centred around granitic intrusions whose heat cooked and hardened the surrounding sedimentary rocks. The boundary between the Omineca and the Foreland Belts is defined by the easternmost exposures of granitic rocks.

The Foreland Belt contains long, linear ranges of mountains composed entirely of sedimentary rocks. Unlike the Intermontane Belt, the Foreland Belt rocks have been affected by a period of deformation that stacked and thickened the sedimentary rocks along numerous, generally northwest-trending, folds and thrust faults. The larger faults constitute zones of weakness in the rock which easily erode and give rise to long linear valleys (e.g. upper Hess, Stewart, Bonnet Plume, Wind and Snake Rivers) between the mountain ranges.

The geology of the Yukon Territory divides into two essential components that are, for the most part, separated by the Tintina Trench. Rocks northeast of the Tintina Trench are old (>1000 to 300 million years), mainly sedimentary and represent the Ancient North American margin. Rocks southwest of the Tintina Trench are mostly young (350 to 20 million years old), mainly igneous and metamorphic, and represent numerous crustal fragments called accreted terranes whose place of origin is uncertain. During most of the Yukon's geological history, the terranes were not attached to North America, but were accreted to the western margin of Ancient North American between 190 and 120 million years ago. Rocks in the zone between the accreted terranes and Ancient North America have been extensively deformed and form a belt known as the Teslin Suture Zone. This belt has subsequently been cut by the Tintina Fault which has caused some complexity in this region.

Ancient North America

Prior to 190 million years ago, the western edge of the Ancient North American continental craton extended far out into the ancient Pacific Ocean. This submerged continental shelf is composed of crystalline basement rocks (akin to the Canadian Shield) that are at least 1.7 billion years old. These rocks provided a stable continental platform upon which sediments, dominantly limestone and sandstone accumulated for over a billion years. Shale, sandstone and chert accumulated in regions of deeper water known as basins. These two different depositional environments (platforms and basins) gave rise to differing packages of rocks characterized mainly by limestone and shale, respectively. Today, millions of years later, these limestone and shale packages are largely in fault contact with each other.

Sediments deposited on the platform formed a thick succession of rocks that are now exposed in the Mackenzie and Cassiar Mountain Ranges. The Mackenzie and Cassiar Platforms (see Figure 2) accumulated between 5 and 25 kilometres of mainly limestone and sandstone over a one billion year period. The limestone accumulated during quiescent periods in warm, shallow and clear water. The sandstone accumulated from detritus that eroded from exposed rocks of the Canadian Shield craton which were carried west by ocean currents. Each platform is composed of rocks of the Wernecke Supergroup and the Mackenzie Mountains Supergroup. These two thick stratigraphic packages include the Mackenzie, Purcell, Wernecke, Windermere, Rapitan, Pinguicula and Gog assemblages. Although parts of the Cassiar Platform are west of the Tintina Trench, the rocks there are so similar to those on Ancient North America margin that it is certain they are North American in origin but have been displaced along the Tintina Fault. On some maps the displaced fragments of North American continental margin are called the Cassiar and Dorsey Terranes.

The Selwyn Basin and Richardson Trough were two major basins that formed within the platforms. Because the basins create regions of much deeper water, limestone growth is impossible and the currents which move the sands that form sandstone are not as strong. Instead, these basins slowly accumulated muds and biogenic silica that later formed successions of black shale and chert. These shale basins existed from about 800 to 320 million years ago. Rock units in the basins are dominated by: the sandstone, maroon and green shales and rare marble of the Hyland Group; the chert and black shales of the Road River/Rocky Mountain Group and the black shale and chert-pebble conglomerate of the Earn and Imperial Groups. The black shales host numerous deposits of zinc-lead-silver and barite such as those at Faro and Macmillan Pass.

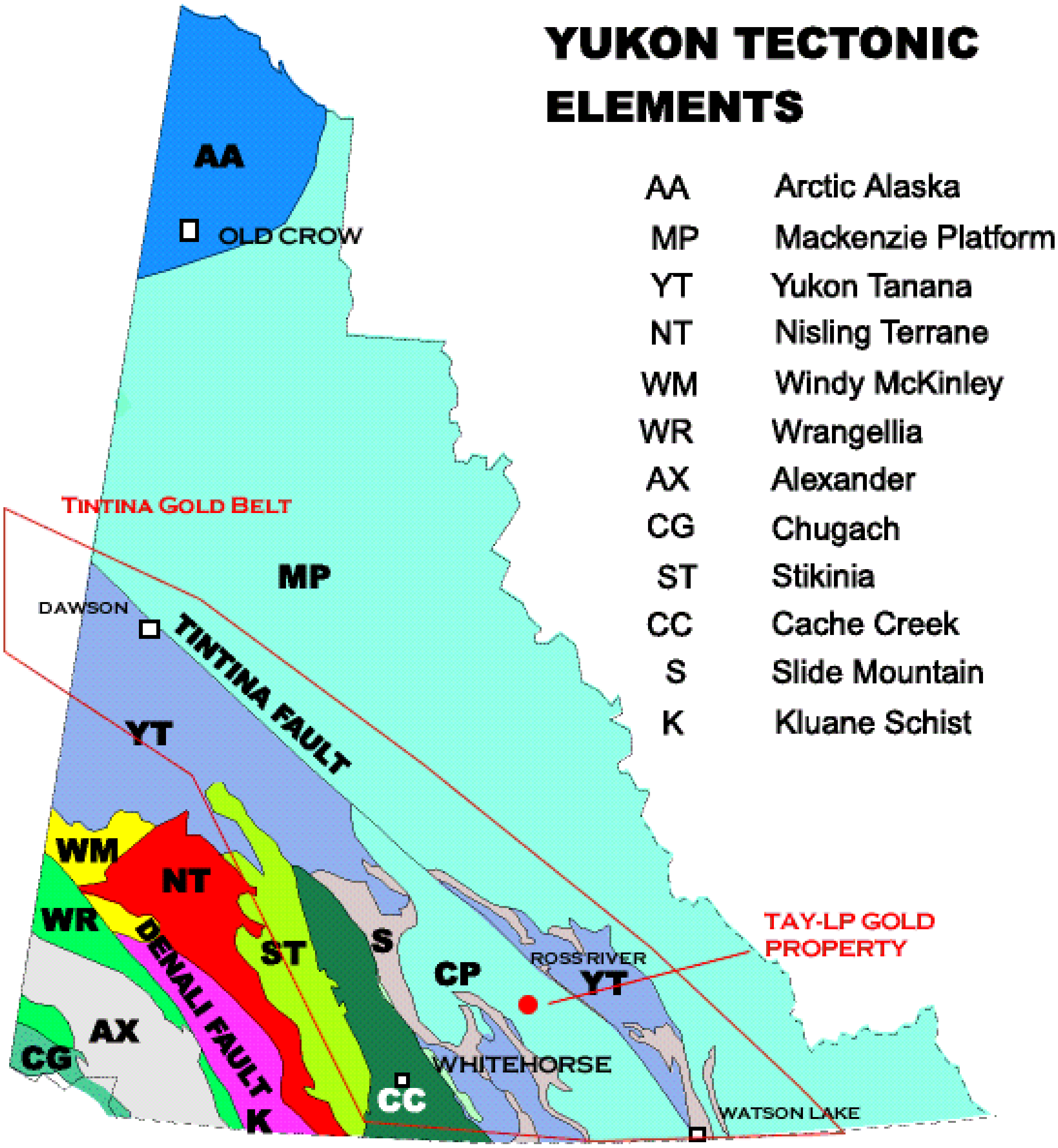


Figure 2

Accreted Terranes

Southwest of the Tintina Trench there exists a mosaic of rock packages that are different from each other and are separated by faults. Individual rock packages or crustal fragments are known as terranes. Most terranes are different from rocks of the Ancient North American margin and their place of origin is uncertain. These are called suspect terranes. Some terranes are similar to Ancient North American rocks but cannot be absolutely correlated -- these are called pericratonic terranes. Other terranes have features that indicate that they formed in an environment totally unlike that of Ancient North America -- these are called exotic terranes. The one thing that all of these terranes have in common is that they were accreted to the ancient western margin of ancient North America - consequently they are all called accreted terranes. The Yukon is composed of ten of these terranes (see Figure 2). Geological evidence further suggests that several of these terranes may have amalgamated with each other prior to their accretion to Ancient North America. These groups of terranes constitute composite and superterranes – three of these are found in Yukon.

Yukon-Tanana Composite Terrane

The Yukon-Tanana Terrane is a name that was not included on recent compilation maps but is preserved here because of its common and continued usage in Yukon. The Yukon-Tanana Terrane is the largest of Yukon's terranes, covering a large portion of the Omineca Belt, and extending into adjacent Alaska and British Columbia. The Yukon-Tanana Terrane is composed of several metamorphic rock assemblages -- from oldest to youngest they are the Nisling assemblage (or Terrane), the Nasina assemblage, the Pelly Gneiss and the Nisutlin assemblage. Each of these components appear to have been deposited upon one another during this Terrane's 500 million year long history.

The Nisling assemblage is a metasedimentary package composed of quartzite, quartz-mica schist and marble that is at least 400 million years old but may be as old as a billion years old. The 400-320 million year old Nasina assemblage rocks are also dominated by quartzite and schist, but contain large amounts of carbon that make these rocks black, or graphitic. The Pelly Gneiss and Nisutlin assemblage are composed of 350 to 250 million year old granitic and volcanic rocks respectively, that have been subjected to heat and pressure which has deformed and metamorphosed them. The Pelly Gneiss still retains its granitic composition but is strongly foliated and locally displays mineral banding. The metamorphism has turned the Nisutlin assemblage into a light green quartz-mica schist package that underlies the Klondike goldfields and is known as the Klondike schist. The complexity of the Yukon-Tanana Terrane largely results from the diversity of rock types and the numerous metamorphic events it has undergone throughout its long history. The metamorphism is locally of extremely high temperature (650 degrees celcius) and high pressures that correspond to crustal depths of approximately 25 kilometres.

Most of the metamorphic rocks that comprise Yukon-Tanana Terrane were originally sedimentary rocks. The stratigraphy, or the order in which the different sediments were deposited, is similar to that of rocks on Ancient North America. This has resulted in the Yukon-Tanana Terrane's assignment as a pericratonic terrane. However, the Yukon-Tanana Terrane encloses, and is amalgamated with the terranes that comprise the Intermontane Superterrane. This has led many geologists to include the Yukon-Tanana Terrane as part of the Intermontane Superterrane.

Intermontane Superterrane

The Intermontane Superterrane is composed of five dissimilar terranes that were amalgamated approximately 180 million years ago, including Stikinia, Quesnellia, Slide Mountain, Cache Creek and Windy-McKinley.

Stikinia is the largest terrane in the Cordillera but in the Yukon Territory it is restricted to the area of the Intermontane Belt. Stikinia is composed of a linear belt of 220 million year old volcanic rocks of the Lewes River Group. The volcanos formed in an oceanic setting called an island arc that is similar to present-day Japan. A seven kilometre thick sequence called the Whitehorse Trough consisting of slightly younger (210-160 million years) sedimentary rocks was deposited in a marine basin adjacent to the Lewes River arc. These rocks are mainly sandstone, conglomerate and limestone of the Laberge and Lewes River Groups. These rocks are exposed between Whitehorse and Carmacks, and include the limestone of Grey Mountain and the conglomerates near Braeburn. The limestone unit hosts the copper deposits of the Whitehorse Copper Belt.

Quesnellia in the Yukon Territory is composed of volcanic rocks known as Nikolai Group that are the same age and similar to those in Stikinia. Although they cover a large area in British Columbia, Quesnellia in the Yukon is represented by only a few small fragments east of the Teslin River.

Slide Mountain, Cache Creek and Windy-McKinley Terranes are composed of volcanic rocks that formed on the oceanic sea floor, as well as overlying successions of chert, limestone and shale. These terranes are similar in age and range from 320 to 190 million years old. Both Slide Mountain and Cache Creek Terranes are thought to represent ancient oceans that existed between other terranes. Slide Mountain Terrane represents the up-thrusted remains of the ocean floor that once separated Quesnellia from North America, whereas the Cache Creek Terrane represents the ocean floor that existed between Stikinia and Quesnellia/Yukon-Tanana. Locally, Slide Mountain, Cache Creek and Windy-McKinley Terranes have outcrops of ultramafic rocks. These are rocks that are rich in iron and magnesium and originally formed the base of the oceanic crust. Ultramafic rocks that are faulted up and exposed on the land surface contain the Clinton Creek and Cassiar asbestos deposits as well as forming the Midnight Dome at Dawson City. Sedimentary rocks of the Cache Creek Terrane contain a particular assemblage of fossils that are found in Asia and not in Ancient North American rocks. This suggests that the Cache Creek Terrane likely originated far from North America and may have existed on the other side of the Pacific Ocean. It is therefore considered exotic. These Cache Creek limestones form the large white mountain across from Jakes Corner and Bove Island.

Insular Superterrane

The Insular Superterrane is mainly composed of two older terranes that were amalgamated by 320 million years ago -- they are Wrangellia and Alexander Terrane. Both of these terranes are composed of island arc and ocean floor volcanic rocks with thick assemblages of overlying oceanic sedimentary rocks that range in age from 400 to 220 million years old. Wrangellia in particular, has a several kilometre thick package of platform-type limestones. The Insular Superterrane hosts a 230 million year old package of volcanic rocks (the Nicolai Group) that contains the Windy Craggy copper-cobalt-gold deposit in northernmost British Columbia and the Wellgreen nickel-copper-platinum deposit near Burwash. The Chugach and Yakutat Terranes are not part of the Insular Superterrane, but are within the Insular Belt. These two terranes are composed of young (20-90 million year old) sedimentary rocks that were originally deposited on the floor of the Pacific Ocean. These sedimentary rocks were subsequently scraped off of the ocean floor by tectonic processes and accreted onto the western margin of North America.

Overlapping Assemblages

Numerous rock packages were deposited for the large part after all the terranes were amalgamated and accreted to North America. These overlapping assemblages of rocks are not specific to one terrane but are found on or in two or more terranes, or on Ancient North America. These post-accretionary assemblages could be felsic plutonic (igneous) rocks that intrude two or more terranes, or volcanic or sedimentary rocks that are deposited on, or across two or more terranes.

Felsic Plutonic Rocks

Many felsic plutons intrude into Yukon's basement rocks (the assembled terranes and Ancient North America) in all morphogeological belts, except for the Foreland Belt. These rocks vary in composition from granite to granodiorite, to quartz monzonite to diorite to syenite but in this summary are coined as "granites". The largest concentration of plutons occurs in the Coast and Omineca Belts.

The Coast Plutonic Complex takes up most of the Coast Belt. It is not a terrane, but rather a linear belt composed almost entirely of felsic plutons. The plutons of this vast granitic region are bounded to the east by western margins of Stikinia and the Yukon-Tanana Terrane, which they intrude, and are truncated on their western margin by the Denali Fault. The Coast Plutonic Complex ranges in age from 185 to 55 million years with most of the older rocks along its eastern margin. The western margin of the Coast Plutonic Complex experienced a tremendous amount uplift about 50 million years ago that has exposed rocks that were previously 20 km deep in the crust. These rocks are exposed near Haines Junction and Skagway, Alaska.

The remaining felsic plutonic rocks are grouped into suites according to their age and composition. Granitic plutons of the Klotassin suite are approximately 210-180 million years old and intrude the Yukon-Tanana Terrane and western Stikinia. Granitic plutons of the St. Elias suite are approximately 130 million years old and underlie parts of the St. Elias and Icefield Ranges in the extreme southwestern part of the territory. Granitic rocks of approximately 120-65 million years of age comprise several plutonic suites that range from the Kluane Mountains across all the terranes of the Yukon into Ancient North American rocks as far east as the Northwest Territories. This most widespread and voluminous age of granite pluton formation includes the Kluane, Whitehorse, Cassiar, Surprise Lake Tombstone and Selwyn plutonic suites. These plutons are important since they are responsible for the formation of numerous deposits of copper, gold, molybdenum, tungsten and tin including Mactung, Logtung and Cantung tungsten deposits, Red Mountain molybdenum deposit, Casino Copper, Brewery Creek and Dublin Gulch gold deposits as well as the deposits of the Whitehorse Copper Belt. Plutons of approximately 55 million years in age are common in the Coast Plutonic Complex and western Yukon-Tanana Terrane and locally host copper-molybdenum mineralization but are rare in eastern Yukon.

Volcanic Rocks

There are four main packages of post-accretionary volcanic rocks. Mount Nansen Group rocks are about 100 million years old and are sporadically located across Stikinia and the western Yukon-Tanana Terrane. Rocks of the similar aged South Fork volcanics form huge caldera complexes on Ancient North America north of Ross River. The younger Carmacks Group (75 million years old) forms numerous thick successions of volcanic rocks along the contact between Stikinia and Yukon-Tanana Terrane and through the Dawson Range northwest of Carmacks. This volcanic event is responsible for much of the mineralization in the Dawson Range including the Laforma gold veins and the huge Casino copper-molybdenum-gold deposit. The 55 million year old Skukum Group forms discreet volcanic calderas that occur in a linear array from the south end of Atlin Lake (in British Columbia) to Bennett Lake then to Aishihik Lake. This group of rocks hosts the Mount Skukum gold deposit southwest of Whitehorse.

The youngest volcanic rocks in the Yukon Territory are the less than 10 million year old Fort Selkirk, Miles Canyon and Tuya basaltic lavas that occur near Fort Selkirk, Whitehorse and Watson Lake, respectively. One of the youngest volcanic events represented in the Yukon Territory is so young that it is not even a rock yet. The thin strip of white ash that is common near the top of road-cuts in the western Yukon Territory is the White River Ash. This ash resulted from a volcanic explosion in the St. Elias Range near the Yukon-Alaska border about 1,250 years ago. Lavas near Fort Selkirk were formed even more recently, during the early 19th century.

Sedimentary Rocks

There are few occurrences of young (<150 million years old) sedimentary rocks in the southern Yukon Territory. The Dezadeash Formation is composed of a thick succession of muddy sandstone called greywacke that was deposited in a huge submarine fan about 150-100 million years ago. The Front Ranges, as seen from Haines Junction, are composed of these rocks. These rocks stretch from north of Haines, Alaska, northerly to Dezadeash Lake and Haines Junction and were deposited on the Insular Superterrane and the Yukon-Tanana Terrane. The Tantalus Formation occurs in small isolated exposures that range from south of Whitehorse to Carmacks and to just south of Dawson. These exposures are mainly of quartz-rich sandstone and conglomerate and host the Whitehorse, Division Mountain, Tantalus Butte and Haystack Mountain coal deposits. Tantalus Formation rocks range in age from 140 to 60 million years old and are deposited on Stikinia, Quesnellia and Yukon-Tanana Terrane. Unnamed, localized deposits of conglomerate were deposited within the Tintina Trench about 55 million years ago. These deposits also host coal deposits most notably near Dawson and Ross River. The youngest package of sedimentary rocks in the Yukon are the Amphitheatre Formation conglomerates and sandstones that occur in three main areas: near the upper White River, Burwash and Dalton Post. These 25 million year old rocks also contain deposits of coal but because of their youthful age the coal is low grade lignite.

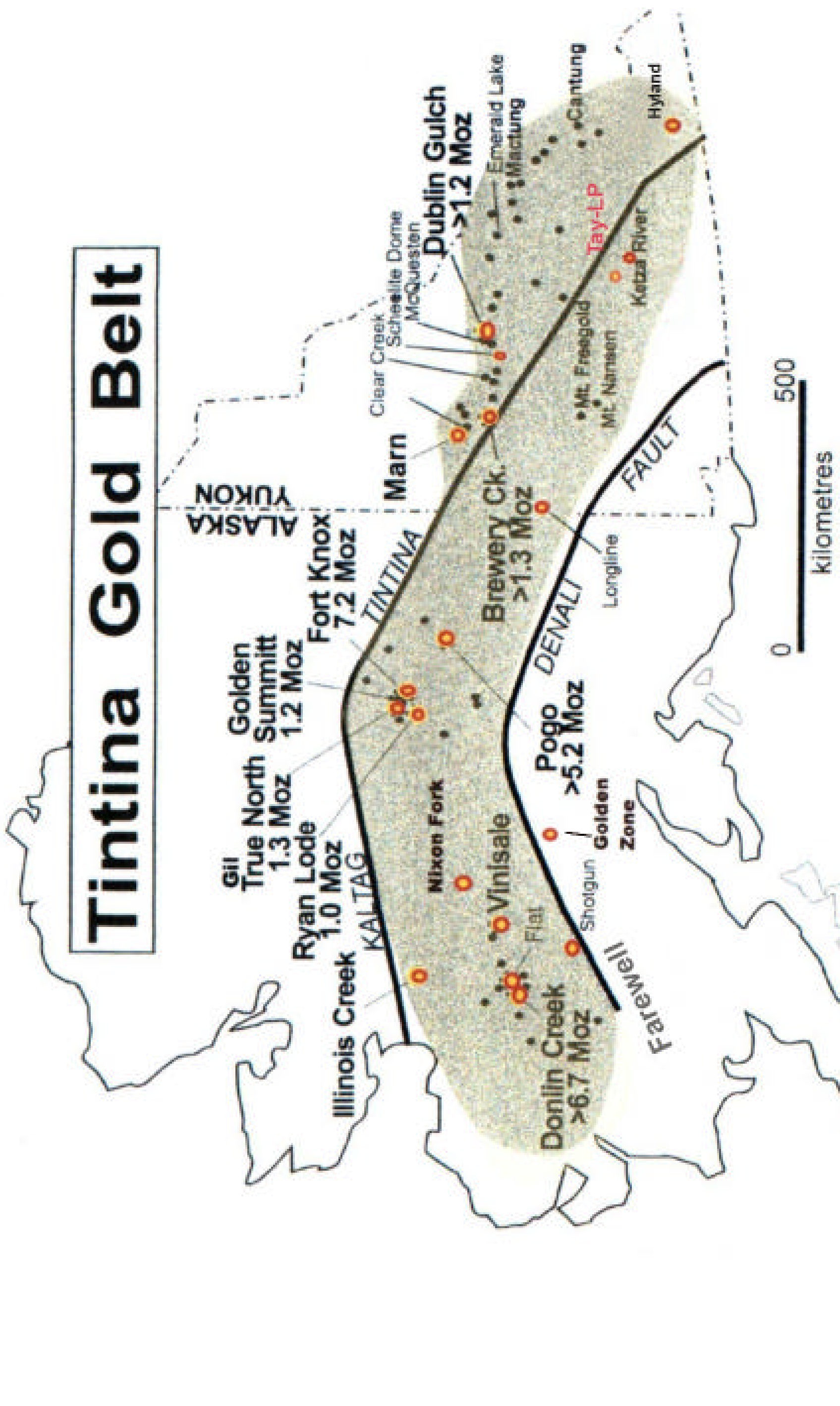


FIGURE 3 GOLD DEPOSITS OF THE TINTINA GOLD BELT

AFTER MORTENSEN, 2000.

Faults

There are two major faults which extend across the Yukon (see Figures 2 and 3) the Tintina-Kaltag fault and the Denali-Fairweather faults.

Tintina Fault (Kaltag fault in Alaska)

The long, linear depression that extends northwesterly across the Yukon from Watson Lake along to Ross River, Faro and Dawson, and then into Alaska is the Tintina Trench. It is the northern continuation of the Northern Rocky Mountain Trench in British Columbia. The Tintina Trench is the physiographic expression of the Tintina Fault. Tectonic forces caused the block of rocks southwest of the fault to grind up against the stable North American block and, during a history of innumerable earthquakes, moved the southwestern block northwest towards Alaska. The grinding along the fault caused the rock to break up and become less resistant which, with erosion led to the formation of the trench. Most geological evidence suggests that there was at least 450 km of right-lateral displacement (area southwest of the fault moved northwest) along the Tintina Fault although there may have been as much as 1,200 km offset. Volcanic rocks were deposited in the trench about 55 million years ago - probably at the same time as some of the motion along the Tintina Fault. These volcanic rocks host the Grew Creek gold deposit.

Denali Fault (Farewell Fault in Alaska)

The Denali Fault originates (on land) at Haines, Alaska and continues north into the Yukon Territory to the south end of Kluane Lake, and further northwest into eastern Alaska. This fault, and the associated Duke River Fault, are still active and cause a steady stream of small earthquakes. The Denali Fault separates the very high mountains of the Insular Belt from the lower mountains east of the fault. The tectonic forces that are causing uplift in the Insular Belt are also responsible for displacement along the Denali Fault. This transfer of force along the fault prevents the region east of the fault from being affected by the tectonic forces that form the high mountains. There has been at least 350 km of right-lateral offset along the Denali fault.

Quaternary Geology

The glacial history of Yukon Territory is unique in Canada. The rest of Canada was almost entirely covered by glacial ice during the last (Late Wisconsin- 25,000 to 10,000 years B.P.) ice age but much of the Yukon was free of ice. The region extending from the central and northern Yukon across Alaska and westward to northern Asia was a vast ice free wilderness across which herds of now extinct grazing mammals and their predators roamed. Horses, camels, lions, mammoths, to name a few, survived in this ice free area more correctly called a refugium. The Bering Sea did not exist at that time because sea level was more than 100 metres lower than that of today. This lower sea level was caused by the fact that great quantities of water were tied up on the land as continental ice sheets. This ecological ice free region is called Beringia after the now submerged Bering land bridge between Asia and North America. The first people to enter the Americas entered through Beringia.

Although the earliest known glaciation in the Yukon occurred about one billion years ago, during the late Precambrian Era, it was the events of the past 65 million years, the Cenozoic era, that shaped the landscape of the Yukon.

During this period, prolonged weathering and erosion defined the plateau areas of central Yukon. A well-developed system of smooth rounded summits and valleys formed as a mature landscape, with streams draining in a southerly direction. In late Cenozoic, after this period of geologic stability, the region was slowly uplifted and this continued into the Quaternary time period (2 million years to present). Drainage systems carved extensive valley systems. While the plateau region of central Yukon was being gently elevated (millimetres per thousands of years), the St. Elias Mountains in the west were being rapidly uplifted (metres per thousands of years). By about 8 million years ago, they were high enough for glaciers to form. These left distinctive deposits in what is now the White River valley.

During Pleistocene epoch (about the last 1.65 Ma), an ice sheet called the Cordilleran Ice Sheet advanced from the mountains into central Yukon at least six times. These glaciations were separated by tens of thousands of years during which the climate was similar to the one we are experiencing now or even milder. Soils developed during the warmer periods. These soils are locally preserved between glacial deposits. They are easy to recognize because they are thicker and redder than the soils that formed since the last ice age. These soils are used to subdivide and correlate glacial deposits across central Yukon. This climatic roller coaster of cold glacial periods alternating with warmer interglacial periods is caused by variations in the earth's orbit and its angle of rotation with time. Each major warm-cold cycle lasted about 100,000 years.

Till underlies many of the valley deposits in the glaciated regions. Subsequent to the disappearance of the glaciers, river and slope processes modify the variety of deposits. Rivers flowing away from glaciers leave thick and broad expanses of gravel. Ice sheets dam drainage and create huge lakes. The white cliffs around Whitehorse are composed of silts from such a lake, called glacial lake Champagne. Debris melting directly from ice forms sediment called till with boulders set in mud much like fruit in fruitcake. This paraglacial period is marked by an abundance of unconsolidated material available for erosion and redeposition. Wind blown deposits (loess and sand dunes) derived from the rock flour produced by glaciation occur over some valley bottoms and terraces.

Besides eroding the rocks and leaving distinctive deposits, glaciers have changed the landscape in other ways. In many places, the flow of glacial ice was in a direction opposite to that of the flow of major rivers such as the Yukon. The original flow of the Yukon River was to the south. Glacial diversion caused it to reverse flow direction and it now flows northwest and west through Alaska.

The chronology of Pleistocene Cordilleran Ice Sheet advances are reconstructed based on fragmentary evidence. For example, at Fort Selkirk in central Yukon, lava beds as old as 1 million years have unconsolidated glacial deposits both above and below them.

The most recent widely distributed volcanic ash is the White River Ash. It actually occurs as two ash beds, an older north trending lobe (1,400 yr.) and a younger (1,250 yr.) east trending lobe. Other tephras of Pleistocene age include the Old Crow tephra approximately 150,000 years old, the Mosquito Gulch tephra (1.22 million years old) in the Bonanza Creek drainage, and the Sheep Creek Tephra from Ash Bend, Stewart River also about 150,000 years old. A recently dated tephra in the Klondike area dates the White Channel gravel, an important gold bearing formation, at 2.7 million years.

Physiography, Climate and Vegetation

Physiography

The entire Yukon Territory belongs to the physiographic province of Canada called the Cordilleran Region, or Cordillera. In the Yukon Territory, the Eastern System of the Cordillera contains a fringe of the Mackenzie Mountains as well as the Selwyn Mountains and the Richardson Mountains. The Interior System of the Cordillera is represented in the Yukon chiefly by the large Yukon Plateau. Through this plateau run the Yukon's major rivers, including the Yukon, Klondike, Pelly, Stewart, Peel, and Porcupine rivers. The rivers have cut valleys in the plateau that are in some cases 300 to 600 miles (1,000 to 2,000 feet) deep. The Yukon's longest lakes, Kluane and Aishihik, are at the southern end of the plateau. Away from the river valleys, the plateau is generally rugged and rolling with an average elevation of about 1,200 meters (about 4,000 feet) above sea level. To the southwest of the plateau lie the rugged peaks of the Saint Elias Mountains, which belong to the Coast Ranges of western North America and thus are classified with the Western System of the Cordillera. This mountain system contains the highest mountains in the Yukon, including 5,959 meters (19,551 feet) Mount Logan, the highest peak in Canada. The Saint Elias Mountains also contain the mountain that was named for United States President John F. Kennedy after his assassination in 1963. In 1972, Kluane National Park and Reserve, the first national park in the Yukon, was established. Covering 22,000 square kilometres (8,500 square miles) in the Saint Elias Mountains, it contains dramatic ice fields, much wildlife and Canada's highest mountains.

Climate

A subarctic climate prevails over most of the Yukon Territory. In the extreme north and in the mountainous areas the climate is arctic. For this reason, habitation is limited to the river valleys in the southern part of the territory. Even in the more sheltered areas, such as Dawson, January temperatures average –30^{o} C (-22^{o} F) and often plunge to -46^{o} C (-50^{o} F). Temperatures in July at Dawson average 16^{o} C (61^{o} F). The frost-free period in the valleys of the Yukon Plateau averages only about 75 days, but the date of the first frost and the severity of the winters are highly unpredictable, depending on whether icy air masses from the Arctic or warmer currents of air coming from the northern Pacific Ocean prevail over the area.

Vegetation

Forests cover 57 percent of the Yukon Territory. The northern regions are mostly barren tundra, a type of treeless plain. Farther south, milder temperatures permit some forest growth, especially in the river valleys and valley slopes below 900 or 1,200 meters (3,000 to 4,000 feet). Here are stands of conifers, in which white spruce predominates. Only the forests in the extreme south have commercial value. They are cut to meet local needs for fuel and rough lumber.

Mining History

As early as the 1870s, prospectors were searching the Yukon Territory for gold. However, it was not until August 16, 1896, that George Carmack, Skookum Jim, and Tagish Charlie made the famous strike that set off the Klondike gold rush. Thousands of prospectors then transformed the uninhabited area at the fork of the Klondike and Yukon rivers into the boomtown of Dawson. In the next ten years more than $100 million in gold was mined around Dawson, and the Yukon thrived. It was made a separate territory in 1898, with its capital at Dawson, by then a town of almost 30,000. In about 1900, a railroad was built between Whitehorse and Skagway, Alaska.

Soon, however, large mining companies brought in mechanized mining equipment, and individual prospectors found less reason to stay. Peak gold production was reached in 1903, when gold valued at $63.5 million was recovered from the creeks around Dawson city. Large-scale dredging for gold began in 1905 and continued until the last gold dredge closed in 1966. By the early 1950s, the value of gold production had been surpassed by that of silver and the base metals—zinc, lead, and copper—largely as a result of the success of the Mayo-Elsa area as a source of high-grade ores of silver, lead, and zinc. When the price of gold rose sharply in the 1970s, new Klondike gold rushes occurred, and new claims were staked on ground that had previously been worked over. In the early 1980s, depressed world markets and increased production and transportation costs led to sharp cutbacks in mining operations and the closure of many mines. The closure of the Faro lead-zinc mine in 1982 resulted in a serious economic crisis in the Yukon Territory. Zinc and lead mining was resumed on a commercial scale in 1986 and rebounded to previous levels in the late 1980s. Copper mining, which was undertaken at Whitehorse Copper, became economically unviable in the 1980's. In 1998, the total mineral output was valued at $134.1 million. Gold accounted for about three-fifths of the total, and zinc and lead for about one-quarter. Placer gold production remains an important part of the economy of the Yukon Territory, and at present, major and junior companies are exploring for the bedrock source of many of the placer deposits.

Regional Overview

The term *Tintina Gold Belt* was first coined in about 1998, to describe the intrusive related deposits occurring between or proximal to the Tintina-Kaltag faults and the Denali-Farewell faults which extend in arcs through southeast Yukon around to southwest Alaska. Subsequently, considerable exploration and research has been undertaken in this belt which host the Fort Knox mine and the developing Pogo deposit. The term is popularly used, but the Tintina Gold Belt is undefined, pending further geological work. Figure 3 shows Mortensen's version of the location of the Tintina Gold Belt (Mortensen, J.K., Hart, C., Murphy, D.C., Heffernan, S., "Temporal Evolution of Early and Mid-Cretaceous Magmatism in the Tintina Gold Belt", *BCYCM Special Volume 2*, 2000).

The Tintina Gold Belt displays the following characteristics:

- It is largely bounded by the Tintina (to the north) and Denali-Farewell strike-slip fault systems (one exception is the deposits in eastern Yukon, which are mainly north and east of the Tintina fault);

- basement rocks consist primarily of Proterozoic to Paleozoic metamorphic rocks of the Yukon-Tanana terrane;

- deposits are believed to be genetically related to three or more mid- and late-Cretaceous granitoid intrusive suites (85-110 Ma and 50-70 Ma);

- associated plutonic rocks are typically granodioritic to granitic in composition, calcalkaline, multi phase, and moderately reduced (ilmenite-bearing);

- host rocks for the Au include intrusions (e.g., Fort Knox), wall rocks (Pogo), or a mixture of intrusions and wallrock (Ryan Lode);

- geochemically, gold is associated with Bi, As, Te, Ag, Sb, and W, and to a lesser extent with Pb, Zn, and Mo;

- isotopic and other data indicate the involvement of (Cretaceous) magmatic fluids;

- among the commo n ore minerals are pyrite, pyrrhotite, arsenopyrite, bismuthinite, and Bi-Pb sulphosalts;

- deposits display a wide range of morphological characteristics, including sheeted veins, stock-works, shear veins, fissure veins, disseminations, breccias, and skams; and

- deposits were formed over a wide range of temperatures and pressures of emplacement.

The Tintina Gold Belt includes intrusive related deposits occurring between or proximal to the Tintina-Kaltag faults and the Denali-Farewell faults which extend in arcs through southeast Yukon around to southwest Alaska. Subsequently, considerable exploration and research has been undertaken in this belt which host the Fort Knox mine and the developing Pogo deposit.

The region has been characterized by McCoy (1999) as follows:

> Prior to 10 years ago, exploration and research for gold deposits in Interior Alaska was focused on a poorly defined, multi-lithologic metamorphic sequence alleged to contain syngenetic gold and to be the primary Au source. However, subsequent work has shown that gold deposits with similar characteristics are present in almost all the metamorphic and sedimentary terranes of Interior and SW Alaska. The main unifying factor is an association with reduced, I-type, calc-alkalic and/or alkalic intrusions. These intrusions are part of two subduction-related magmatic arcs: one that formed between 110 and 55 Main Interior Alaska and the Yukon, and between 73 and 67 Ma in Southwest Alaska. These intrusions are effective at fractionating gold, volatiles, and other metals into more differentiated plutonic rocks and pegmatite veins. The types, sizes and grades of gold deposits depend on the 1) proximity and size of gold source, i.e., porphyritic granitoid bodies, 2) physico-chemical controls on hydrothermal fluids and cooling rock bodies (e.g., pressure and temperature gradients controlled by emplacement depth) and 3) local lithologies and structures.
>
> Gold deposited at high (>400 C) temperatures is only preserved or originally present in the more deeply-emplaced gold deposits in Interior Alaska and the Yukon. Such gold is present in anastomosing stockwork quartz- feldspar +/- mica veins (several different intrusions) and as equigranular, ductile quartz (feldspar-biotite) veins (Pogo deposit). High temperature, prograde, Au-bearing pyroxene skarn formed under similar conditions. This mineralization shows evidence of early, very low-sulfidation state, hypothermal (400-650ºC) fluids with high CO2 and/or CH4 . The characteristic mineral assemblages are pyrrohtite ± pyrite, arsenopyrite-loellingite, native Bi, and low-S Bi-Te minerals. Nearly pure (1000 fine) Au, native Bi, and Bi-Te are closely associated, as distinct grains, inclusions in arsenopyrite, and fine-grained (exsolution/reaction) intergrowths. Later fluids in the early veins display moderate temperatures (350-500ºC), evidence for H2O-CO2 immiscibility, higher oxidation states (no CH4), and higher sulfidation states (arsenopyrite-pyrite, bismuthinite, higher sulfur Bi-Te-S minerals). Gold is alloyed with silver to a

fineness of 930-980 in this assemblage. K-feldspar and biotite are more common with the high temperature fluids; albite, white mica, and carbonate with the moderate temperature fluids.

The predominant shallow level alteration assemblage throughout the belt (SW Alaska through the Yukon) consists of lower temperature (150-350ºC) quartz-sericite ± carbonate ± albite ± carbon. This alteration is present in sheeted veins in intrusive rocks as well as in planar brittle faults and fractures in both intrusive and country rocks. When the fluids encountered structurally prepared marbles or carbonaceous-calcareous rocks, then manto, replacement, and disseminated mineralization ensued. In shallowly emplaced deposits (especially characteristic of Southwest Alaska) mineralization is also hosted in breccia pipes and dike swarms. Fluids responsible for these events are H2O-CO2 immiscible, with dense CO2 at deeper levels and abundant carbonate alteration at higher levels. A few deposits also contain NaCl-rich fluids. The predominant ore mineral assemblage is arsenopyrite-pyrite with base metal - (Bi) sulphosalts and sulfides. Early biotite and later quartz-sericite-stockwork and sericite-dolomite alteration are common. Younger and distal stibnite+arsenopyrite mineralization commonly accompanies this event. At Donlin Creek this assemblage also contains cinnabar with possibly supergene orpiment, in replacement types of mineralization. Geochemical data suggest a strong correlation between regular and native As. Gold in this assemblage is present as a combination of electrum between gold and bismuth, and a weaker correlation between gold (850-550 fine) and other lithophile elements and solid solution in arsenopyrite. The latter is particularly characteristic of SW Alaskan deposits, but also occurs at True North, near Fairbanks. Native gold in these deposits is mostly formed by supergene oxidation of arsenopyrite.

In the Fairbanks district, the time span encompassing intrusion, high temperature stockwork veining, and low temperature brittle shearing is approximately 3-4 Ma. The shallowly emplaced magmatic/hydrothermal systems in SW Alaska have a much shorter time span, magmatic biotite ages and hydrothermal sericite ages overlap within margins of error. The shallowest system (Donlin Creek) displays O-H isotope evidence for meteoric fluids; stable isotope data for deeper (>2-3 km depth) deposits suggests predominantly magmatic fluids.

In short, it is the character of the plutonic system – rather than either the age per se or the character of the wall rocks – which determines the likelihood for, and characteristics of, associated gold deposits. Additionally, a single system can contain several different styles and types of deposits; the occurrence of which does depend on the host rocks and on pre-ore structures. Finally, the common occurrence of shallower and deeper mineralization styles in a single district suggests that post-ore, dip- and strike-slip faulting commonly adds a layer of exploration complication—or opportunity.

Deposit Types

The gold deposits in the Tintina Gold Belt related to reduced I-type granitic intrusions have been classified (Thompson and Newberry, "Gold Deposits Related to Reduced Granitic Intrusions: Gold in 2000", *Reviews in Economic Geology Volume 13*, Society of Economic Geologists, 2000), by distance from host intrusion, into intrusive-hosted, proximal and distal, and as emplaced at shallow, intermediate or deep depths in the crust. Added complications not yet added to classification are host rocks intruded or structural settings amongst others.

The more important of the deposits have been classified as outlined in Tables I and II.

TABLE I - INTRUSIVE HOSTED GOLD DEPOSITS[1]

Shallow, Intermediate and Deep Deposition

TINTINA GOLD BELT - ALASKA AND YUKON

PROPERTY	ASSOCIATED ELEMENT	DIAGNOSTIC MINERALS	ORE HOSTING STRUCTURES	ALTERATION MINERALS	PRESSURE-TEMPERATURE[2]
SHALLOW					
Donlin Creek	As, Hg, Sb, (Cu, Bi)	n.a.	shears	chlorite, sericite calcite biotite	less than 0.5 kb 150->380°
Vinasale Mtn	As, Bi	n.a	breccia, shears	sericite, calcite, dolomite tourmaline	<0.5 kb
INTERMEDIATE					
Dolphin	Bi, As, (Sb, Pb, Zn, W)	pyrrhotite bismuthinite maldonite	Au-As veins sulphide manto	sericite, calcite albite, white mica	1 kb 300-490°
Shotgun	Bi, Te, As, Cu, Mo	pyrrhotite loellingite bismuthinite	Intrusive stockwork	sericite, calcite, albite, white mica tourmaline K-feldspar	<0.5 kb 215 -600°
Golden Zone	Bi, As, Cu, (Zn, Pb, Sb)	pyrrhotite bismuthinite maldonite loellingite	Breccia pipe	sericite, calcite albite, white mica	0.7 kb 330-500°
Brewery Creek	oxidized	oxidized	shear zones	oxidized	oxidized
DEEP					
Fort Knox	Bi,Te (As, Mo, W)	pyrrhotite bismuthinite	sheeted veins shear zones	sericite, calcite albite, white mica, biotite, K-feldspar	1.5 kb 270->450°
Dublin Gulch	Bi, As, W, Mo	pyrrhotite	sheeted veins	sericite calcite albite, white mica	1.5 kb 300->500°

Notes:

1. From Tolbert, R., "*Summary Report on the Proposed 2001 Tintina Gold Belt Exploration Program*", a private report commissioned for Ross River dated May 4, 2001.

2. kb = kilobars pressure, all temperatures are degrees Celsius.

TABLE II - INTRUSIVE-RELATED GOLD DEPOSITS (PROXIMAL OR DISTAL)(1

Tintina Gold Belt

PROPERTY	ASSOCIATED ELEMENT	DIAGNOSTIC MINERALS	ORE HOSTING STRUCTURES	ALTERATION MINERALS	PRESSURE-TEMPERATURE(2)
PROXIMAL INTERMEDIATE					
Ryan Lode	As, Sb, Pb, W, (Bi, Te)	pyrrhotite	shear zone, veinlets	sericite, calcite, albite, white mica	0.5 kb 280-350^{o}
Nixon Fork	Bi, Te, Cu, As	pyrrhotite loellingite maldonite	marble contact shear zones	skarn white mica	1 kb <300->400^{o}
Tay-LP	Bi, Te, (As, Cu, W)	pyrrhotite bismuthinite	replacement manto shears, veins	skarn	unknown
DISTAL INTERMEDIATE					
True North	As, Sb, Hg	oxidized	shears, gouge, veinlets	sericite, calcite	<0.5 kb 300^{o}
Ketza River	As, Sb, Hg	oxidized	manto	unknown	unknown
Illinois Creek	As, Sb, Bi, Pb, Cu	pyrrhotite bismuthinite	shear zone	sericite calcite	1.3 kb 325^{o}
Tay LP	As, Sb, Bi	pyrrhotite bismuthinite	shears, veins	sericite, calcite, albite, white mica, tourmaline	unknown
PROXIMAL DEEP					
Pogo	Bi As, (Mo, Zn, Sb)	pyrrhotite bismuthinite maldonite loellingite	shears and veins	sericite, calcite, albite, white mica, biotite, K-feldspar	>1.7 kb 265-620^{o}

Notes:

1. From Tolbert, R. (2001).
2. kb = kilobars pressure, all temperatures are degrees Celsius.

In the above properties there are no examples of proximal, shallow; distal, deep nor distal shallow mineralization. Most Cretaceous proximal or distal, shallow gold occurrences (essentially epithermal occurrences) would likely be eroded. Distal, deep occurrences may exist, but are waiting to be found, or alternatively may not yet be exposed. Also important in the localization of mineralization is the presence of syn-mineralization structures, or pre-mineralization structures, which may be reactivated during intrusion emplacement, that act as channel ways for mineralizing solutions and emplacement of ore minerals. As stated previously, the main unifying factor of all the above deposits is an association with reduced, I-type, calc-alkalic and/or alkalic intrusions.

Figures 4 and 5 include a graphic model showing depositional environments and relationships for many of the named deposits.

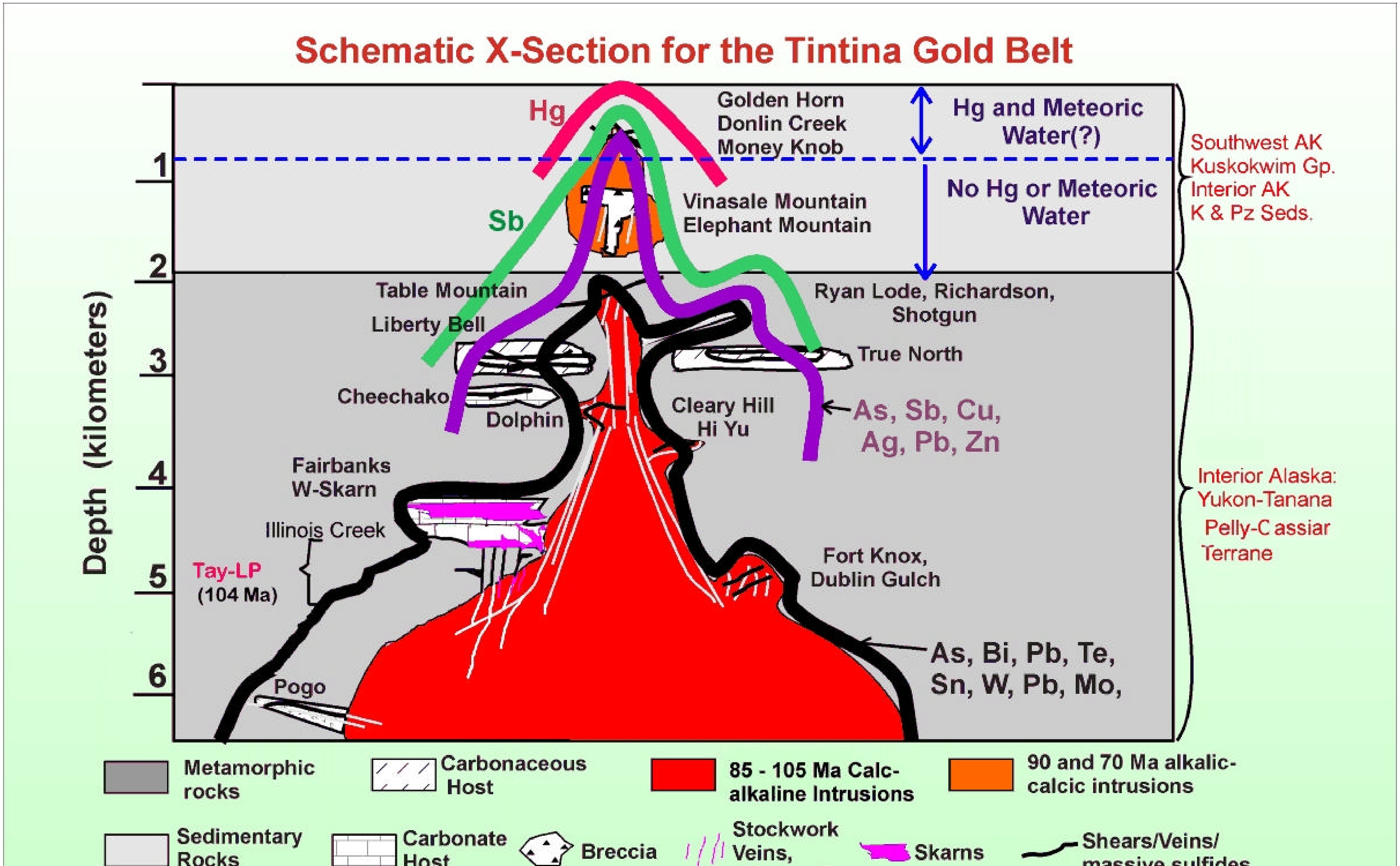
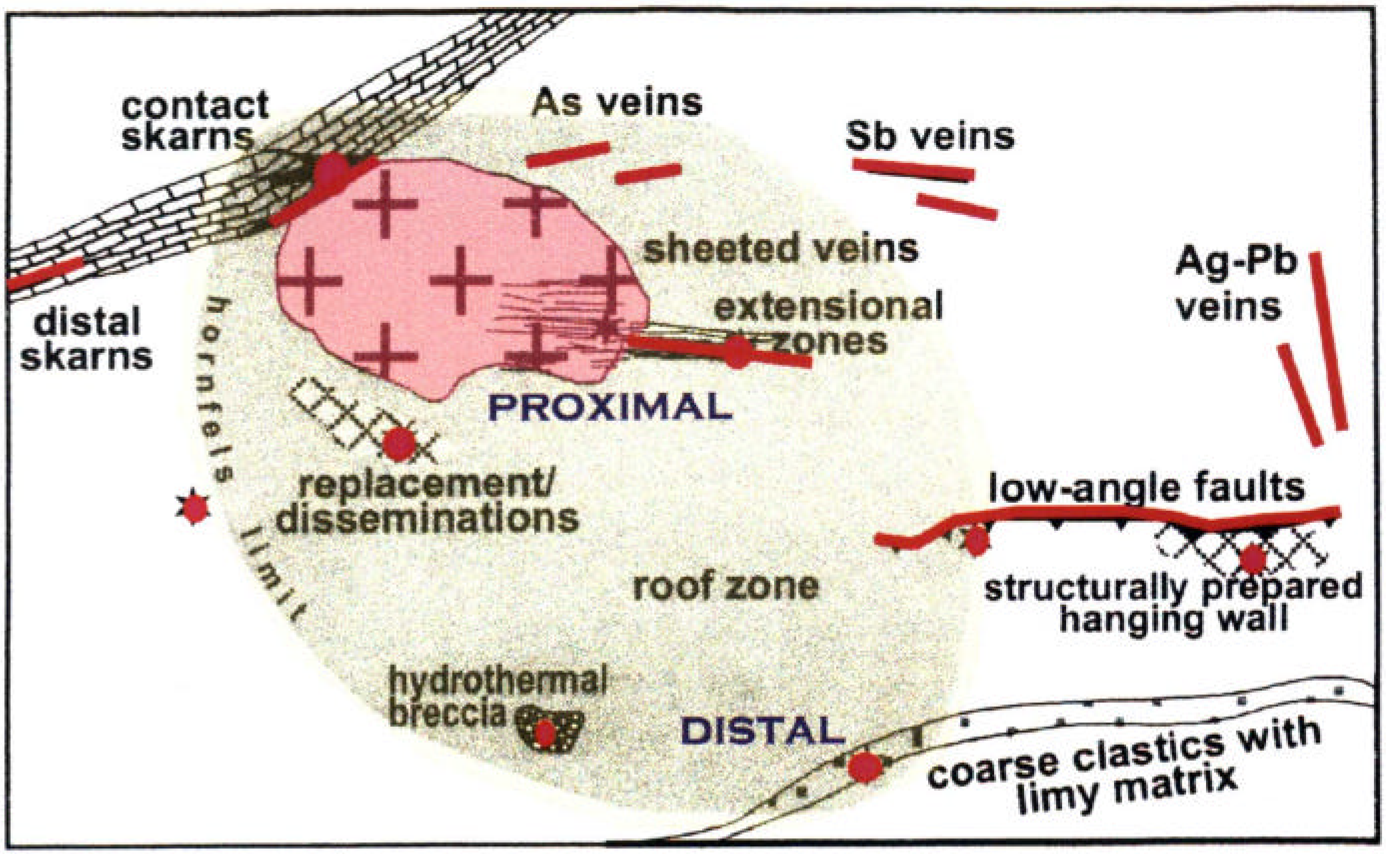

Schematic X-Section for the Tintina Gold Belt
Depth (kilometers)
1
2
3
4
5
6
Hg
Sb
Golden Horn
Donlin Creek
Money Knob
Hg and Meteoric Water(?)
No Hg or Meteoric Water
Vinasale Mountain
Elephant Mountain
Southwest AK
Kuskokwim Gp.
Interior AK
K & Pz Seds.
Table Mountain
Liberty Bell
Ryan Lode, Richardson, Shotgun
True North
Cheechako
Dolphin
Cleary Hill
Hi Yu
As, Sb, Cu, Ag, Pb, Zn
Fairbanks W-Skarn
Illinois Creek
Tay-LP
(104 Ma)
Fort Knox, Dublin Gulch
Interior Alaska:
Yukon-Tanana
Pelly-Cassiar
Terrane
As, Bi, Pb, Te, Sn, W, Pb, Mo,
Pogo
Metamorphic rocks
Carbonaceous Host
85 - 105 Ma Calc-alkaline Intrusions
90 and 70 Ma alkalic-calcic intrusions
Sedimentary Rocks
Carbonate Host
Breccia
Stockwork Veins, "Greisen"
Skarns
Shears/Veins/ massive sulfides
(Modified by R.S. Tolbert after McCoy, 1998)

FIGURE 4



Model of zoned mineralization developed around a central intrusion, emphasizing the variety of mineralized geological settings.

FIGURE 5 **SCHEMATIC PLAN OF GOLD DEPOSIT TYPES TINTINA GOLD BELT.** AFTER HART, 2000.

Research Strategy

Robin S. Tolbert of Ross River has utilized published geological maps, geophysical maps, regional stream geochemical studies, satellite imagery and other published reports and maps from within the Tintina Gold Belt and his personal knowledge of several intrusive related gold deposits and occurrences in the subject area in a systematic manner to search for those areas which may have the best potential to host this type of mineralization.

Mineral Resources and Exploration Potential

Deposits which have mineable reserves or mineral resources are outlined in Table III.

Table III
Major Gold deposits of the Tintina Gold belt, Alaska and Yukon[(1),(2)]

Deposit	**Owners**	**Category**	**Tonnes**	**Grade Au g/t**	**Ounces (rounded)**
Shotgun	Nova Gold	Inferred Resource	32,700,000	0.93	979,000
Donlin	Placer Dome	Resource	110,700,000	2.91	11,400,000
Nixon Fork	Real del Monte	Mineable Reserve	111,600	45.0	160,000
Illinois Creek	USMX Alaska	Resource	6,160,000	2.2	436,000
Fort Knox	Kinross Gold	Min reserve 1998	169,000,000	0.93	4,500,000
Ryan Lode	Kinross Gold	Mineable resource	4,100,000	3.09	400,000
True North	Kinross Gold	Resource	16,500,000	2.46	1,300,000
Gil	Kinross Gold	Resource	9,700,000	1.37	425,000
Golden Zone	Addwest Minerals	Resource	4,300,000	3.1	429,000
Pogo	Teck/Sumitomo	Resource	9,000,000	18.9	5,470,000
Brewery Creek	Viceroy Res.	Reserve	13,300,000	1.44	615,000
Dublin Gulch	New Millenium	Resource	99,000,000	1.2	3,800,000
Hyland	Expatriate Res	Resource	3,200,000	1.1	113,000
TOTAL				**rounded**	**30,000,000**

Notes:

1. Conversion is 1 oz = 31.1 grams, 1 opt = 34.285 grams/tonne
2. Data from Northern Miner, BCYCM Special Vol2, and individual company websites

The deposits outlined in Table III are described for background purposes only and that neither Ross River nor the Company have any mineral reserves or resources at present in the area identified by Ross River for exploration in the proposed Tintina Gold Belt exploration program.

Prioritization of Targets

The above systematic selection process has outlined at least 60 permissive targets within the Tintina Gold Belt. In attempting to prioritize the targets, it is recognized that not all targets have the same level of coverage for stream geochemistry (in area, suite of elements analyzed, vintage and therefore sensitivity of analyses), or prospecting (location of previous claims). Despite this inequality the targets were prioritized based on the degree to which they best fitted the characteristics of the deposit types previously described.

Ross River's 2001 Exploration Program

Ross River commenced and completed a regional exploration program in October 2001 as part of their Tintina Gold Belt exploration program, during which four geologists supported by a helicopter collected 139 heavy mineral and silt samples and 44 rock samples. The work was done under the supervision of two experienced field geologists, Uwe Schmidt, P.Geo. and Robin Tolbert, B.Sc., an officer and director of Ross River. This program tested eight of approximately 59 original targets selected by Robin Tolbert on the basis of favourable geology. The methods and analyses were in accordance with the recommendations made by Barry J. Price, M.Sc., P.Geo. in the Price Report. Mr. Price reviewed the preliminary results as stated in geochemical analytical tabulations prepared by ALS Chemex Ltd., an accredited analytical laboratory situated in North Vancouver, B.C. This information has not yet been reduced to a written report.

Target sites were located using GPS instruments. The pan samples were coarse-screened to approximately 0.5 centimeters and then further screened to -8 mesh in the field and then reduced by panning to a uniform volume. The samples were sealed in kraft bags and dried and shipped to ALS Chemex Laboratory. At the laboratory, the samples were screened to three fractions and all fractions weighed. A -35 mesh fraction was dissolved in Aqua Regia and analysed by standard IES-ICP and AAS methods for 50 elements and analysed for gold using standard Fire Assay-AA methods. The more important indicator elements from the geological-geochemical model for intrusion-related gold deposits, Au, As, and Bi were used in the determination of anomalous targets.

Gold values in heavy mineral samples ranged from less than 5 ppb (detection limit) to 6,560 ppb, and anomalous values were deemed to be those with 20 ppb or greater. Arsenic values ranged from 1 ppm (detection limit) to a maximum of 544 ppm. Bismuth values up to 10 ppm were obtained. Sample locations and results have been plotted on regional geological maps.

Of the 183 samples taken (heavy minerals and rocks) during Ross River's 2001 program, approximately 33% are determined to be anomalous for gold and or for associated metallic indicator elements. The determination of whether a particular element value is anomalous is determined by statistical methods and by comparison with background levels and limits of detection.

Barry J. Price, M.Sc., P.Geo. reviewed the results of Ross River's 2001 Tintina Gold Belt exploration program. In the amendment to the Price Report dated January 15, 2002, Mr. Price concluded that the completion of Tintina Gold Belt exploration program, as outlined in the Price Report, is warranted.

Exploration Strategy, Logistics and Budget

Ross River recognizes that heavy mineral sampling of streams may be more effective than stream silt geochemistry to determine if gold mineralization is present within each target area. Sufficient heavy mineral sample locations have been selected for each target area to provide coverage of all main stream drainages. On average, this results in approximately 25 samples per target area. With possible follow-up sampling 2,000 heavy mineral samples have been allocated to cover all target areas.

The exploration work will be mobilized out of the towns nearest the target areas utilizing a Bell-206B helicopter on contract, or utilizing the nearest base machine to maximize efficiency and reduce costs. At times, a field base will be established in the bush close to target areas to allow efficient use of helicopter time. The helicopter will be based out of the camp during these periods. Two vehicles will be rented to provide transport of crew, and equipment between bases, and to transport helicopter fuel to the more remote camps. All consumables will be obtained in the town closest to the area of exploration.

Heavy mineral sampling will be carried out by experienced geologists knowledgeable in the technique. In addition, at each location, after heavy mineral sampling, each stream will be prospected around the sampling site. Any mineralized rocks will be collected for geochemical analyses. If any gossans are observed in the target areas, they will also be sampled. If any obvious mineralization is discovered that has potential of being significant in gold grade and extent, the area surrounding will be staked. Heavy mineral and rock samples will be shipped weekly to ALS-Chemex, of North Vancouver, BC. All heavy mineral samples and rock samples will be analyzed by ALS-Chemex using their ME-MS41 Trace Metal Analysis package, which includes Au, Bi, Te, As, Sb, W, Mo, Cu, Pb and Zn analyses. The Project Geologist in the field will be kept current with analyses, via email, in order to follow-up any analytical results of significance and to stake the area if it is deemed worthy.

This work will be carried out by four geologists. From previous exploration programs, elsewhere, it is estimated each geologist will be able to collect, at least, 8 heavy mineral samples per day. Therefore, with follow-up, travelling between bases, reprovisioning and bad-weather days it will take a total of approximately two months to explore the 60 target areas.

In October 2001, US$100,000 (approximately Cdn.$150,000) was received as a loan from a U.S. investment fund as was budgeted to commence work in 2001 on the proposed Tintina Gold Belt exploration program. The costs to date of the 2001 exploration program are $123,754 and include salaries for four geologists ($45,700) helicopter time ($44,377), travel and accommodation ($7,343), assaying ($6,110) and miscellaneous ($20,224). A report on exploration results is currently being prepared at an estimated cost of $10,000. No claims were staked during the 2001 program.

Ross River anticipates its proposed Tintina Gold Belt exploration program will cost approximately $457,899 to complete (including the $123,754 in exploration expenses already incurred in 2001), which includes the staking of approximately 250 claims, and will be conducted over a two year period. None of the remaining $334,145 will be funded from the proceeds of the Offering. The Company intends to fund the remainder of the program when funds become available. There is no assurance funding will be obtained to continue or complete the program. See “Risk Factors”. However, if Ross River options its Tay-LP Project to a major mineral exploration company, or enters into a joint venture arrangement with another company to continue exploring the Tay-LP Project, any remaining proceeds of the Offering or other available funds that were budgeted for exploration of the Tay-LP Project will be reallocated to the Tintina Gold Belt program. The budget outlined in Table 4 represents anticipated costs to fund the Tintina Gold Belt program to completion over a two year period.

Table IV
Tintina Gold Belt Program, Proposed Exploration Budget

	Item	**Estimated Exploration Expenditures for Year 1**[(1)]	**Estimated Exploration Expenditures for Year 2 (To Completion of the Program)**
	SALARIES:		
1.	Project Geologist[(2)]	$7,000	$7,000
2.	Assistant Geologists	18,000	14,000
	EXPENSES:		
3.	Overhead	2,000	7,000
4.	Airfare	4,000	2,500
5.	Meals	2,400	2,300
6.	Camp, genset, wire, pipe, etc.	2,500	1,000
7.	Helicopter	51,000	51,000
8.	Truck rental	2,500	4,000
9.	Hotel	3,600	1,250
10.	Fuel (kerosene)	n/a	400
11.	Gasoline, Oil and Repairs	1,200	1,800
12.	Propane	200	300
13.	Helicopter fuel	3,300	4,000
14.	Misc. oils, mixes	n/a	200
15.	Field Equipment	2,500	1,400
16.	Staking	n/a	45,000
17.	Assays (heavy mineral)	18,400	8,000
18.	Assays (rocks)	5,000	6,500

	Item	Estimated Exploration Expenditures for Year 1[(1)]	Estimated Exploration Expenditures for Year 2 (To Completion of the Program)
19.	Reassay due diligence	1,340	1,000
20.	Radio Communication	600	600
21.	Telephone, Fax, Modem Communication	400	600
22.	Report Preparation[(2)] (including autocad drafting)	7,600	4,000
	SUB-TOTAL	**$133,540**	**$163,850**
	Contingency (5%)	6,677	8,193
	GST (@ 7%)	9,815	12,043
	TOTAL	**$150,032**	**$184,085**

Notes:

1. If funding becomes available, the first year program will be conducted during the months of August and September and will take about 60 days to complete.
2. Robin Tolbert, director, Vice-President, Chief Financial Officer and Secretary of Ross River and proposed Vice-President of the Company following completion of the Transaction, will contract with Ross River as an independent contractor to be the Project Geologist and prepare the geological reports for the proposed Tintina Gold Belt Exploration Program."

Conclusions

- Ross River's intrusive related Tay-LP gold property is located within the Tintina Gold Belt.
- The Tintina Gold Belt extends from southeast Yukon Territory to southwest Alaska.
- Ross River has targeted multiple areas for proposed exploration in the Tintina Gold Belt in the Yukon Territory and Alaska and recommends that these areas to be explored within a period of two months. Any significant gold mineralized areas will be staked.
- It is Ross River's belief that these targeted areas have the best potential to host intrusive related gold deposits.
- The estimated budget to complete the above-outlined exploration program is approximately $457,899, of which approximately $123,754 was expended on exploration in September and October 2001. No proceeds of the Offering will be allocated to the proposed Tintina Gold Belt program and the program will only be continued when funding is available. Funding to continue the proposed Tintina Gold Belt program may become available if the Tay-LP Project is optioned to a major mineral exploration company, or if a joint venture arrangement is entered into with another company to explore the Tay-LP Project. Prospective purchasers should note that the Company and Ross River will not have any funds to continue the Tintina Gold Belt exploration program upon closing of the Transaction and the Offering. Continuation of the proposed Tintina Gold Belt program will require further financing, which may not be available. See "Risk Factors".

USE OF PROCEEDS

Funds Available

The estimated gross proceeds to the Company from this Offering will be between $1,200,000 (assuming sale of the minimum number of Units under the Offering) and $1,500,000 (assuming sale of the maximum number of Units under the Offering), before deduction of 8% Agent's commission. Estimated net proceeds of the Offering will be between $1,104,000 (assuming sale of the minimum number of Units under the Offering) and $1,380,000 (assuming sale of the maximum number of Units under the Offering).

At the date of this Prospectus, Ross River is conducting a private placement that is expected to raise $50,000. Assuming the private placement is completed and fully subscribed, the net proceeds will be available to pay costs of the Offering and the Company.

The estimated pro-forma consolidated working capital deficiency as at February 28, 2002 was $394,646. The estimated pro-forma consolidated working capital deficiency as at February 28, 2002 includes provision for the repayment of current liabilities of the Company. Current liabilities of the Company include a short-term loan of US$100,000 from an arms-length US investment fund and a short-term loan of $50,000 from a private British Columbia investor received on January 14, 2002. The loan from the US investment fund provides for the payment of a US$20,000 financing fee (estimated total repayment amount to be $188,280 in Canadian funds). The loan from the private British Columbia investor provides for the payment of a $10,000 financing fee. The loans will be repaid from the proceeds of the Offering.

When the estimated pro-forma consolidated working capital deficiency is subtracted from the estimated private placement proceeds of Ross River of $50,000 and net proceeds of $1,104,000 (in the case of the minimum Offering) and $1,380,000 (in the case of the maximum Offering), and assuming Ross River is successful in selling the entire $50,000 amount of the private placement it is presently conducting (of which none has been raised to date) the Company expects to have funds available to it of between $759,354 and $1,035,354.

Principal Purposes

The net proceeds available to the Company from the Offering, the Ross River private placement proceeds of approximately $50,000, less the working capital deficiency as at February 28, 2002 of $394,646, will provide the Company with funds available of $759,354 if the minimum Offering is achieved, and $1,035,354 if the maximum Offering is achieved, which will be expended by the Company for the following purposes:

	Use of Proceeds	Minimum Offering	Maximum Offering
1.	To pay the balance of legal, audit and other expenses associated with the Offering (estimated)	$32,000	$32,000
2.	To pay the Agent's Sponsorship Fee with respect to the Offering	26,750	26,750
3.	To pay the Agent's expenses with respect to the Offering (estimated)	5,000	5,000
4.	To pay the Agent's Administration Fee with respect to the Offering	5,350	5,350
5.	To fund exploration of the Tay-LP Project(1)	404,708	404,708
6.	General and Administrative Expenses	174,000	174,000
7.	To provide working capital to fund ongoing operations(2)	111,546	387,546
	Total	$759,354	$1,035,354

Notes:

1. Ross River is exploring opportunities to option its interests in the Tay-LP Project to a major mineral exploration company or to enter into a joint venture arrangement with respect to the Tay-LP Project with another mineral exploration company. See "Information Concerning Ross River Property". In the event that the Tay-LP Project is optioned or becomes subject to a joint venture arrangement, any remaining funds allocated to exploration of the Tay-LP Project will be reallocated to its proposed Tintina Gold Belt exploration program. See "Proposed Tintina Gold Belt

2. Upon closing of the Offering, Ross River will repay a loan of US$100,000 received on September 24, 2001 from an arms-length U.S. investment fund located in Dallas, Texas, proceeds of which have been allocated to fund a portion of the mineral exploration program. The amount to be repaid, estimated at $188,280, is US$120,000, consisting of the principal amount of the loan plus a US$20,000 financing fee. Assumes US$1.00 = Cdn.$1.569. Upon closing of the Offering, the Company will also repay a loan of $50,000 that was received on January 14, 2002 from a private British Columbia investor at arm's length from the directors and officers of the Company, proceeds of which have been allocated to fund costs of the Company, the Transaction and the Offering. The amount to repaid is $60,000, consisting of the principal amount of the loan plus a bonus of $10,000. The loans payable by Ross River are reflected in the estimated pro-forma consolidated working capital deficiency of $394,646 as at February 28, 2002.

Proceeds from the exercise of the Purchase Warrants or the Agent's Warrants, if any, will be used for general corporate purposes.

Administrative Expenses

The following table discloses the estimated aggregate monthly and total administration costs that will be incurred in order for the Company to carry out its proposed exploration and development program:

Type of Administrative Expense	Monthly Estimated Expenditure[1]	Total Estimated Expenditure
Accounting / Audit Fees	$1,000	$12,000
Insurance	nil	nil
Investor Relations	$1,000	$12,000
Legal Fees	$500	$6,000
Office Operations and Facilities	$5,000	$60,000[2]
Regulatory Filing Fees	$500	$6,000
Salaries of Officers and Employees	$6,000	$72,000[3]
Transfer Agent Fees	$500	$6,000
TOTALS	**$14,500**	**$174,000**

Notes:

1. Monthly amounts have been rounded to the nearest dollar.
2. Office space, secretarial, accounting, administrative and reception services are currently provided to each of the Company and Ross River by HCL, a company wholly owned by Marcus N. Foster. See "Interest of Management and Others in Material Transactions". Following closing of the Transaction, the existing management contracts will be cancelled without penalty and the board of directors of the Company will negotiate a new management contract either with HCL or another party as the board of directors considers prudent. See "Information Concerning Ross River Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts" and "Executive Compensation and Proposed Compensation – Termination of Employment, Change in Responsibilities and Management Contracts".
3. The proposed annual salary of $72,000 for Marcus N. Foster as President and CEO of the Company.

Conflict of Interest

None of the proceeds of the Offering will be applied directly or indirectly for the benefit of the Agent or any party related to the Agent except as herein disclosed.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following selected financial information for the Company should be read in conjunction with the financial statements and related notes included in this Prospectus.

Annual Information

	9 Months Ended September 30, 2001 (unaudited)	Financial Year Ended December 31		
	2001	**2000**	**1999**	**1998**
Revenues	nil	nil	nil	$3,714
Expenses	$143,343	$3,405	$1,031,187	685,984
Net income (Loss)	(143,343)	(3,405)	(1,031,187)	(682,270)
Net income (Loss) per share				
Basic	(0.03)	(0.01)	(0.18)	(0.15)
Fully Diluted	(0.03)	(0.01)	(0.18)	(0.15)
Total Assets	104,744	2,647	26,741	1,036,011
Current Liabilities	295,265	49,825	70,514	48,597
Working Capital (Deficit)	(259,332)	(47,178)	(63,773)	(29,963)
Share Capital				
Capital Stock	1,777,568	1,777,568	1,777,568	1,777,568
Number of Shares	5,713,000	5,713,000	5,713,000	5,713,000
Deficit	1,968,089	$1,824,746	$1,821,341	$790,154

Quarterly Information (Unaudited)

	Financial Year - 2001				Financial Year – 2000			
	Quarter Ending Dec. 31	Quarter Ending Sept. 30	Quarter Ending June 30	Quarter Ending Mar 31	Quarter Ending Dec. 31	Quarter Ending Sept. 30	Quarter Ending June 30	Quarter Ending Mar 31
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	$27,484	$45,177	$68,079	$30,087	$2,522	$65	$337	$481
Income (Loss) from Continuing Operations	(27,484)	(45,177)	(68,079)	(30,087)	(2,522)	(65)	(337)	(481)
Income (Loss) from Continuing Operations per share								
Basic	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Fully Diluted	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Net income (Loss)	(27,484)	(45,177)	(68,079)	(30,087)	(2,522)	(65)	(337)	(481)
Net income (Loss) per share								
Basic	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.17)	0.01	(0.01)
Fully Diluted	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.17)	0.01	(0.01)

Dividends

The Company has never paid cash dividends on its Common Shares and does not anticipate paying any cash dividends in the foreseeable future.

Management's Discussion and Analysis

This management's discussion and analysis should be read in conjunction with the financial statements of the Company included elsewhere in this Prospectus. All financial information is presented in Canadian dollars unless otherwise noted. All references to a year refer to the fiscal year that ended on December 31st of that year.

General

The Company reported a net loss of $143,343 for the nine month period ending September 30, 2001 ($0.03 per share) compared with a loss of $883 for the nine month period ending September 30, 2000 ($0.01 per share). The Company incurred professional and regulatory expenses of $68,160 related to the acquisition of Ross River and incurred management fees of $40,000 including a one-time reorganization fee of $25,000 paid to a company controlled by the President. The decline in administrative costs for the year ended December 31, 2000 ($3,405) compared with the year ended December 31, 1999 ($42,606) were due to the inactive status of the Company prior to its re-organization.

The Company reported a net loss of $3,405 for the year ended December 31, 2000 ($0.01 per share) compared with a net loss of $1,031,187 for the year ended December 31, 1999 ($0.18 per share). December 31, 1999 results include the write-down of mineral property interests of $658,910 and exploration advances of $329,671. There were no expenses other than audit costs of $2,500 (1999 - $7,092) and legal and regulatory costs of $905 (1999 - $18,628). The Company reported a loss of $682,270 ($0.15 per share) for the year ended December 31, 1998 including a write-down of mineral interests of $295,733. The Company had interest income of $3,714 during the period. Included in the expenses of $390,251 were legal, audit and management fees totaling $262,429 relative to the acquisition of the Lao PDR exploration permits. In 1998, legal expenses of $127,641 and management and consulting fees of $106,281 were incurred as a result of a financing and the acquisition of ruby concessions in Lao.

The value of the Company's total assets declined from $1,036,011 in 1998 to $2,647 for the year ended December 31, 2000 largely as a result of write-offs of the Company's mineral interests. In 1998, management wrote down its Len Claims, located in the Mayo Mining District, Yukon Territory, by $295,733. In 1999, the Company wrote-down its Lao exploration permits by $658,910 and its exploration advances to Gem Mining Lao, PDR Co. Limited by $329,671.

Financial Condition

The Company had a working capital deficit of $259,332 as at September 30, 2001 compared with a deficit of $44,656 as at September 30, 2000 and a working capital deficit of $47,178 as at December 31, 2000 compared with a deficit of $63,773 as at December 31, 1999. The Company has no revenue and any improvement in working capital will result from the issuance of new share capital. The Company has no long-term debt and a shareholder deficiency of $190,521 as at September 30, 2001 compared with $44,656 as at September 30, 2000 and $47,178 as at December 31, 2000 compared to a deficit of $43,773 as at December 31,1999. The Company had a deficit of $790,154 as at December 31, 1998 and shareholder's equity of $987,414. During the year the Company issued 2,550,000 shares for cash ($445,093) and property acquisitions ($584,500).

Included in current liabilities as at September 30, 2001 is an advance made by Ross River to the Company in the amount of $52,800. The advance was provided to help fund the legal, audit and regulatory costs of the proposed transaction.

Cash Flow

The Company experienced an increase in cash flow of $28,623 for the period ending September 30, 2001 compared with no change in cash flow for the period ending September 30, 2000. The Company experienced a negative cash flow of $4,500 for the year ended December 31, 2000 compared with a negative cash flow of $9,983 for the year ended December 31, 1999. The Company's cash position was $29,023 as at September 30, 2001 compared with $4,900 as at September 30, 2000 and $400 as at December 31, 2000 compared with $4,900 as at December 31, 1999. The Company experienced a decrease in cash flow for the period ending December 31, 1998 of $314,528 ending the year with a cash position of $14,883.

DESCRIPTION OF SECURITIES OFFERED

Units

Pursuant to this Prospectus, the Company is distributing Units which consist of one Common Share and one Purchase Warrant. This Prospectus qualifies for distribution the 5,000,000 Common Shares and the 5,000,000 Purchase Warrants that comprise the Units, and the 5,000,000 Common Shares that may be issued upon exercise of the 5,000,000 Purchase Warrants.

The Common Shares entitle the holders to dividends, if as and when declared by the board of directors of the Company, to one vote per share at meetings of the shareholders and, upon liquidation, to receive such assets of the Company as are distributable to holders of Common Shares. No Common Shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights, and no provisions for redemption, purchase or cancellation, surrender, sinking fund or purchase fund.

The Purchase Warrants entitle the holders to acquire one additional Common Share at an exercise price of $0.35 per Common Share for a period of one year following the day the Purchase Warrants are posted and called for trading on the Exchange closing of the Offering and at a price of $0.45 for a period ending 18 months following the day the Purchase Warrants are posted and called for trading on the Exchange. The price and number of Common Shares issuable on exercise of the Purchase Warrants is subject to adjustment in certain events, such as subdivision or consolidation of the outstanding Common Shares. An application has been made to conditionally list the Purchase Warrants offered under this Prospectus on the Exchange. The listing of Purchase Warrants is subject to the Company fulfilling all of the requirements of the Exchange, including the distribution of a sufficient number of such warrants to a minimum number of public holders. See "Plan of Distribution – Purchase Warrants".

Agent's Warrants

In addition, the Company is distributing Agent's Warrants to the Agent. Each Agent's Warrant entitles the Agent to acquire one Common Share at an exercise price of $0.35 per Common Share for a period of one year following the day the Common Shares are listed for trading on the Exchange and thereafter, at a price of $0.45 for a period ending 18 months following the day the Common Shares are listed for trading on the Exchange. The Agent's Warrants will be represented by certificates and will be non-transferable except as permitted by the *Securities Act* (British Columbia) and the rules and regulations thereto. The certificates represented by the Agent's Warrants will include, among other things, provisions for the appropriate adjustment of the class, number and price of the Common Shares issuable upon exercise of the Agent's Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares, the payment of stock dividends or the amalgamation of the Company. This prospectus also qualifies for distribution up to 1,000,000 Agent's Warrants.

Loan Capital

Other than the loan of U.S. $100,000 received by the Company on September 24, 2001 from a U.S. investment fund (see "Use of Proceeds") and the loan of $50,000 received by the Company on January 14, 2002 from a private British Columbia investor, the Company has no loan capital outstanding. See "Use of Proceeds   Principal Purposes".

Fully Diluted Share Capital

The number of issued and outstanding Common Shares of the Company, assuming the completion of the Transaction and the Offering and the exercise of all options, warrants and other rights to purchase Common Shares is set out below:

	Number of Common Shares (Minimum Offering)	**Percentage of Total**(1)	**Number of Common Shares (Maximum Offering)**	**Percentage of Total**(1)
Issued as of February 28, 2002 (post-consolidation)(2)	1,142,600(3)	6.36%	1,142,600(3)	5.61%

	Number of Common Shares (Minimum Offering)	Percentage of Total[(1)]	Number of Common Shares (Maximum Offering)	Percentage of Total[(1)]
Shares issued to Ross River shareholders pursuant to the Transaction	6,000,000[(4)]	33.43%	6,000,000[(4)]	29.47%
Shares issued under the Offering[(5)]	4,000,000	22.29%	5,000,000	24.55%
Purchase Warrants issued under the Offering[(5)]	4,000,000	22.29%	5,000,000	24.55%
Agent's Warrants issued under the Offering[(5)]	800,000	4.46%	1,000,000	4.91%
Agent's corporate finance fee[(6)]	100,000	0.56%	100,000	0.49%
Securities to be reserved for issuance in connection with stock options to be granted following closing of the Transaction	1,905,000	10.61%	2,120,000	10.41%
Total	**17,947,600**	**100%**	**20,362,600**	**100%**

Notes:

1. Percentages rounded to the nearest 1/100th and therefore may not total exactly 100%.
2. As of February 28, 2002, there are 5,713,000 Common Shares issued and outstanding. Pursuant to the Transaction, the Company will conduct a share consolidation whereby 5 Common Shares will be consolidated into 1 Common Share, resulting in 1,142,600 Common Shares outstanding prior to the issuance of Common Shares to the Ross River shareholders (see "Business of the Company The Transaction").
3. Assumes the 750,000 Common Shares held in escrow in the name of Bjarne Jeppesen, which will be consolidated into 150,000 Common Shares pursuant to the Share Consolidation, will be transferred to Marcus N. Foster, rather than cancelled. See "Escrow Securities".
4. Assumes the maximum number of Common Shares that will be exchanged for common shares of Ross River pursuant to the Share Exchange Agreement.
5. A minimum of 4,000,000 and a maximum of 5,000,000 Units will be sold under the Offering. Each Unit consists of one Common Share and one Purchase Warrant. The Agent will receive Agent's Warrants equal to 20% of the Units sold under the Offering. Each Purchase Warrant may be exercised for a Common Share at an exercise price of $0.35 per share on or before 12 months after the day the Purchase Warrants are posted and called for trading on the Exchange and thereafter at an exercise price of $0.45 per share on or before 18 months after the day the Purchase Warrants are posted and called for trading on the Exchange. Each Agent's Warrant may be exercised for a Common Share at an exercise price of $0.35 per share on or before 12 months after the day the Common Shares are listed for trading on the Exchange and thereafter at an exercise price of $0.45 per share on or before 18 months after the day the Common Shares are listed for trading on the Exchange. See "Description of Securities Offered" and
6. In connection with acting as Agent for the Offering, the Agent will receive 100,000 Common Shares as a corporate finance fee. See "Plan of

OPTIONS TO PURCHASE SECURITIES

Pursuant to the policies of the Exchange, the Company is entitled to grant incentive stock options as a means for rewarding directors, officers, employees and consultants of the Company for future services to be provided to the Company. The Company currently has no options outstanding. However, the Company has a stock option plan in effect for directors, officers and employees of the Company that the majority of the disinterested shareholders of the Company approved Shareholders' Meeting (the "Stock Option Plan"). The Stock Option Plan is subject to the approval of the Exchange. Assuming approval of the Exchange is obtained, the Company will be entitled to grant incentive stock options to directors, officers, employees and consultants of the Company to purchase that number of Common Shares equal to (but not exceeding) 20% of the Company's outstanding Common Shares.

The Stock Option Plan provides that the stock options granted under the Stock Option Plan be non-assignable and non-transferable. In addition, the Stock Option Plan provides that the options can be exercisable for a maximum period of 5 years, that any one individual can receive grants of no more than 5% of the outstanding Common Shares on a yearly basis, that options granted to a person who is a director, employee, consultant or management company employee must expire within 90 days after the person ceases to be in at least one of those positions. Furthermore, the Stock Option Plan provides that disinterested shareholder approval will be obtained for any reduction in the exercise price of stock options held by a person that is a director, officer, employee or other insider of the Company at the time the exercise price is reduced.

The Company currently has 5,713,000 Common Shares outstanding. In connection with the Transaction, the Company will consolidate every 5 Common Shares in to 1 Common Share, which will result in 1,142,600 Common Shares outstanding (assuming the 150,000 post-consolidation Common Shares held in escrow are transferred to Marcus N. Foster and not cancelled. See "Escrow Securities"). Pursuant to the Transaction, the Company will seek to acquire all of the issued and outstanding common shares of Ross River by exchanging one post-consolidation Common Share for each common share of Ross River. The Company anticipates that there will be a maximum of 6,000,000 common shares of Ross River outstanding, resulting in an issuance of a maximum of 6,000,000 Common Shares to the members of Ross River. See "Business of the Company – The Transaction".

Pursuant to the Offering, the Agent will be granted Agent's Warrants equal to 20% of the number of Units sold pursuant to the Offering. See "Plan of Distribution".

Pursuant to the Offering, the Company will issue a minimum of 4,000,000 and a maximum of 5,000,000 Units, with each Unit containing one Common Share and Purchase Warrant. Each Purchase Warrant will entitle the holder to purchase one common share of the Company at a price of $0.35 for a period of one year following the day the Purchase Warrants are posted and called for trading on the Exchange and at a price of $0.45 thereafter for a period ending 18 months following the day the Purchase Warrants are posted and called for trading on the Exchange. See "Plan of Distribution".

Following closing of the Transaction and this Offering, management anticipates that it will have outstanding incentive stock options, Purchase Warrants and Agent's Warrants to purchase up to an aggregate of 6,705,000 Common Shares of the Company, if the minimum number of Units are sold under the Offering, or 8,120,000 Common Shares of the Company, if the maximum number of Units are sold under the Offering. Assuming completion of the Transaction and Offering, the following options and rights will be outstanding:

Category	Designation of Option	Date of Expiry	No. of Common Shares (minimum offering)	No. of Common Shares (maximum offering)	Exercise Price	Closing Price on Date of Grant	Market value of Securities Under Option at October 31, 2001
Executive Officers of the Company(1)	Incentive stock options	Five years from the date of grant	945,000	1,060,000	$0.30	N/A	N/A
Directors of the Company(2)	Incentive stock options	Five years from the date of grant	810,000	900,000	$0.30	N/A	N/A
Employees of the Company(3)	Incentive stock options	Five years from the date of grant	90,000	100,000	$0.30	N/A	N/A
Consultant to the Company(4)	Incentive stock options	Five years from the date of grant	60,000	60,000	$0.30	N/A	N/A
Investors Pursuant to the Offering(5)	Purchase Warrants(6)	18 months following day Purchase Warrants are posted and called for trading	4,000,000	5,000,000	$0.35/ $0.45(6)	N/A	N/A
Canaccord Capital Corporation(7)	Agent's Warrants(8)	18 months following day Common Shares are listed	800,000	1,000,000	$0.35(9)	N/A	N/A
Totals			**6,705,000**	**8,120,000**			

Notes:

1. Estimated incentive stock options to be reserved for issuance to executive officers of the Company following closing of the Transaction, including those executive officers who will also be directors of the Company.
2. Estimated incentive stock options to be reserved for issuance to directors of the Company who will not also be executive officers of the Company following closing of the Transaction.
3. Estimated incentive stock options to be reserved for issuance to all other employees of the Company as a group.
4. Estimated incentive stock options to be reserved for issuance to all consultants of the Company as a group.

7. Agent for the Offering and Sponsor for the Transaction.

8. Pursuant to this Offering, the Agent will receive that number of Agent's Warrants equal to 20% of the number of Units sold under this Offering. is exercisable to purchase one Common Share at a price of $0.35 per Common Share for a period of 12 months following the day the Common Shares are listed for trading on the Exchange and is exercisable to purchase one Common Share at a price of $0.45 thereafter for a period expiring 18 months following the day the Common Shares are listed for trading on the Exchange. See "Plan of Distribution".

9. The exercise price for the Agent's Warrants is $0.35 per Common Share for a period of one year following the day the Common Shares are listed for trading on the Exchange and thereafter, at a price of $0.45 for a period ending 18 months following the day the Common Shares are listed for trading on the Exchange. See "Description of Securities Offered

PRIOR SALES AND STOCK EXCHANGE PRICE

The Common Shares of the Company are listed on the Exchange but trading was suspended on October 25, 1999. On October 12, 1999, the last day the Company's Common Shares were traded on the Exchange, the high and low share price was $0.05 per Common Share. On February 17, 2000, the Commission issued a cease trade order against the Company for failure to file interim financial statements and quarterly reports as are required by the *Securities Act* (British Columbia). In order to have the Company's cease trade order lifted and its Common Shares reinstated for trading on the Exchange, the Company is required to, among other things, establish a plan to reorganize its affairs. See "Business of the Company Suspension from Trading and Cease Trade Order". The Company entered into an agreement to conduct a reverse takeover of Ross River by way of an exchange of a maximum of 6,000,000 Common Shares for all of the issued and outstanding shares of Ross River, which is estimated to be 6,000,000 common shares. See "Business of the Company The Transaction".

ESCROW SECURITIES

There are currently 750,000 Common Shares held in escrow as indicated in the following table:

Designation of Class	Number of Securities Held in Escrow	Percentage of Class
Common Shares	750,000 (1)	13.13%

Note:

1. A total of 750,000 Common Shares are held in escrow by Pacific Corporate Trust Company of 10^{th} Floor, 625 Howe Street, Vancouver, British Columbia, V6C 3B8, subject to an escrow agreement dated December 20, 1996 and the release of which will be subject to regulatory approval. The policies of the Exchange are described below.

The 750,000 Common Shares in escrow (after the Share Consolidation in connection with the Transaction, 150,000 Common Shares) are held by Bjarne Jeppesen, a former director and senior executive of the Company. The Escrowed Shares are subject to an escrow agreement dated December 20, 1996 (the "Current Escrow Agreement") that was created under the policies of the former Vancouver Stock Exchange. By way of an Escrow Security Purchase Agreement dated for reference August 21, 2001 between Bjarne Jeppesen and Marcus N. Foster, Bjarne Jeppesen agreed to transfer those Common Shares within escrow to Marcus N. Foster, President and director of the Company. Pursuant to the policies of the Exchange, a transfer within escrow requires the approval of the disinterested shareholders of the Company to cancel the Current Escrow Agreement and to enter into an escrow agreement in the form specified by the Exchange. At the Shareholders' Meeting, the disinterested shareholders of the Company approved the transfer from Bjarne Jeppesen to Marcus N. Foster, the cancellation of the Current Escrow Agreement and the deposit of the Escrowed Shares into escrow pursuant to an escrow agreement in the form specified by the Exchange. The transfer of the Escrowed Shares is subject to approval by the Exchange. At the Shareholders' Meeting, shareholders of the Company also approved the cancellation of the Escrowed Shares in the event that the transfer within escrow cannot be effected within a reasonable time, as determined by the directors of the Company at their sole discretion.

As a condition of the Share Exchange Agreement, certain shareholders of Ross River agreed with the Company to pool the Common Shares to be received upon completion of the Share Exchange. Bradley Resources Canada Ltd., Nelson Capital Ltd. and Hanover Company Limited agreed to place in escrow an aggregate of 1,450,000 Common Shares (the "Pooled Shares") and have signed a Voluntary Pooling Agreement dated June 21, 2001 (the "Voluntary Pooling Agreement"). The Voluntary Pooling Agreement has been signed by the Company and will be signed by Pacific Corporate Trust Company, as escrow agent for the Pooled Shares, prior to closing of the Transaction. The Pooled Shares may be transferred within escrow into a registered retirement savings plan of the shareholder, with the consent of the Company or upon the death of the shareholder. The Pooled Shares will be released from escrow in accordance with the following schedule (the "First Schedule"):

1. 25% of the Pooled Shares on the day the shares become listed on the Exchange (the "Listing Date");

2. 25% of the Pooled Shares 6 months after the Listing Date;

3. 25% of the Pooled Shares 12 months after the Listing Date; and

4. 25% of the Pooled Shares 18 months after the Listing Date.

However, if the closing prices of the Common Shares on the Exchange meets or exceeds the prices referred to below and would result in the Pooled Shares being released from escrow sooner than would be case if the First Schedule applied, the Pooled Shares will be released pursuant to the following schedule:

1. 25% of the Pooled Shares on the Listing Date;

2. 25% of the Pooled Shares when the closing price is $0.55 or more for 10 consecutive trading days;

3. 25% of the Pooled Shares when the closing price is $0.65 or more for 10 consecutive trading days; and

4. 25% of the Pooled Shares when the closing price is $0.75 or more for 10 consecutive trading days.

The Exchange may impose additional resale restrictions on the Pooled Shares.

Management of the Company anticipates that 2,626,250 of the common shares of the Company issued pursuant to the Transaction will be subject to escrow restrictions (assuming the 150,000 post-consolidation Escrowed Shares are transferred to Marcus N. Foster and not cancelled), which will represent approximately 23.36% of the issued and outstanding common shares upon closing of the Transaction on a non-diluted basis, assuming the minimum Offering is sold, and approximately 21.45% of the issued and outstanding common shares upon closing of the Transaction on a non-diluted basis, assuming the maximum Offering is sold. If Marcus N. Foster is not transferred the Escrowed Shares, those 150,000 common shares (following the Share Consolidation) will be cancelled and a total of 2,476,250 common shares will be held in escrow, representing approximately 22.32% of the issued and outstanding common shares upon closing of the Transaction on a non-diluted basis, assuming the minimum Offering is sold, and approximately 20.48% of the issued and outstanding common shares upon closing of the Transaction on a non-diluted basis, assuming the maximum Offering is sold.

Pursuant to the policies of the Exchange, all securities issued to "Principals" of the Company in connection with the closing of the Transaction must be held in escrow. Principals of the Company, upon closing of the Transaction, include the following:

1. a promoter of the Company;

2. a director, senior officer of the Company or Ross River;

3. a person that beneficially owns, directly or indirectly, has control or direction over, or has a combination of beneficial ownership and control and direction over, securities of the Company carrying more than 20 percent of the voting rights attached to all of the Company's outstanding voting shares calculated at the time the Exchange issues its final exchange notice, evidencing the acceptance by the Exchange of the Transaction;

4. a person or company that beneficially owns, directly or indirectly, has control or direction over, or has a combination of beneficial ownership and control and direction over, securities of the Company carrying more than 10 percent of the voting rights attached to all of the Company's outstanding voting shares, calculated at the time the Exchange issues its final exchange notice, evidencing the acceptance by the Exchange of the Transaction, and has selected or has the right to select at least one director or senior officer of the Company, or one or more directors or senior officers of the Company are also directors, officers or employees of such person or company or beneficially own, directly or indirectly, or have control and direction over, or have a combination of beneficial ownership and control and direction over, more than 10 percent of the outstanding voting shares of such person or company;

5. a company, if 20 percent or more of the voting shares of that company are beneficially owned, directly or indirectly, or are controlled or directed, or a combination of these, by any one of the persons or companies described above; or

6. any associate of a person or company described above.

It is anticipated that approximately 2,626,250 Common Shares will be issued to the following Principals (assuming the 150,000 post-consolidation Common Shares held in escrow are transferred to Marcus N. Foster) in connection with the Transaction and will be subject to escrow restrictions as follows:

Name	No. of Common Shares	Percentage of Total Issued Capital on Closing of the Transaction (minimum offering)[2]	Percentage of Total Issued Capital on Closing of the Transaction (maximum offering)[3]
Marcus N. Foster	2,250,000[1]	20.01%	18.38%
Robin S. Tolbert	136,250[4]	1.21%	1.11%
Philip J. Walsh	20,000[5]	0.18%	0.16%
Arthur T. Fisher	20,000[6]	0.18%	0.16%
Denise Foster[7]	100,000	0.89%	0.82%
Cameron Foster[8]	100,000	0.89%	0.82%
TOTAL	**2,626,250**	**23.36%**	**21.45%**

Notes:

1. Includes 150,000 Common Shares (following the Share Consolidation) that may be transferred to Marcus N. Foster, President, CEO and a director of the Company from Bjarne Jeppesen, former director and senior executive of the Company. If the Escrowed Shares are not transferred to Marcus N. Foster, the Company will seek Exchange approval to have the Escrowed Shares cancelled.
2. Assumes completion of the Transaction, including the issuance of 6,000,000 Common Shares in the Share Exchange, and the completion of the minimum Offering of 4,000,000 Units, and assumes the Escrowed Shares are transferred and not cancelled, for a total of 11,242,600 Common Shares outstanding on a non-diluted basis. Percentages rounded to the nearest 1/100th.
3. Assumes completion of the Transaction, including the issuance of 6,000,000 Common Shares in the Share Exchange, and the completion of the maximum Offering of 5,000,000 Units, and assumes the Escrowed Shares are transferred and not cancelled, for a total of 12,242,600 Common Shares outstanding on a non-diluted basis. Percentages rounded to the nearest 1/100th.
4. Mr. Tolbert is Vice-President, Chief Financial Officer, Secretary and a director of Ross River and is to be appointed Vice-President of the Company following completion of the Transaction.
5. Held by Taff Management Corp., a company controlled by Philip J. Walsh. Mr. Walsh is to be appointed director, Secretary and Chief Financial Officer of the Company following completion of the Transaction.
6. Held by Arthur T. Fisher & Associates, a company controlled by Arthur T. Fisher. Mr. Fisher is to be appointed director of the Company following completion of the Transaction.
7. Associate (spouse) of Marcus N. Foster.
8. Associate (child) of Marcus N. Foster.

These Principals will enter into an escrow agreement at the closing of the Transaction whereby their Common Shares will be held in escrow and may not be transferred without the prior written consent of the Exchange. Securities in escrow may be transferred to directors or senior officers of the Company or Ross River, provided that the Exchange is provided with notice of the transfer and the escrow agent is provided with an issuer's certificate confirming the securities are being transferred to a director or senior officer in accordance with the escrow agreement and Exchange policy, and certain other documents are provided. In the event of a bankruptcy of a Principal with shares in escrow, the shares held in escrow may be transferred to a trustee in bankruptcy, provided the Principal provides written notice to the Exchange of the intent to transfer, the escrow agent receives a certified copy of either the assignment in bankruptcy or a receiving order, a certified copy of the appointment of trustee, a transfer power of attorney signed by the transferor, and an acknowledgment signed by the trustee in bankruptcy or other person legally entitled to the securities acknowledging the transfer. Securities in escrow may also be transferred within escrow by a Principal to a registered retirement savings plan ("RRSP") or a registered retirement income fund ("RRIF") or subsequently between RRSPs or from an RRSP to an RRIF, provided that the Principal provides written notice to the Exchange of their intent to transfer the securities, the escrow agent receives evidence from the trustee of the RRSP or RRIF that, to the best of the trustee's knowledge, the Principal is the sole beneficiary of the RRSP or RRIF, a transfer power of attorney and an acknowledgment is signed by the trustee of the RRSP or RRIF reflecting the transfer. The Exchange may also consent to the transfer of securities in other circumstances and on such terms and conditions it may determine, at its sole discretion.

The securities issued to Principals under the Transaction which are subject to escrow restrictions will be subject to the time release provisions of Policy 5.4 of the Exchange. The Exchange will calculate the number of Common Shares issued in connection with the Transaction that represent "value securities" and the number that represent "surplus securities". Value securities are securities issued pursuant to the Transaction, for which the deemed value of the securities are equal to or less than the value ascribed to the asset using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be value securities. The balance of the securities issued represent surplus securities. If all securities issued are "value
number of "surplus securities" does not exceed 25% of the number of "value securities", then all common shares issued, including "value securities" and "surplus securities", will be placed in a "Value Security Escrow Agreement". If, in addition to issuing "value securities", the Company issues "surplus securities" which exceed 25% of the number of "value securities", then all of the securities issued under the Transaction to Principals will be subject to the Exchange's prescribed Surplus Security Escrow Agreement.

Both value securities and surplus securities will be deposited into escrow pursuant to escrow agreements among the Company, the Principals, and the Escrow Agent, Pacific Corporate Trust Company.

The Exchange will also determine whether the Company, upon closing of the Transaction, is a "Tier 1" or "Tier 2" issuer. Tier 1 is the premier tier, while most companies listed on the Exchange trade on Tier 2. It is anticipated that the Company will be designated as Tier 2.

Value Securities deposited into escrow will be released pursuant to the following schedule:

%	Release Date
10%	at the time of Exchange Notice[1]
15%	at each of 6, 12, 18, 24, 30 and 36 months from Exchange Notice

Surplus securities deposited into escrow will be released pursuant to the following schedule:

%	Release Date
5%	at each of 6, 12, 18, and 24 months from Exchange Notice
10%	at each of 30, 36, 42, 48, 54, 60, 66and 72 months from Exchange Notice.

Note:

1. Exchange Notice refers to the notice issued by the Exchange accepting the Transaction.

Upon the death of a Principal, any securities of that Principal will be released from escrow and the escrow agent will deliver all share certificates held in the name of the Principal to the legal representative of the deceased Principal, upon providing written notice to the Exchange and upon presentation of a certified copy of the death certificate and evidence of the legal representative's tative to the escrow agent.

PRINCIPAL SHAREHOLDERS

The following table sets forth the names of those persons who have, or are known by the Company to currently have or will have upon closing of the Transaction, direct or indirect beneficial ownership of, control or direction over, or a combination of direct or indirect beneficial ownership of and control or direction over, voting securities that constitute more than 10% of the Common Shares of the Company as at the date of this Prospectus and on closing of the Transaction:

Name	No. of Shares Owned prior to the Transaction and the Offering	No. of Shares Owned after the Transaction and the Offering (1)	Form of Ownership	% of Shares prior to the Transaction and the Offering	% of Shares after the Transaction and the Offering (2)(3)	
					Minimum Offering (4)	Maximum Offering (5)
Hanover Company Limited (6)	1,751,500	657,500 (7)	Legal and Beneficial	30.66%	5.85%	5.37%
Bjarne Jeppesen (8)	750,000	nil	Legal and Beneficial	13.13%	nil	nil
Gem Mining Concessions Limited (9)	1,300,000	260,000	Legal and Beneficial	22.76%	2.31%	2.12%
Marcus N. Foster (10)	nil	2,250,000 (11)	Legal and Beneficial	nil	20.01%	18.38%
CDS & Co. (12)	1,532,000	306,400	Legal	26.82%	2.73%	2.50%
Totals	**5,333,500**	**3,473,900**		**93.37%**	**30.90%**	**28.37%**

Notes:

1. Prior to the closing of the Transaction and the Offering, the Common Shares will be consolidated on the basis of five Common Shares into one Common Share. See "Business of the Company The Transaction". Assumes that the shareholders of the Company do not participate in the Offering.

2. The minimum Offering is 4,000,000 Units and maximum Offering is 5,000,000 Units. Each Unit consists of one Common Share and one Purchase Warrant entitling the holder to purchase an additional Common Share. See "Plan of Distribution".

3. Percentages are on a non-diluted basis and are rounded to the nearest 1/100th. If the minimum Offering is subscribed for, the Company will have 11,242,600 Common Shares outstanding. If the maximum Offering is subscribed for, the Company will have 12,242,600 Common Shares outstanding. Assumes the Escrowed Shares are transferred to Marcus N. Foster and not cancelled. See "Escrow Securities".

4. Assuming completion of the minimum Offering, on a fully-diluted basis Hanover Company will hold approximately 3.66% of the Common Shares, Gem Mining Concessions Limited will hold approximately 1.45% of the Common Shares, Marcus N. Foster will hold approximately 12.54% of the Common Shares, and CDS & Co. will hold approximately 1.71% of the Common Shares.

5. Assuming completion of the maximum Offering, on a fully-diluted basis Hanover Company will hold approximately 3.23% of the Common Shares, Gem Mining Concessions Limited will hold approximately 1.28% of the Common Shares, Marcus N. Foster will hold approximately 11.05% of the Common Shares, and CDS & Co. will hold approximately 1.50% of the Common Shares.

6. Hanover Company Limited is controlled by a trust. Gary Shugg, director of the Company, owns 5% of the outstanding common shares of Hanover Company Limited. Mr. Shugg will resign as director of the Company upon completion of the Transaction. See "Business of the Company The Transaction".

7. Hanover Company Limited will own 350,300 Common Shares following the Share Consolidation and currently owns 307,200 common shares of Ross River. See "Business of the Company The Transaction".

8. These Common Shares are currently in escrow. Mr. Jeppesen was a director and officer of the Company until October 17, 1999. Management of the Company anticipates that these Common Shares will be either transferred within escrow to Marcus N. Foster, director, President and CEO of the Company, or cancelled. See "Escrow Securities".

9. To the knowledge of the management of the Company, Gem Mining Concessions is controlled by a trust of which Bjarne Jeppesen and Julie Bruns are beneficiaries.

10. President, CEO and director of the Company and President and director of Ross River.

11. Includes 150,000 Common Shares (after the Share Consolidation) that may be transferred within escrow to Mr. Foster from Bjarne Jeppesen. See Note 8 and "Escrow Securities". Not including 100,000 common shares of Ross River held by Mr. Foster's spouse and 100,000 common shares of child.

12. CDS & Co. is a clearing agency. The Company has no knowledge of the beneficial ownership of these shares.

DIRECTORS AND OFFICERS

The following table sets out the names of the directors and executive officers of the Company as at the date of this Prospectus, the municipalities of residence of each, all offices now held by each of them, their principal occupations, the period of time for which each has been a director of the Company, the number and percentage of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which control or direction is exercised:

Name, Municipality of Residence[(1)]	Position(s) Currently Held	Principal Occupation During the Past 5 Years	Period as a Director of the Company	No. Common Shares of the Company Beneficially Owned	Common Shares held as a % of Outstanding Common Shares
Marcus N. Foster Vancouver, B.C.	Director, President & CEO	President of Ross River Gold Ltd. from Jan. 1997 to present; President of Intwood Investments Ltd., a private investment company, from 1977 to present	Oct. 31, 1997 to Aug. 18, 1998; Dec. 23, 1999 to present	Nil[(2)]	Nil
Lindsay Birrell[(3)] Monaco	Director, Executive Vice-President, Chief Financial Officer & Secretary	Financial Advisor, Monassur S.A.M., a financial consulting company, from Nov. 1996 to present; Self-employed Financial Consultant from Sept. 1991 to Nov. 1996	Dec. 23, 1997 to present	Nil	Nil
Gary V. Shugg[(4)] London, England	Director	Director of Hanover Company Limited[(5)] from Mar. 1999 to present; Director of Hanover Continental Limited, a private investment company, from July 1996 to Mar. 1999	Jan. 17, 2000 to present	Nil	Nil

Notes:

1. The information as to municipality of residence, principal occupations and shares beneficially owned has been furnished by the respective directors and officers.
2. Marcus N. Foster may be transferred 750,000 Common Shares held by Bjarne Jeppesen, former director and senior executive of the Company, which, if transferred would become 150,000 Common Shares following the Share Consolidation and would be held in escrow. See "Escrow
3. Mr. Birrell will resign as Executive Vice-President, Chief Financial Officer, Secretary and director of the Company upon closing of the Transaction.
4. Mr. Shugg will resign as director of the Company upon closing of the Transaction.
5. Mr. Shugg owns 5% of the outstanding common shares of Hanover Company Limited. Hanover Company Limited is a principal shareholder of the Company. See "Principal Shareholders".

At the Shareholders' Meeting on August 23, 2001, Marcus N. Foster, Lindsay Birrell and Gary V. Shugg were re-elected to hold office as directors of the Company until the close of the next annual meeting of shareholders of the Company or until their successors are elected or appointed. However, upon closing of the Transaction, Gary V. Shugg and Lindsay Birrell will resign as directors of the Company and Lindsay Birrell will resign as Executive Vice-President, Chief Financial Officer and Secretary of the Company.

The following table sets out the names of the individuals who will be the directors and executive officers of the Company following closing of the Transaction, the municipalities of residence of each, all offices of the Company now held by each of them, their principal occupations, the period of time for which each has been a director of the Company, the number and percentage of Common Shares of the Company or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised as at the date of this Prospectus:

Name, Municipality of Residence[1]	Position(s) Currently Held	Principal Occupation During the Past 5 Years	Period as a Director of the Company	No. Common Shares of the Company Beneficially Owned (%)	No. Common Shares of the Company Beneficially Following Transaction and Minimum Offering (%)[4]
Marcus N. Foster Vancouver, BC[2]	Director, President & CEO	President of Ross River Gold Ltd. from Jan. 1997 to present; President of Intwood Investments Ltd. from 1977 to present	Oct. 31, 1997 to Aug. 18, 1998; Dec. 23, 1999 to present	Nil (0%)	2,300,000[5] (20.46%)
Robin S. Tolbert[3] North Vancouver, BC	Current Vice-President, Secretary, Chief Financial Officer and director of Ross River; to be appointed Vice-President upon closing of the Transaction	Vice-President of Ross River Gold Ltd.; from 1998 to 1999, Partner, Long & Associates from 1986 to present; President and director, R.S. Tolbert Geological Consulting Ltd. from 1996 to present; consulting geologist, principally to Corriente Resources Ltd., Argentina, and Exploration Canadienne Diamant Ltée, Guinea, West Africa; from 1995 to 1997, Project Geologist for Misty Mountain Gold Ltd.	N/A	Nil (0%)	136,250 (1.21%)
Philip J. Walsh[3] Vancouver, BC	To be appointed Director, Secretary and Chief Financial Officer upon closing of the Transaction	President, International Rochester Energy Corp. from Nov. 1996 to present; Account Executive, Canaccord Capital Corp. Jan. 1984 to Nov. 1996	N/A	Nil (0%)	20,000[6] (0.18%)
Arthur T. Fisher[2][3] North Vancouver, BC	To be appointed Director upon closing of the Transaction	President, Arthur T. Fisher & Associates Ltd., a private management company, June 1985 to present; President, Lysander Minerals Corporation, Sept. 1997 to present; President of Olympus Pacific Minerals Inc., 2000 to present; President, Black Swan Gold Mines Ltd. from May 1985 to July 1998	N/A	Nil (0%)	20,000[7] (0.18%)
David R. Reid[2][3] West Vancouver, BC	To be appointed Director upon closing of the Transaction	Lawyer and founder of Reid & Company, Barristers & Solicitors, from May 1995 to present	N/A	Nil (0%)	Nil (0%)

Notes:

1. The information as to municipality of residence, principal occupations and Common Shares beneficially owned has been furnished by the respective directors and officers.
2. To be appointed member of the Company's audit committee.
3. These individuals will be appointed to their respective positions after the closing of the Transaction.
4. Percentage based on a total of 11,242,600 Common Shares outstanding, consisting of 1,142,600 Common Shares of the Company outstanding following the Share Consolidation, assuming the maximum of 6,000,000 Common Shares being issued pursuant to the Transaction, 4,000,000 Common Shares being issued pursuant to the Offering and 100,000 Common Shares issued as the Agent's Corporate Finance Fee.
5. Including 100,000 Common Shares held by Mr. Foster's spouse and 100,000 Common Shares held by Mr. Foster's child. Not including 150,000 Common Shares that may be transferred in escrow to Marcus N. Foster from Bjarne Jeppesen, a former director and senior executive of the Company. See "Escrow Securities".
6. Held by Taff Management Corp., a company controlled by Philip J. Walsh.
7. Held by Arthur T. Fisher & Associates, a company controlled by Arthur T. Fisher.

Once appointed to hold office at the closing of the Transaction, the directors of the Company will hold office until the close of the next annual meeting of shareholders of the Company.

Management

The following is a description of the individuals who will be directors and officers of the Company following closing of the Transaction:

Marcus N. Foster, 52, is director, President and Chief Executive Officer of the Company. Mr. Foster is also a director and the President of Ross River. Since 1977, Mr. Foster has been the President and a director of Intwood Investments Ltd., located in Vancouver, British Columbia. Since March 31, 2001, Mr. Foster has been a director of International Rochester Energy Corp., a public oil & gas company that has been de-listed from the Toronto Stock Exchange. Since 1999, Mr. Foster has been a director and the Vice-President of Pacific Iron and Steel Ltd., a company located in Vancouver, British Columbia. Mr. Foster has been a director of Nelson Capital Ltd., a private investment company, since 1997. From 1992 to 1996, Mr. Foster served as a director and the Vice-President of European Garnet Ltd., a Vancouver, British Columbia public corporation listed on the Vancouver Stock Exchange. From 1997 to 1998, Mr. Foster was the President and a director of the Company and Asia Sapphires Ltd., both public companies listed on the Vancouver Stock Exchange. Mr. Foster holds a Diploma from the Institute of Bankers, London, England and has significant management experience in junior mining companies. Mr. Foster has not entered into non-competition or non-disclosure agreements with the Company or Ross River.

Following completion of the Transaction, Mr. Foster will commit a minimum of 30 hours per week to the affairs of the Company and Ross River and will provide such services as an independent contractor of both companies.

Robin S. Tolbert, 53, will be appointed Vice President of the Company upon closing of the Transaction. Mr. Tolbert is Vice President, Secretary, Chief Financial Officer and director of Ross River Gold Ltd. Since 1986, Mr. Tolbert has been a Partner of Long & Associates, a partnership with mineral claim interests and that has entered into agreements with Ross River (see "Information Concerning Ross River Property – Property Description and Location"). Since 1996, Mr. Tolbert has been President and director of R.S. Tolbert Geological Consulting Ltd., a private geological consulting business. From 1998 to 1999 Mr. Tolbert was a consulting geologist, principally to Corriente Resources Ltd. in Argentina and Exploration Canadienne Diamant Ltée. in Guinea, West Africa. From 1995 to 1997 Mr. Tolbert was Project Geologist for Misty Mountain Gold Limited, of Vancouver B.C. From 1991 to 1995 Mr. Tolbert was Project Geologist for North Pacific Mining Corporation, Anchorage, Alaska. Mr. Tolbert holds a B.Sc. (Geology) degree from the University of Edinburgh, Scotland. He has over 30 years experience in mineral exploration, development and mining in Canada, the USA and other countries. Mr. Tolbert has not entered into non-competition or non-disclosure agreements with the Company.

Following completion of the Transaction, Mr. Tolbert will commit a minimum of 30 hours per week to the affairs of the Company and Ross River and will provide such services as an independent contractor of both companies.

Philip J. Walsh, 60, will be appointed director, Secretary and Chief Financial Officer of the Company following closing of the Transaction. Mr. Walsh is a Chartered Accountant. He received his CA designation in British Columbia in 1971. From 1984 to 1996, Mr. Walsh was an account executive with the Canaccord Capital Corporation, Vancouver, British Columbia. From 1996 to the present, Mr. Walsh has been the President of International Rochester Energy Corp., a public company which traded on the Vancouver Stock Exchange and the Toronto Stock Exchange. Mr. Walsh will be an employee of the Company, working part time as required by the board of directors of the Company. Mr. Walsh has many years of experience in the corporate finance industry. Mr. Walsh has not entered into non-competition or non-disclosure agreements with the Company or Ross River.

Following completion of the Transaction, Mr. Walsh will provide part-time services to the Company as required by the board of directors of the Company and will provide such services as an independent contractor.

Arthur T. Fisher, 63, will be appointed director of the Company following closing of the Transaction. Mr. Fisher holds a Bachelor of Science degree and a Diploma in Business Administration from the University of Edinburgh, Scotland. Mr. Fisher obtained Professional Engineer status from the Institution of Professional Engineers of Alberta in 1979, and the Institution of Professional Engineers of British Columbia in 1981. From 1985 to 1998, Mr. Fisher was the President of Black Swan Gold Mines Ltd., a public company listed on the Toronto Stock Exchange. Since 1985, Mr. Fisher has also been the President of Arthur T. Fisher & Associates Ltd., a private company. Mr. Fisher is currently the President of Lysander Minerals Corporation, a public company listed on the Exchange. Mr. Fisher has extensive management experience in mining companies. He presently serves as President and a director of Olympus Pacific Minerals Inc., and a director of Andean American Mining Corporation, both public companies listed on the Exchange. Mr. Fisher has not entered into non-competition or non-disclosure agreements with the Company or Ross River.

Following completion of the Transaction, Mr. Fisher will provide part-time services to the Company as required by the board of directors of the Company.

David R. Reid, 47, will be appointed director of the Company following closing of the Transaction. Mr. Reid holds a Bachelor of Arts degree and a law degree from the University of Victoria and is a member of the British Columbia and Ontario Bars. He was formerly a partner of major law firms in Vancouver and Toronto prior to founding Reid & Company, Barristers & Solicitors, in May 1995, where he acts as counsel to major and junior mining companies as well as public companies listed on the various stock exchanges in Canada and the United States. Mr. Reid has extensive experience in securities and corporate-commercial law. Mr. Reid is also a director of Rubicon Minerals Corporation, a Canadian mineral exploration company. Mr. Reid has not entered into non-competition or non-disclosure agreements with the Company or Ross River.

Following completion of the Transaction, Mr. Reid will provide part-time services to the Company as required by the board of directors of the Company.

Corporate Cease Trade Orders or Bankruptcies

Except as otherwise disclosed elsewhere in this Prospectus, none of the persons who are or will be directors or officers of the Company following closing of the Transaction is, or has been within the past ten years, a director, officer or promoter of any other company that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days, or was declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.

Penalties and Sanctions

None of the persons who are or will be directors or officers of the Company following closing of the Transaction has, within the ten years prior to the date of this Prospectus, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded company, or theft or fraud, except as disclosed herein.

Philip J. Walsh, to be appointed director, Secretary and Chief Financial Officer of the Company upon completion of the Transaction, while employed as a registered representative of Canaccord Capital Corporation during 1994, was found to have violated By-Law 5.01(2) and Rule F.2.22.1(a) of the Vancouver Stock Exchange. By-Law 5.01(2) states in part, that an infraction means any conduct which is unbecoming or inconsistent with just and equitable principles of trade or detrimental to the interests of the Vancouver Stock Exchange or the public. Rule F.2.22.1(a) states in part that approved persons shall not lead any client to believe that they would not suffer a loss as a result of opening an account or as a result of any dealings in connection with that account. Mr. Walsh signed an Offer to Settle with the Vancouver Stock Exchange, which provided for payment of $5,000, disgorgement of commissions of $1,397 and investigative costs of $2,000.

Personal Bankruptcies

None of those persons who are or will be directors, officers or promoters of the Company upon completion of the Transaction is, or has within the ten years prior to the date of this Prospectus, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold the assets of that individual, except as disclosed herein.

On October 3, 1994, a sequestration order in bankruptcy under the Bankruptcy Act 1966 of the Commonwealth of Australia (the "Bankruptcy Act") was made against Gary V. Shugg on the basis of a creditor's petition. Mr. Shugg made a compensation offer to his creditors on July 8, 1996 and this was accepted pursuant to the provisions of the Bankruptcy Act. The bankruptcy of Mr. Shugg was annulled on July 11, 1996 pursuant to section 74(5) of the Bankruptcy Act.

Conflicts of Interest

Certain of the individuals who are or will be directors and officers of the Company following closing of the Transaction are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in the *Business Corporations Act* (Yukon). See "Risk Factors".

Marcus N. Foster is a director, President and CEO of the Company and a director and President of Ross River and holds common shares of Ross River, which will be exchanged for Common Shares pursuant to the Transaction. As director, President and CEO of the Company, Mr. Foster is responsible for acting in the best interests of the Company. As director and President of Ross River, Mr. Foster is responsible for acting in the best interests of Ross River. The best interests of the Company may not require the same actions and decisions as the best interests of Ross River do and conflicts of interest may develop between Mr. Foster's obligations to the two companies. In addition, Mr. Foster has a personal financial interest through his ownership of shares of Ross River and this ownership position may create a conflict of interest between Mr. Foster's personal interests as an investor of Ross River and his obligations as director and officer of the Company or Ross River.

Robin S. Tolbert is a director and officer of Ross River and will be appointed Vice-President of the Company at the closing of the Transaction. Mr. Tolbert is also a holder of common shares of Ross River and is a partner of Long & Associates, a partnership with mineral claims that it optioned to Ross River and a shareholder of Ross River. A conflict of interest may develop between Mr. Tolbert's interest as partner of Long & Associates and his obligations as a director and officer of Ross River and as an officer of the Company both before and after completion of the Transaction.

EXECUTIVE COMPENSATION AND PROPOSED COMPENSATION

No director, officer, promoter or other member of management, or any of their respective associates or affiliates, is or has been indebted to the Company at any time during the period from incorporation until the date of this Prospectus.

The following table sets forth all compensation paid in respect of the Chief Executive Officer of the Company and the Company's other executive officers for the three most recently completed financial years, as well as the amounts that the Company anticipates it will pay such persons during the 12-month period following completion of the Offering:

The Transaction".

3. Representing management fees of $2,500 per month, commencing April 1, 2001. In addition, a monthly management fee is paid to HCL, a company wholly owned by Marcus N. Foster. See "Termination of Employment, Change in Responsibilities and Management Contracts".

4. Intwood Investments Ltd., a company controlled by Mr. Foster, rendered an invoice to the Company on March 31, 2001 in the amount of $25,000 plus GST as a fee for Mr. Foster's services in connection with planning and executing the reorganization of the Company.

5. Mr. Jeppesen ceased to be President and CEO of the Company on October 17, 1999.

6. Mr. Tolbert will be remunerated as Project Geologist, in an independent contractor relationship to the Company, in connection with the Proposed Tintina Gold Belt Exploration Program".

Following completion of the Transaction and the Offering, the Company proposes to pay Marcus N. Foster $72,000 per annum as a salary for acting as President and CEO of the Company. The Company anticipates that Robin S. Tolbert, proposed Vice-President of the Company, and Philip J. Walsh, proposed Secretary and Chief Financial Officer of the Company, will not receive a salary from the Company within the 12 month period following completion of the Transaction, although the Company intends to grant to them incentive stock options. See "Directors, Officers, Promoters and Persons Holding More Than 10% of the Issued Equity Shares – Proposed Compensation of the Company" and "Options to Purchase Securities". The Company intends to contract with Robin S. Tolbert as Chief Geologist for the proposed Tintina Gold Belt Exploration Program. See "Proposed Tintina Gold Belt Exploration Program Exploration Strategy, Logistics and Budget".

Stock Options

No options to purchase securities of the Company were granted by the Company to its President and the Company's other executive officers during the year ended December 31, 2001. In addition, no options to purchase securities of the Company were exercised by the Company's President and other executive officers during the year ended December 31, 2001 or subsequent to the date of this Prospectus.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Company does not have any employment contracts or compensatory plans or arrangements between the Company and its President and the Company's other executive officers that would give rise to any payments in the event of resignation, retirement or other termination of employment or from a change of control of the Company. There are no written contracts of employment between the Company and its President and the Company's other executive officers.

In an agreement dated for reference April 1, 2001 (the "Panamex Management Agreement") between the Company and HCL, HCL agreed to provide office space, secretarial, accounting, administrative and reception services to the Company in consideration of a monthly payment of $2,500 to HCL. In addition, the Company agreed to reimburse HCL for any expenses directly attributable to the Company, including, but not limited to, photocopying, stationery, telephone expenses, travel and printing expenses. HCL agreed to ensure that its employees keep confidential all information obtained about the affairs of the Company obtained by them while engaged in the business of the Company. The Panamex Management Agreement may be terminated by either the Company or HCL on 30 days written notice to the other party. Ross River also has a management agreement with HCL upon similar terms as the Panamex Management Agreement. See "Information Concerning Ross River Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts". Each of the Company and Ross River have agreed with HCL that, following closing of the Transaction, the current management agreements with HCL will be cancelled without penalty and the board of directors of the Company will negotiate a new management contract either with HCL or another party as the board of directors considers prudent.

HCL is wholly owned by Marcus N. Foster. See "Interests of Management and Others in Material Transactions".

Compensation of Directors

During the year ended December 31, 2001, no cash compensation was paid by the Company to the directors of the Company in their capacity as directors, consultants or experts of the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the year ended December 31, 2001 or subsequently to the date of this Prospectus was, a director or executive officer of the Company, or an affiliate of the such an individual, is indebted to the Company or whose indebtedness to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

PLAN OF DISTRIBUTION

Best Efforts Offering

The Company entered into an agreement dated for reference July 18, 2001, as amended November 8, 2001 and March 15, 2002 (the "Agency Agreement") with Canaccord Capital Corporation, as Agent, whereby the Agent agreed to offer for sale to the public in British Columbia on an agency basis the Units to be sold under the Offering, subject to prior sale if, as and when issued. The Agent may, but is not obligated to, purchase Units in connection with the Offering.

In consideration for acting as Agent to the Company, the Agent will be paid a cash commission equal to 8% of the gross proceeds from the Offering. The Company will also grant the Agent a number of Agent's Warrants equal to 20% of the number of Units sold pursuant to this Offering. Each Agent's Warrant entitles the holder thereof to acquire, subject to adjustment, one Common Share at a price of $ 0.35 per share at any time and from time to time prior to the date which is 12 months after the day the Common Shares are listed for trading on the Exchange and thereafter, at a price of $0.45 per share at any time prior to the date which is 18 months after the day the Common Shares are listed for trading on the Exchange. A corporate finance fee of 100,000 Common Shares (the "Corporate Finance Shares") will be issued to the Agent in connection with this distribution, and a $5,000 plus GST administration fee is payable from the Company to the Agent.

The duties of the Agent under the Offering are subject to the Agency Agreement. The obligations of the Agent under the Agency Agreement may be terminated upon the basis of its assessment of the state of the financial markets and in certain stated events. The Agent may form a selling group of registered brokers and investment dealers to assist with sales of the Units, whose members may be offered a portion of the Agent's compensation under the Agency Agreement. The Offering Price was determined by negotiation between the Company and the Agent, and in accordance with the policies of the Exchange. Directors and Officers of the Company may purchase Units. Pursuant to the Agency Agreement, the Agent will have a right of first refusal in respect of all brokered equity financings the Company may undertake in the 12 months following closing of the Offering.

Pursuant to the Sponsorship Agreement, the Agent will agree to act as Sponsor for the Transaction. In connection with the Agent agreeing to act as Sponsor for the Transaction, the Company has agreed to pay a sponsorship fee of $25,000 plus GST (total $26,750) to the Agent in the Agent's capacity as Sponsor for the Transaction. This Prospectus qualifies the issuance of the Corporate Finance Shares and the Agent's Warrants by the Company. See "Sponsorship and Agency Agreements".

Purchase Warrants

The Purchase Warrants will be issued pursuant to a warrant transfer agency agreement (the "Warrant Agreement") to be entered into on or about the closing of this Offering between the Company and Pacific Corporate Trust Company (the "Trustee"). The Warrant Agreement will provide that in the event of certain alterations of the Common Shares, including any subdivision, consolidation or reclassification, in the event of any form of reorganization of the Company, including any amalgamation, merger or plan of arrangement, and in the event a stock dividend is paid, an adjustment will be made to the terms of the Purchase Warrants such that the holders will, upon exercise of the Purchase Warrants following the occurrence of any of these events, be entitled to receive the same number and kind of securities that they would have been entitled to receive had they exercised their Purchase Warrants prior to the occurrence of these events. The holding of Purchase Warrants will not constitute the holder thereof a shareholder of the Company or entitle the holder to any right or interest in respect thereof except as expressly provided in the Warrant Agreement.

The Warrant Agreement will provide that all holders of Purchase Warrants will be bound by any resolution passed at a meeting of the holders in accordance with the provisions of the Warrant Agreement and resolutions signed by the holders of Purchase Warrants entitled to acquire a specified majority of the Common Shares that may be acquired pursuant to all of the then outstanding Purchase Warrants.

The Company has applied to list the Purchase Warrants on the Exchange. As a condition of listing the Purchase Warrants on the Exchange, Exchange Policy 2.8 (Supplemental Securities) requires at least 200,000 Purchase Warrants to be outstanding, held by at least 75 holders excluding insiders of the Company, associates or affiliates of insiders of the Company, Exchange member firms or employees, partners, officers, directors or affiliates of Exchange member firms or associates of the foregoing. Exchange Policy 2.8 also requires, as a condition of listing, that the Purchase Warrants be assignable in customary form and the form of assignment be included on the warrant certificate.

Holders of the Purchase Warrants who wish to exercise the Purchase Warrants held by them and thereby acquire Common Shares should complete the exercise form attached to the Warrant certificate and deliver the certificates and the executed exercise forms to the Trustee at its principal office in Vancouver, British Columbia along with payment of $0.35 per Purchase Warrant if exercised during the first 12 months following the day the Purchase Warrants are posted and called for trading on the Exchange and $0.45 per Purchase Warrant if exercised between 12 and 18 months following the day the Purchase Warrants are posted and called for trading on the Exchange.

Minimum Subscription

This Offering is subject to a minimum subscription of 4,000,000 Units and a maximum subscription of 5,000,000 Units. The Agent will hold all subscription funds pending obtaining the minimum subscription. The closing of the Offering will occur on or about the fifth day following the "Offering Day", which will be set by the Agent following the receipt for this Prospectus (the "Effective Date"). The Offering Day must be on or before the earlier of 90 days following the Effective Date, 180 days from the date of the final receipt for the date of the prospectus of the Company or 12 months after the date of issue of the receipt for the preliminary prospectus of the Company. The Company and the Agent have agreed that the Offering will cease if the minimum amount of funds is not subscribed for on or before May 22, 2002. If the minimum subscription is not attained on or before May 22, 2002 or such later date as the Company and the Agent may agree and the securities regulatory authorities may approve, all of the subscription funds received will be returned to the subscribers without interest, set-off or deduction. Closing of the Offering is subject to closing of the Transaction (see "Business of the Company The Transaction"), and revocation of the cease trade order made against the Company, and reinstatement of trading in the Common Shares on the Exchange (see "Business of the Company – Suspension from Trading and Cease Trade Order").

RISK FACTORS

The securities of the Company must be considered speculative, generally because of the nature of the Company's business and its stage of development and investors should carefully consider all of the information disclosed in this Prospectus prior to making an investment in the Company. In addition to the other information in this Prospectus, a prospective investor should carefully consider the following factors:

Mineral Exploration and Development

Properties are in the exploration stage and are without a known body of commercial ore. Development of any of the properties will only proceed upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that mineral exploration and development activities will result in the discovery of a body of commercial ore on any of Ross River's properties.

The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, land slides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs. Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Economics of Developing Mineral Properties

Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Environmental Factors

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on Ross River's properties which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties.

Additional Financing

The Company does not currently have sufficient financial resources to undertake by itself all of its planned exploration and possible development programs. The exploration and subsequent development of the Company's properties may therefore depend on the Company's ability to obtain additional required financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on existing exploration or joint venture properties. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in certain properties.

Metal Prices

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of gold and base metals or interests related thereto. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations cannot accurately be predicted .

Competition and Agreements with Other Parties

The resource industry is intensively competitive in all of its phases, and the Company competes with many companies possessing far greater financial resources and technical facilities than itself. Competition could adversely affect the Company's ability to acquire suitable producing properties or prospects for exploration in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Governmental Regulation

Operations, development and exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production; price controls; tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations.

Aboriginal Rights

Aboriginal rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Company is not aware of any aboriginal land claims having been asserted or any legal actions relating to native issues having been instituted with respect to any of the mineral claims in which Ross River has an interest. The Company is aware of the mutual benefits afforded by co-operative relationships with indigenous people in conducting exploration activity and is supportive of measures established to achieve such co-operation.

Management

The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse affect on the Company.

Conflicts of Interest

Certain officers and directors of the Company are officers and/or directors of, or are associated with, other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

The directors, senior officers, promoters or principal shareholders of the Company have had an interest in certain transactions involving the Company. See “Directors and Officers - Conflicts of Interest”, “Promoter” and “Interest of Management and Others in Material Transactions”.

Balance Sheet Amounts

The amounts attributed to Ross River’s mineral property interests in its balance sheets represent amounts expended in exploration, and should not be taken to represent net realizable value.

PROMOTERS

Marcus N. Foster may be considered to be the promoter of the Company in that he took the initiative in substantially reorganizing the business of the Company with respect to the Transaction (see “Business of the Company - The Transaction”). Mr. Foster does not beneficially own, directly or indirectly or over which control is exercised, any Common Shares. Mr. Foster beneficially owns, directly or indirectly or over which control is exercised 2,300,000 common shares of Ross River (including 100,000 common shares held by Mr. Foster’s spouse and 100,000 common shares held by Mr. Foster’s child) that, upon completion of the Transaction, will be exchanged for 2,300,000 Common Shares of the Company. Subject to the approval of the Exchange, Mr. Foster may be transferred 750,000 Common Shares (150,000 post-consolidation) currently held in escrow from Bjarne Jeppesen, a former director and officer of the Company. See “Escrow Securities”.

Mr. Foster is the president and director of both Ross River and the Company. Pursuant to an agreement dated June 14, 1999 between Ross River and Marcus N. Foster, Ross River agreed to pay to Marcus N. Foster a 0.5% net smelter return royalty on sale of products from the Tay-LP property as a finder’s fee on production. In an agreement dated for reference June 7, 2001, Marcus N. Foster agreed to provide the Company with an option to purchase his 0.5% net smelter return royalty, following completion of the Transaction. See “Information Concerning Ross River Interest of Management and Others in Material Transactions”.

Intwood Investments Ltd., a company controlled by Mr. Foster, rendered an invoice to the Company on March 31, 2001 in the amount of $25,000 plus GST as a fee for Mr. Foster’s services in connection with planning and executing the reorganization of the Company. For the 12 month period following completion of the Offering and subject to approval by the board of directors of the Company, Mr. Foster will receive a salary of $72,000 for his services as President and Chief Executive Officer of the Company. See “Interest of Management and Others in Material Transactions”.

SPONSORSHIP AND AGENCY AGREEMENTS

Since the Transaction involves a reverse take-over, policies of the Exchange require the Company to retain a sponsor. The Company and the Agent entered into a sponsorship agreement (the “Sponsorship Agreement”) dated August 22, 2001 pursuant to which the Agent agreed to act as the Company’s Sponsor with respect to the Transaction. As consideration for the Agent acting as Sponsor, the Company will pay to the Agent a sponsorship fee of $25,000 plus GST. The Company is also responsible for the fees and disbursements of legal counsel retained by the Company and for reasonable expenses of the Agent. The Sponsorship Agreement may be terminated by the Agent, in writing, in certain circumstances, including if a material adverse change has occurred in the affairs of the Company, the Agent, as a result of conducting due diligence, determines that it is not satisfied with the results of such due diligence, an inquiry or investigation has been commenced or there is a breach by the Company of the Sponsorship Agreement.

The Agent has also agreed to act as agent for the Company in connection with the Offering. See "Plan of Distribution".

LEGAL PROCEEDINGS

There are no pending legal proceedings to which the Company is or is likely to be a party or of which any of its properties are or, to the best of management's knowledge, is likely to be the subject.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The following directors and senior officers of the Company, persons or companies owning, to the knowledge of the Company, directly or indirectly, more than 10% of the Common Shares of the Company and associates and affiliates of the foregoing have a material interest, directly or indirectly, in transactions within the three years prior to the date of this Prospectus which have materially affected or will materially affect the Company:

1. Ross River acquired Long & Associates' interest in 143 mineral claims, subject to a royalty of 2.5% net smelter return, pursuant to the agreement dated June 14, 1999 between Ross River and Long & Associates. See "Information Concerning Ross River Property – Property Description and Location". Mr. Tolbert is a partner with Long & Associates, and subsequent to the transaction, he will be appointed Vice-President of the Company.

2. Pursuant to an agreement dated June 14, 1999 between Ross River and Marcus N. Foster, Ross River agreed to pay to Marcus N. Foster a 0.5% net smelter retum on the sale of ore from the Tay-LP Property as a finder's fee on production. See "Information Concerning Ross River Property – Property Description and Location". Mr. Foster is the president and director of both Ross River and the Company, and CEO of the Company.

3. Pursuant to the NSR Option Agreement, Marcus N. Foster granted the Company the right to purchase his 0.5% NSR, which is payable upon production of the Tay-LP Claims, under certain terms and conditions. See "Information Concerning Ross River – Property – Property Description and Location".

4. Pursuant to the Panamex Management Agreement, the Company contracted with HCL for HCL to provide management services to the Company at $2,500 per month. Marcus N. Foster, director, President and CEO of the Company, is the sole owner of HCL. The Panamex Management Agreement will be cancelled following closing of the Transaction. See "Termination of Employment, Change in Responsibilities and

5. Intwood Investments Ltd., a company controlled by Marcus N. Foster, President, Chief Executive Officer and a director of the Company, rendered an invoice to the Company on March 31, 2001 in the amount of $25,000 plus GST as a fee for Mr. Foster's services in connection with planning and executing the reorganization of the Company. See "Promoters".

6. In the year ended December 31, 1998, the Company made certain advances to Gem Mining Lao, PDR Co. Limited ("GML"), a subsidiary of Asia Sapphires Limited with directors in common with the Company at the date the advances were made. The advances were to be applied against exploration costs incurred by GML on certain exploration permits held by the Company in Lao. GML had been contracted to the Company to manage the exploration of the Comp any's ruby permits in Lao. However, during 2000, the Company decided to abandon its exploration permits in Lao and wrote down the exploration advances by $329,671 to $20,000. In 2001, Hanover Company Limited, a creditor that is a significant shareholder of the Company, agreed to forgive accounts payable in the aggregate amount of $20,000 in exchange for the assignment of these exploration advances.

7. During the years ended December 31, 1998 and 1999, the Company paid to Hanover Company Limited $106,281 and $10,000, respectively, as management fees relating to the acquisition of the Lao exploration permits. Gary Shugg, director of the Company who will resign as director upon closing of the Transaction, owns 5% of the outstanding shares of Hanover Company Limited. See "Business of the Company Description and General Development".

8. During the year ended December 31, 1998, the Company paid $45,000 to a company wholly-owned by Hanover Company Limited for rent.

AUDITORS

The auditors of the Company are Grant Thornton LLP, at their offices at Suite 2800, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N3. It is intended that Grant Thornton LLP will remain the auditors of the Company following completion of the Transaction.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for Common Shares and Purchase Warrants is Pacific Corporate Trust Company at its principal office at 10th Floor – 625 Howe Street, Vancouver, British Columbia V6C 3B8. Pacific Corporate Trust Company may provide its transfer agency services to the Company through its subsidiary Pacific Corporate Services Ltd.

EXPERTS

Opinions

Marvin A. Mitchell, P.Eng., prepared for Ross River a report on the claims comprising the Tay-LP Project (see "Information Concerning Ross River – Property – Property Description and Location"). The report, dated September 11, 2001 and amended November 21, 2001, January 14, 2002 and March 11, 2002, is entitled "Summary Geological Report on the Tay-LP Property". Mr. Mitchell holds no direct or indirect interest in the Tay-LP Project, nor does he hold any direct or indirect interest in the Company or Ross River or their respective associates or affiliates, and he does not intend to acquire any interest in the Company or Ross River or their respective associates or affiliates.

Barry J. Price, M.Sc., P.Geo, of B.J. Price Geological Consultants Inc., 1028 – 470 Granville Street, Vancouver, B.C., V6C 1V1, prepared for Ross River a report on the proposed Tintina Gold Belt Exploration Program entitled "A Regional Exploration Program for Gold: Tintina Gold Belt, Yukon Territory and Alaska" and dated August 31, 2001, as amended on January 15, 2002 (see "Proposed Tintina Gold Belt Exploration Program"). Mr. Price holds no direct or indirect interest in the Tay-LP Project, nor does he hold any direct or indirect interest in the Company or Ross River or their respective associates or affiliates, and he does not intend to acquire any interest in the Company or Ross River or their respective associates or affiliates.

MATERIAL CONTRACTS

The following are the material contracts of the Company that were entered into within the two years before the date of this Prospectus by the Company or Ross River, other than contracts entered into in the ordinary course of business:

The Company

1. Escrow Agreement dated December 20, 1996 among the Company, Pacific Corporate Trust Company and certain shareholders of the Company. See "Escrow Securities".

2. Voluntary Pooling Agreement dated June 21, 2001 among the Company, Bradley Resources Canada Ltd., Nelson Capital Ltd. and Hanover Company Limited, which is to be signed by Pacific Corporate Trust Company prior to closing of the Transaction. See "Escrow Securities".

3. NSR Option Agreement dated for reference June 7, 2001 between the Company and Marcus N. Foster whereby Mr. Foster granted the Company an option to purchase his 0.5% net smelter return royalty payable upon commercial production of the Tay-LP property. See "Information Concerning Ross River Property – Property Description and Location".

4. Panamex Management Agreement dated for reference April 1, 2001 between the Company and HCL Administration Limited. See "Executive Compensation - Termination of Employment, Change in Responsibilities and Employment Contracts".

Property – Property Description and Location".

2. Letter Agreement dated June 14, 1999 between 534305 B.C. Ltd. (Ross River) and Marcus N. Foster granting a Finder's Fee of 0.5% net smelter returns royalty upon commencement of commercial production on the Tay-LP Property to Mr. Foster as a finders fee payable in connection with the acquisition of the Tay-LP Claims by Ross River under the Long & Associates Agreement. See "Information Concerning Ross River Property – Property Description and Location".

may be inspected at principal office of the Company at Suite 1004, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, during normal business hours while primary distribution of the securities offered hereunder is in progress and for a period of thirty days thereafter.

OTHER MATERIAL FACTS

There are no other material facts in respect of the affairs of the Company and Ross River not disclosed elsewhere in this Prospectus.

STATUTORY RIGHTS OF RESCISSION AND WITHDRAWAL

The *Securities Act* (British Columbia) provides purchasers with the right to withdraw from an agreement to purchase the securities offered hereby within two business days after receipt, or deemed receipt, of this Prospectus and any amendment thereto. The *Securities Act* (British Columbia) further provides a purchaser with remedies for rescission or damages where the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser prior to midnight on the second business day after entering into the agreement to purchase, provided that such remedies for recession or damages are exercised by the purchaser within the time limit prescribed by the *Securities Act* (British Columbia). The purchaser should refer to Sections 83, 131, 135 and 140 of the *Securities Act* (British Columbia) for the particulars of these rights or consult with a legal advisor.

Section 24 of the *Securities Act* (Yukon) provides purchasers resident in the Yukon with the right to rescind the contract to purchase the securities offered hereunder if the purchaser, upon ordering the securities offered hereunder, is not provided with a copy of this Prospectus, a copy of the last financial statement and reports filed with and accepted by the Yukon Registrar of Securities, and a fair and accurate summary of the report on the property of the Company and the development thereof, with all appropriate corrections. To rescind the contract, the purchaser must still own the security and serve to the seller written notice of intention to commence an action for rescission of the contract within 60 days of the date of delivery of the written confirmation of the sale of the security. No action may be commenced under section 24 after the expiration of three months from the date of service by the purchaser of the notice on the seller. Section 25 of the *Securities Act* (Yukon) further provides a purchaser with a right to rescind the contract to purchase the securities offered hereunder if this Prospectus contains an untrue statement of material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in the light of the circumstances in which it was made. In order to rescind the contract of purchase under section 25 of the *Securities Act* (Yukon), the purchaser, while still the owner of the securities purchased under this Prospectus, must commence an action for rescission of the contract within 90 days after the later of the date of the contract to purchase the securities offered hereunder or the receipt of this Prospectus or any amendment to this Prospectus. A purchaser of securities under this Prospectus may have other legal rights. The purchaser should refer to Sections 24 and 25 of the *Securities Act* (Yukon) for the particulars of these rights or consult with a legal advisor.

Schedule "A" – CONSOLIDATED FINANCIAL STATEMENTS OF PANAMEX RESOURCES INC.

Grant Thornton LLP
Chartered Accountants
Management Consultants
Canadian Member Firm of
Grant Thornton International

Grant Thornton

Panamex Resources Inc.
Financial Statements

September 30, 2001 (Unaudited),
September 30, 2000 (Unaudited),
December 31, 2000 and 1999

Contents

Grant Thornton

Grant Thornton LLP

Chartered Accountants
Management Consultants
Canadian Member Firm of
Grant Thornton International

Auditors' Report

To the Directors of
Panamex Resources Inc.

We have audited the balance sheets of Panamex Resources Inc. as at December 31, 2000 and 1999 and the statements of loss and deficit and cash flows for the years ended December 31, 2000, 1999 and 1998. 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 audit.

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, 2000 and 1999 and the results of its operations and its cash flows for the years ended December 31, 2000, 1999 and 1998 in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada
June 8, 2001 except as to Note 10,
which is as at March 18, 2002

"Grant Thornton LLP"

Chartered Accountants

P.O. Box 11177, Royal Centre
Suite 2800
1055 West Georgia Street
Vancouver, British Columbia
V6E 4N3
Tel: (604) 687-2711
Fax: (604) 685-6569

Panamex Resources Inc.
Balance Sheets

	September 30 2001 (Unaudited)	December 31 2000	December 31 1999
Assets			
Current			
Cash	**$ 29,023**	$ 400	$ 4,900
Receivables	**6,910**	2,247	1,841
	35,933	2,647	6,741
Exploration advances	**-**	-	20,000
Deferred exploration costs (Note 4)	**68,811**	-	-
	$ 104,744	$ 2,647	$ 26,741
Liabilities			
Current			
Accounts payable and accruals (Note 6)	**$ 85,520**	$ 49,825	$ 70,514
Loans and advances (Note 7)	**209,745**	-	-
	295,265	49,825	70,514
Shareholders' Deficiency			
Capital stock (Note 5)	**1,777,568**	1,777,568	1,777,568
Deficit	**(1,968,089)**	(1,824,746)	(1,821,341)
	(190,521)	(47,178)	(43,773)
	$ 104,744	$ 2,647	$ 26,741

On behalf of the Board

"Marcus N Foster" Director *"Gary V. Shugg"* Director

MARCUS N. FOSTER GARY V. SHUGG

See accompanying notes to the financial statements.

Panamex Resources Inc.
Statements of Loss and Deficit

	Nine Months Ended September 30 2001	Nine Months Ended September 30 2000	Year Ended December 31 2000	Year Ended December 31 1999	Year Ended December 31 1998
	(Unaudited)	(Unaudited)			
Income					
Interest	$ -	$ -	$ -	$ -	$ 3,714
Expenses					
Audit and accounting	9,501	-	2,500	7,092	28,507
Bank charges and interest	150	-	-	22	1,325
Depreciation	-	-	-	5,014	2,364
Investor relations and promotion	59	-	-	-	2,408
Legal	30,787	394	416	15,369	127,641
Management and consulting fees	40,000	-	-	10,000	106,281
Office and miscellaneous	10,435	-	-	1,850	30,683
Regulatory costs	37,373	489	489	3,259	9,470
Rent	15,000	-	-	-	45,000
Telephone	38	-	-	-	1,211
Transfer agent	-	-	-	-	4,728
Travel	-	-	-	-	30,633
	143,343	883	3,405	42,606	390,251
Write-down of mineral property interest	-	-	-	658,910	295,733
Write-down of exploration advances	-	-	-	329,671	-
	143,343	883	3,405	1,031,187	685,984
Net loss	$ 143,343	$ 883	$ 3,405	$ 1,031,187	$ 682,270
Loss per share	$ 0.03	$ 0.01	$ 0.01	$ 0.18	$ 0.15
The effect on loss per share of the exercise of all options is antidilutive					

Deficit, beginning of period	$ 1,824,746	$ 1,821,341	$ 1,821,341	$ 790,154	$ 107,884
Net loss	143,343	883	3,405	1,031,187	682,270
Deficit, end of period	$ 1,968,089	$ 1,822,224	$ 1,824,746	$ 1,821,341	$ 790,154

See accompanying notes to the financial statements.

Panamex Resources Inc.
Statements of Cash Flows

		Nine Months Ended September 30 2001		Nine Months Ended September 30 2000		Year Ended December 31 2000		Year Ended December 31 1999		Year Ended December 31 1998
		(Unaudited)		(Unaudited)						
Cash derived from (applied to)										
Operating										
Net loss	$	(143,343)	$	(883)	$	(3,405)	$	(1,031,187)	$	(682,270)
Depreciation		-		-		-		5,014		2,364
Write-down of mineral property		-		-		-		658,910		295,733
Write-down of exploration advances		-		-		-		329,671		-
Change in non-cash operating working capital										
Receivables		(4,663)		(56)		(406)		1,910		(2,650)
Accounts payable and accruals		35,695		939		(689)		25,699		43,065
		(112,311)		-		(4,500)		(9,983)		(343,758)
Investing										
Exploration advances		-		-		-		-		(349,671)
Acquisition and exploration of mineral properties		(68,811)		-		-		-		(66,692)
Proceeds on disposition of capital assets		-		-		-		-		500
		(68,811)		-		-		-		(415,863)
Financing										
Share issuances, net of costs		-		-		-		-		445,093
Loans and advances		209,745		-		-		-		-
Net increase (decrease) in cash		28,623		-		(4,500)		(9,983)		(314,528)
Cash										
Beginning of period		400		4,900		4,900		14,883		329,411
End of period	$	29,023	$	4,900	$	400	$	4,900	$	14,883
Non-cash investing and financing activities not included in cash flows										
Payment of amount due to significant shareholder through assignment of exploration advances (Note 3)	$	Nil	$	Nil	$	20,000	$	Nil	$	Nil
Shares issued to acquire ruby concessions and interest in property (Note 4)	$	Nil	$	Nil	$	Nil	$	Nil	$	584,500

See accompanying notes to the financial statements.

1. Operations and going concern

The company was incorporated on June 12, 1996 as 521844 B.C. Ltd. and subsequently changed its name to Panamex Resources Inc.

The company is engaged in the identification, acquisition, exploration, development and exploitation of mineral resources. The properties of the company are without a known body of commercial ore and were abandoned in 2000. The company is currently in discussions for the purpose of identifying mineral exploration properties or projects to acquire.

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that any exploration program embarked upon by the company will result in a profitable commercial mining operation.

The company has been dependent upon share issuances to provide the funding necessary to meet its general operating expenses as they arise and will require additional financing to continue to explore for mineral resources suitable for commercial exploration. There can be no assurance that such additional financing will be available. The ability of the company to continue as a going concern is dependent upon the ability of the company to obtain the necessary financing to complete the acquisition, exploration and development of its mineral properties, and upon future profitable production.

These financial statements have been prepared on the basis that the company is a going concern. These financial statements do not include the adjustments that would be necessary should the company be unable to continue as a going concern.

2. Summary of significant accounting policies

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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 those estimates.

Mineral property interest

The company capitalizes certain costs related to its mineral property interests. The costs capitalized include acquisition, holding, and exploration costs less write-offs to date and do not reflect present or future value. If production is attained, these costs will be amortized using the unit-of-production method based on estimated reserves. Costs related to properties abandoned are written off if the decision to abandon is made, or earlier if a determination is made that the property likely does not have economically recoverable reserves, that the company is unlikely to pursue exploration activities on that property, or that it is unlikely that adequate title to the property will be obtained.

When properties are acquired under agreements with future acquisition payments to be made at the sole discretion of the company, those future payments, whether in cash or shares, are recorded only when the company has made or is obliged to make the payment or issue the shares.

2. Summary of significant accounting policies (Continued)

Capital assets

Capital assets are recorded at cost less accumulated depreciation and are depreciated on the declining balance method at an annual rate of 30%.

Income taxes

Prior to 2000, the company followed the tax allocation method of accounting for income taxes, whereby differences between the provision for income taxes on the earnings or loss for accounting purposes and the income taxes currently payable or recoverable were shown as deferred income taxes. In 2000, the company has adopted the new accounting recommendations for income taxes issued by the Canadian Institute of Chartered Accountants, whereby future income tax assets and liabilities are computed based on differences between the carrying amount of assets and liabilities on the balance sheet and their corresponding tax values, using the enacted income tax rates at each balance sheet date. Future income tax assets also result from unused loss carry forwards and other deductions. The valuation of future income tax assets is reviewed regularly and adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount.

As the company has recorded a valuation allowance against its future income tax assets, this change has no effect on the company's assets and liabilities nor on its results of operations for the year ended December 31, 2000 or on periods prior to December 31, 2000.

Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the year. The average includes outstanding common shares issued in a reporting period from their date of issuance. Fully diluted per share amounts are not presented as the effect of outstanding options and warrants is antidilutive.

Stock options

The company does not recognize compensation expense when shares or share options are issued to employees and directors. Any consideration paid by employees and directors on exercise of share options or purchase of shares is credited to share capital. If shares or share options are repurchased from employees and directors, the excess of the consideration paid over the carrying amount of the shares or share options cancelled is charged to the deficit.

Financial instruments

The company has various financial instruments, including cash and payables. The carrying values of these financial instruments approximate their fair values.

3. Exploration advances

These advances were provided to Gem Mining Lao, PDR Co. Limited ("GML"), a company with directors in common at the date that the advances were made. These advances bore interest at the annual rate of 1½% over the prime rate charged by a Canadian Chartered Bank.

3. Exploration advances (Continued)

GML, a subsidiary of Asia Sapphires Limited ("Asia Sapphires") a company formerly listed on the Canadian Venture Exchange ("CDNX"), had been contracted by the company to mana
permits in Lao PDR and was to apply these advances against exploration costs incurred.

During 2000, the company decided to abandon its exploration permits in Lao PDR. Management concluded that the Laos project was not in the best interests of the company's shareholders as there were management problems with GML, Panamex was having difficulty working and operating in Laos, and the project was marginal so future financing would be difficult to secure. At the time these advances were written off, management was not aware of any material exploration activities that had been performed by GML on behalf of the company.

In 2001, a creditor that is a significant shareholder agreed to forgive accounts payable in the aggregate amount of $20,000 in exchange for the assignment of these exploration advances. The remaining $20,000 in exploration advances have therefore been set off against the accounts payable forgiven during 2000.

4. Mineral property interests

(a) Tintina Regional Program, Yukon Territories

In September 2001, the company commenced a regional exploration program for gold in the South Yukon and incurred $68,811 exploration expenses for helicopter, geologists, accommodation and assays as follows:

		Amount
Helicopter	$	57,164
Materials and supplies		10,015
Reports, drafting and maps		329
Accommodation		1,303
	$	68,811

(b) Exploration permits, Lao PDR

In May 1998, the company acquired exclusive rights to certain exploration permits in the Vang Hay area, Xamtai District, Sam Neua Province, Lao PDR. It was the company's intention to explore the area defined by these permits for rubies.

These exploration permits were acquired for 1,300,000 common shares of the company valued at $0.44 per share from a company with directors in common at the time of their acquisition (Note 5). The acquisition of these exploration permits was recorded at their historic cost.

During 2000, the company resolved to abandon its ruby exploration permits with the intention to pursue other mineral exploration opportunities. Accordingly, the acquisition cost of these permits has been written off.

4. Mineral property interests (Continued)

(c) Len property, Mayo Mining District, Yukon

The Len property consists of eight full and four fractional mineral claims located in the Mayo Mining District, Yukon Territory. The property comprises approximately 170 hectares in the Lynx Creek Watershed, 47 kilometres north of Mayo, Yukon.

In 1998, the company acquired the 50% interest in the Len property that it did not previously own. The consideration for this acquisition was 50,000 of the company's common shares issued at a deemed price of $0.25 per share (Note 5).

In 1998, management wrote-down this property to an estimate of its net recoverable amount at the time. In 1999, management recorded a further write-down to reduce the carrying value of this property to $Nil as it became management's intention to pursue other mineral exploration activities.

5. Capital stock

	Period from December 31, 1998 to September 30, 2001		Year Ended December 31, 1998	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorized:				
Unlimited common shares without par value				
Balance, beginning of period	**5,713,000**	**$ 1,777,568**	3,163,000	$ 747,975
Issued:				
For deemed consideration of $0.25 per share (Note 4(b))	**-**	**-**	50,000	12,500
Units issued for cash at $0.44 per share (net of issue costs of $82,907)	**-**	**-**	1,200,000	445,093
Shares issued to acquire ruby concessions (Note 4(a))	**-**	**-** **-**	1,300,000	572,000
Balance, end of period	**5,713,000**	**$ 1,777,568**	5,713,000	$ 1,777,568

Escrowed shares

A total of 750,000 common shares are held in escrow, the release of which will be subject to regulatory approval.

5. Capital stock (Continued)

Stock options

A summary of share option activity and information concerning options is as follows:

	Nine Months Ended September 30 2001 (Unaudited)	Nine Months Ended September 30 2000 (Unaudited)	Year Ended December 31 2000	Year Ended December 31 1999	Year Ended December 31 1998
Balance, beginning of period	**-**	1,132,600	1,132,600	1,132,600	1,132,600
Granted	**-**	-	-	-	-
Exercised	**-**	-	-	-	-
Cancelled	**-**	(1,132,600)	(1,132,600)	-	-
Balance, end of period	**Nil**	Nil	Nil	1,132,600	1,132,600

Suspension from trading

The company's common shares are listed on the CDNX but are suspended from trading. On June 26, 2001, the company filed an application with the CDNX for reinstatement for trading of the company's common shares.

6. Related party transactions

In addition to the related party transaction disclosed in Notes 3 and 4, the company was charged the following amount by related parties:

	Nine Months Ended September 30 2001 (Unaudited)	Nine Months Ended September 30 2000 (Unaudited)	Year Ended December 31 2000	Year Ended December 31 1999	Year Ended December 31 1998
Management fees	**$ 40,000**	$ Nil	$ Nil	$ Nil	$ Nil
Management fees paid to a company which is a shareholder	**Nil**	Nil	Nil	10,000	106,281
Rent paid to a company which is a shareholder	**Nil**	Nil	Nil	Nil	45,000
Rent paid to a company controlled by a director	**15,000**	Nil	Nil	Nil	Nil

7. Loans and advances

On September 24, 2001, the company obtained a loan for the sum of $156,995 (U.S. $100,000) from a U.S. Institution. Under the terms of this loan, the company will repay U.S. $120,000 from the proceeds of the Offering (Note 10).

The company also received advances from Ross River Gold Ltd. to fund transaction costs associated with a proposed acquisition of Ross River Gold Ltd. These advances are due on demand, non-interest bearing and are unsecured.

8. Future income tax

The components of the future income tax assets are as follows:

	September 30 2001 (Unaudited)	December 31 2000	December 31 1999
Exploration expenditures	**$ 365,000**	$ 297,000	$ 297,000
Capital assets	**4,100**	4,100	4,100
Loss carry forwards	**558,000**	414,000	413,000
	927,100	715,100	714,100
Valuation allowance	**(927,100)**	(715,100)	(714,100)
	$ Nil	$ Nil	$ Nil

9. Environmental protection practices

The company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the company.

10. Subsequent events

Cease trade order

The company is subject to a cease trade order of the British Columbia Securities Commission (the “Commission”). On July 19, 2001, the company filed a reactivation application with the Commission to lift the cease trade order against it.

Reverse takeover

The company entered into a Share Exchange Agreement dated effective July 10, 2001 with Ross River Gold Ltd. (“Ross River”), a mineral exploration company with a director in common with the company, incorporated in British Columbia, and certain shareholders of Ross River holding an aggregate of 5,035,000 common shares of the Ross River, whereby the company agreed to acquire all 5,035,000 common shares of Ross River. Ross River is conducting a private placement

10. Subsequent events (Continued)

and placees have been asked to sign an agreement to be bound to the terms of the Share Exchange Agreement. The company seeks to purchase all of the issued and outstanding common shares of Ross River (which may not exceed 6,000,000 common shares) pursuant to the Share Exchange Agreement.

Pursuant to the Share Exchange Agreement, each common share of Ross River will be exchanged for one post-consolidation common share of the company. The Share Exchange Agreement is subject to, among other things, the approval of the CDNX, approval of the Share Exchange Agreement by shareholders of the company, certain directors and officers of the company resigning and certain specified individuals being appointed in their place, and closing of the offering disclosed below.

Through the company's acquisition of Ross River, Ross River's shareholders will acquire control of the company. The acquisition will therefore be accounted for by the purchase method as a reverse takeover ("RTO") with Ross River as the acquirer.

The RTO is expected to have the following approximate effects on the company's balance sheet.

	Increase (Decrease)
Current assets	$ 2,000
Capital assets	1,400
Mineral properties	294,000
Current liabilities	152,000
Capital stock	(1,443,000)
Deficit	(1,588,400)

Under the Share Exchange Agreement, the Share Exchange Agreement will terminate by agreement in writing of the company and Ross River or on May 31, 2002, unless the date for closing has been extended by agreement in writing between the company and Ross River. In the event that the transaction doesn't close as contemplated in the Share Exchange Agreement and Ross River is ready, willing and able to close, the company has agreed to pay Ross River $100,000 plus an amount equal to Ross River's reasonable costs in connection with the Transaction and the Offering.

Share consolidation and name change

Prior to conducting the RTO, the company will consolidate every five common shares into one common share (the "Share Consolidation") and change its name to Ross River Minerals Inc., or such other name as may be approved by the directors of the company, the CDNX and the Yukon Registrar of Corporations (the "Change of Name").

Annual and special meeting of shareholders

On August 23, 2001, the company held its annual and special meeting of shareholders (the "Meeting"). At the Meeting, the shareholders approved, among other things, the RTO, the Share Consolidation, and the Change of Name.

10. Subsequent events (Continued)

Loan

On January 14, 2002, the company obtained a loan for the sum of $50,000 from a Canadian investor. Under the terms of this loan, the company will repay $60,000 from the proceeds of the Offering.

Prospectus

The company has filed an amended and restated exchange offering prospectus whereby the company will offer a minimum of 4,000,000 and a maximum of 5,000,000 Units at a price of $0.30 per Unit (the “Offering”), resulting in gross proceeds of between $1,200,000 and $1,500,000. Each Unit will consist of one common share of the company and one common share purchase warrant. Each common share purchase warrant will, subject to approval of the CDNX, be listed on the CDNX and will entitle the holder to purchase one common share of the company at a price of $0.35 for 12 months
following closing of the Offering and for $0.45 for a period ending 18 months following closing of the Offering. The Offering is subject to the approval of the CDNX and the Commission.

The agent's compensation payable under the Offering is a cash commission of 8% of the gross proceeds of the Offering, agent's warrants equal to 20% of the units issued under the Offering and a corporate finance fee of 100,000 common shares of the company.

Schedule "B" – CONSOLIDATED FINANCIAL STATEMENTS OF ROSS RIVER GOLD LTD.

ROSS RIVER GOLD LTD.

FINANCIAL STATEMENTS

YEARS ENDED FEBRUARY 28, 2001, 2000 AND 1999
AND THE NINE MONTHS ENDED NOVEMBER 30, 2001

AUDITOR'S REPORT

To the Directors of:
Ross River Gold Ltd.

I have audited the balance sheets of Ross River Gold Ltd. as at February 28, 2001 and 2000 and the statements of loss and deficit, deferred exploration expenses and changes in cash flow for the years then ended. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. These standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. 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 annual financial presentation.

In my opinion, these financial statements present fairly in all material respects, the financial position of the company as at February 28, 2001 and 2000 and the results of its operations and the changes in cash flow for the years then ended in accordance with Canadian generally accepted accounting principles. As required by the Company Act - British Columbia, I report that in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

"Robert Jamieson"
CHARTERED ACCOUNTANT

Vancouver, B.C.
May 9, 2001
Except for Notes 8 and 10 which
are at March 28, 2002

ROSS RIVER GOLD LTD.

BALANCE SHEETS

ASSETS

	As At November 30, 2001 (Unaudited)	As At February 28, 2001	As At February 28, 2000
CURRENT ASSETS			
Cash	$ 171	$ 234	$ 307
Commodity tax recoverable	3,283	6,067	4,789
Prepaid expenses	4,200	-	-
	7,654	6,301	5,096
ADVANCES RECEIVABLE (Note 5)	61,115	-	-
OFFICE EQUIPMENT (Note 3)	1,370	1,612	2,015
MINERAL PROPERTIES (Note 4)	279,364	243,396	115,145
	$ 349,503	$ 251,309	$ 122,256

LIABILITIES

	As At November 30, 2001 (Unaudited)	As At February 28, 2001	As At February 28, 2000
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	$ 49,009	$ 39,693	$ 48,874
Due to related parties (Note 5)	82,812	45,729	53,746
Advances payable (Note 5)	72,888	72,888	98,765
	204,709	158,310	201,385

SHARE CAPITAL AND DEFICIT

	As At November 30, 2001 (Unaudited)	As At February 28, 2001	As At February 28, 2000
SHARE CAPITAL (Note 6)	524,986	395,686	148,211
DEFICIT	(380,192)	(302,687)	(227,340)
	144,794	92,999	(79,129)
	$ 349,503	$ 251,309	$ 122,256

SHARE EXCHANGE AGREEMENT (Note 8)
FUTURE INCOME TAXES (Note 9)
SUBSEQUENT EVENTS (Note 10)

APPROVED ON BEHALF OF THE BOARD:

"Marcus N. Foster" Director

"Robin S. Tolbert" Director

See accompanying notes to financial statements.

STATEMENT OF LOSS AND DEFICIT

	Nine Months Ended November 30, 2001 (Unaudited)	Nine Months Ended November 30, 2000 (Unaudited)	Years Ended February 28, 2001	Years Ended February 28, 2000	Years Ended February 28, 1999 (Unaudited)
ADMINISTRATIVE EXPENSES					
Amortization	$ 242	$ 302	$ 403	$ 184	$ -
Audit and accounting	35,174	-	3,000	3,000	2,000
Bank charges and interest	220	299	19,109	141	34
Consulting	7,608	1,612	10,612	-	9,000
Legal	6,667	6,793	7,887	10,645	258
Office and sundry	3,953	1,910	2,423	3,420	3,035
Promotion	624	643	701	576	227
Rent	22,500	22,740	30,240	15,081	-
Telephone	517	780	962	634	-
Travel	-	-	10	3,033	-
	77,505	35,079	75,347	36,714	14,554
OTHER EXPENSE					
Loss on asset disposal	-	-	-	39,476	-
Coal leases written-off	-	-	-	89,044	-
	-	-	-	128,520	-
NET LOSS FOR THE PERIOD	77,505	35,079	75,347	165,234	14,554
DEFICIT AT BEGINNING OF PERIOD	302,687	227,340	227,340	62,106	47,552
DEFICIT AT END OF PERIOD	$ 380,192	$ 262,419	$ 302,687	$ 227,340	$ 62,106
LOSS PER COMMON SHARE (Note 7)					
- Basic	1.5¢	0.9¢	1.8¢	4.4¢	0.5¢
- Diluted	1.5¢	0.9¢	1.8¢	4.4¢	0.5¢

See accompanying notes to financial statements.

ROSS RIVER GOLD LTD.

STATEMENT OF DEFERRED EXPLORATION EXPENSES

	Nine Months Ended November 30, 2001 (Unaudited)	Nine Months Ended November 30, 2000 (Unaudited)	Years Ended February 28, 2001	Years Ended February 28, 2000	Years Ended February 28, 1999 (Unaudited)
EXPLORATION EXPENSES					
Air and helicopter	$ -	$ -	$ 7,470	$ -	$ -
Assays	-	-	-	5,484	-
Claim staking	-	-	8,925	-	-
Contract labour	-	-	-	1,700	-
Equipment rental	918	918	1,224	2,030	-
Fees and filing	-	-	270	1,290	-
Geological and consulting	30,500	45,000	62,271	40,790	-
Lease payments	-	-	-	23,085	22,645
Materials and supplies	-	-	-	5,173	-
Project management	43,500	-	30,000	30,041	-
Reports, drafting and maps	550	4,487	4,628	7,174	-
Travel and accommodation	-	-	-	1,463	-
	75,468	50,405	114,788	118,230	22,645
BALANCE AT BEGINNING OF PERIOD	209,933	95,145	95,145	65,959	43,314
	285,401	145,550	209,933	184,189	65,959
COAL LEASES WRITTEN-OFF	-	-	-	(89,044)	-
BALANCE AT END OF PERIOD	$ 285,401	$ 145,550	$ 209,933	$ 95,145	$ 65,959

See accompanying notes to financial statements.

ROSS RIVER GOLD LTD.

STATEMENT OF CHANGES IN CASH FLOW

	Nine Months Ended November 30, 2001 (Unaudited)	Nine Months Ended November 30, 2000 (Unaudited)	Years Ended February 28, 2001	Years Ended February 28, 2000	Years Ended February 28, 1999 (Unaudited)
OPERATING ACTIVITIES					
Net loss for the period	$ (77,505)	$ (35,079)	$ (75,347)	$(165,234)	$(14,554)
Items not involving cash:					
Amortization	242	302	403	184	-
Loss on asset disposal	-	-	-	39,476	-
Coal leases written-off	-	-	-	89,044	-
	(77,263)	(34,777)	(74,944)	(36,530)	(14,554)
Changes in non-cash working capital items - net	(16,141)	50,412	2,524	87,357	(7,731)
	(93,404)	15,635	(72,420)	50,827	(22,285)
INVESTING ACTIVITIES					
Loan receivable	-	-	-	1,455	(456)
Office equipment acquisition	-	-	-	(2,199)	-
Mineral properties expenses - net	29,532	12,081	(35,751)	(138,230)	(22,645)
	29,532	12,081	(35,751)	(138,974)	(23,101)
FINANCING ACTIVITIES					
Shares issued for cash	63,800	6,475	133,975	510	4,000
Advances payable	-	(34,500)	(25,877)	87,765	7,779
	63,800	(28,025)	108,098	88,275	11,779
CHANGE IN CASH	(72)	(309)	(73)	128	(33,607)
CASH AT BEGINNING OF PERIOD	243	307	307	179	33,786
CASH (DEFICIENCY) AT END OF YEAR	$ 171	$ (2)	$ 234	$ 307	$ 179

See accompanying notes to financial statements.

ROSS RIVER GOLD LTD.

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Normally the operations of a junior mining company do not produce income. Although there is often some investment income from unexpected funds, such companies usually depend on current and future share issues or some other form of externally generated sources of funds to finance their operations. The work undertaken by these companies is risky, and, as a result, large amounts of money can be expended on properties that do not prove to have economically recoverable reserves. The cost of development of a mining operation is normally beyond the financial capability of a single company, limiting its potential to act alone. The development often depends on whether the company is able to find a partner to assist with, or assume, the development responsibilities.

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern. The ability of the Company to continue as a going concern is dependent upon it raising the required capital to proceed with its operational plans and subsequently obtaining profitable operations. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Values

The amounts shown for mineral properties represent costs or the agreed upon value of shares issued to date and do not necessarily reflect present or future values. The recoverability of the amounts shown is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain the necessary financing to successfully complete their development and upon future profitable production. If, in management's opinion, the net realizable value of the claim is less than their cost the claims will be written down to their recoverable or a nominal value.

(b) Deferral of Costs

The Company follows the full cost method of accounting for mineral properties whereby it is the Company's policy to capitalize the acquisition cost of its mineral properties and to defer its exploration expenditures on these properties. For properties brought into commercial production, these costs will be amortized over the estimated useful life of the properties following commencement of commercial production. Initial production receipts prior to commercial production or property option receipts are accounted for as a recovery of costs incurred. At such time as the Company loses or abandons its interest in any property, the cost of the property, together with the related deferred expenditures will be charged to operations in that year.

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

(c) Amortization

Office equipment is recorded at cost and is amortized at the rate of 20 percent on a declining balance basis.

(d) Measurement Uncertainty

The amounts recorded for amortization of capital assets are based on estimates of useful life remaining in the assets. By their nature, these estimates are subject to measurement uncertainty and the impact on the financial statements of future periods could be material.

(e) Financial Instruments

The financial instruments of the Company consist mainly of cash, accounts receivable, advances payable and receivable and accounts payable and accrued liabilities. Except where otherwise disclosed, as at the year end there are no significant differences between the carrying values of these amounts and their estimated market value.

3. OFFICE EQUIPMENT, at cost

	As At November 30, 2001 (Unaudited)	As At February 28, 2001	As At February 28, 2000
Office equipment	$ 2,199	$ 2,199	$ 2,199
Less: accumulated amortization	(829)	(587)	(184)
	$ 1,370	$ 1,612	$ 2,015

4. MINERAL PROPERTIES

	As At November 30, 2001 (Unaudited)	As At February 28, 2001	As At February 28, 2000
(a) Tay-LP Property			
During 2000, the Company entered into an Option Agreement with Long & Associates to acquire a 100% interest in 143 quartz claims comprising approximately 3,050 hectares in the Watson Lake Mining Division, Yukon for $220,000 cash consideration (Note 5(d)):			
(i) $20,000 cash paid on execution of the option;	$ 20,000	$ 20,000	$ 20,000
(ii) $20,000 on or before May 31, 2000;	20,000	20,000	-
(iii) $40,000 on or before May 31, 2001;	40,500	-	-

4. MINERAL PROPERTIES - Continued

(a) Tay-LP Property - Continued	As At November 30, 2001 (Unaudited)	As At February 28, 2001	As At February 28, 2000
(iv) $60,000 on or before May 31, 2002;			
(v) $80,000 on or before May 31, 2003;			
(vi) incur $1,000,000 in exploration expenditures at various times on or before May 31, 2004;			
(vii) a 2.5% Net Smelter Returns Royalty subject to a $3,000,000 purchase option;			
(viii) $20,000 annual advance royal payments if the property is not in commercial production by May 31, 2004; and,			
(ix) a 0.5% finder's fee royalty to Mr. Marcus Foster, the Company's President.			
Share bonus issued	10,000	10,000	-
	90,500	50,000	20,000
(b) entered an option agreement with Fairfield Minerals Ltd.("Fairfield") whereby the Company could acquire a 70% interest in the Ram Claims comprising 69 quartz claims of approximately 1,440 hectares in the Watson Lake Mining District, Yukon for the issue of 240,000 shares in the capital of the Company as follows:			
(i) 50,000 shares on execution-issued at a deemed price of $0.35 each;	17,500	17,500	-
(ii) 50,000 shares each on or before April 1, 2001, 2002 and 2003;	25,000	-	-
(iii) 20,000 shares each on or before April 1, 2004 and 2005;			
(iv) incur $500,000 in exploration expenditures on or before April 1, 2006;			
(v) pay $20,000 in advance royalties commencing April 1, 2006 until commencement of commercial production or receipt of a "bankable Feasibility Study";			

4. MINERAL PROPERTIES - Continued

	As At November 30, 2001 (Unaudited)	As At February 28, 2001	2000
(vi) arrange repurchase of all issued shares at a price of $1.00 if shares of the Company do not publicly trade before December 31, 2000.			
(c) amended the Fairfield option agreement to eliminate the repurchase of issued shares at $1.00 for the consideration of issuing 150,000 shares to Fairfield at a deemed price of $0.30 per share.	45,000	45,000	-
	87,500	62,500	-
Total property costs	178,000	112,500	20,000
Deferred exploration expenses	285,401	209,933	95,145
	463,401	322,433	115,145
(d) entered into an option agreement with Newmont Exploration of Canada Limited ("Newmont") whereby Newmont could earn a 51% interest in the Company's interest in the Tay-LP Properties and the Ram claims (the "Tay-LP Property") for the following consideration:			
(i) $25,000 on receipt of title documents - received;	(25,000)	(25,000)	-
(ii) $40,000 on or before May 1, 2001 - received;	(40,000)	-	-
(iii) $60,000, $80,000, $100,000 on or before May 1, 2002, 2003 and 2004 respectively;			
(iv) incur $4,000,000 in exploration expenses at various times to December 31, 2004; and,			
(v) reimburse the Company for $400,000 in shares issued to acquire the Tay-LP Properties on or before April 1, 2005 (Note 4(b)).	(102,500)	(37,500)	-

4. MINERAL PROPERTIES - Continued

	As At November 30, 2001 (Unaudited)	As At February 28, 2001	As At February 28, 2000
Upon completion of the 51% option, Newmont maintains a further option to increase its position to the maximum of a further 24% of the property by paying the Company $100,000 annually from 2005 to 2009 and by either spending a further $14.5 million on the property or completing a Feasibility Study. At the option of Newmont (if it choses not to complete the program or Feasibility Study) it may earn an additional 2.0% for each $1,250,000 of expenditures made, provided it makes the annual cash payments.			
Reimbursed exploration expenses	(16,537)	(16,537)	-
	(184,037)	(79,037)	-
Mineral property costs	$ 279,364	$ 243,396	$ 115,145

5. RELATED PARTIES AND ADVANCES PAYABLE/RECEIVABLE

(a) Amounts due to related parties are without interest or fixed terms of repayment, but are due on demand. During 2001, the Company incurred $18,772 in interest charges to related parties for debts that were extinguished in that year.

(b) Advances payable constitute cash advances made to the Company by related parties. The amounts are without interest or fixed terms of repayment.

(c) Advances receivable constitute advances made to Panamex Resources Ltd., a Company related by common management. The advances are without interest or fixed terms of repayment to the Company.

(d) Robin Tolbert, a Director and Officer of the Company is a minority partner in Long & Associates.

(e) During the period, the Company paid or made provision in the accounts for the payment of the following amounts to private companies contracted by Directors or Officers of the Company:

5. RELATED PARTIES AND ADVANCES PAYABLE/RECEIVABLE - Continued

	Nine Months Ended November 30,		Years Ended February 28,		
	2001 (Unaudited)	2000 (Unaudited)	2001	2000	1999 Unaudited
Administration Expenses					
Consulting fees	$ -	$ -	$ -	$ -	$ 9,000
Interest	-	-	18,772	-	-
Rent	22,500	22,740	30,240	15,081	-
Exploration Expenses					
Geological and consulting	30,500	45,000	60,000	40,790	-
Project management	43,500	-	30,000	30,041	-
	$ 96,500	$ 67,740	$139,012	$ 85,912	$ 9,000

6. SHARE CAPITAL

Authorized: 50,000,000 common shares without par value.

Issued and fully paid:	Shares	Amount
Balance at beginning of 1999	1,378,573	$ 143,001
Issued for cash	2,499,999	4,700
Balance at end of 1999	3,878,572	147,701
Issued for cash	151,428	510
Balance at end of 2000	4,030,000	148,211
Issued for cash	453,500	133,975
Issued for debt	60,000	21,000
Issued for mineral properties	290,000	92,500
Balance at end of 2001	4,833,500	395,686
Issued for cash	247,500	63,800
Issued for mineral properties	185,000	65,500
Total	5,266,000	$ 524,986

Since its inception the Company has issued the following share capital:

ROSS RIVER GOLD LTD.

NOTES TO FINANCIAL STATEMENTS

6. SHARE CAPITAL - Continued

	Shares	Amount
For cash	4,731,000	$ 345,986
For debt	60,000	21,000
For mineral properties	445,000	149,000
Late conversion bonus	30,000	9,000
	5,266,000	$ 524,986

During the period, from March 1, 1998 to November 30, 2001, the Company:

(a) issued 2,199,000 shares at a price of $0,001 per share and 300,000 shares at a price of $0.01 per share;
(b) issued 50,000 shares at a deemed price of $0.50 pursuant to the Fairfield Minerals agreement (Note 4(b)(ii));
(c) issued 380,000 shares at a price of $0.35 for subscriptions received both in 1999 and 2000;
(d) issued 150,000 shares at a price of $0.000066 per share for total consideration of $10;
(e) settled $21,000 in indebtedness for the issue of 60,000 shares at a price of $0.35 per share;
(f) issued 60,000 shares at a deemed price of $0.35 per share in lieu of the $20,000 to Long & Associates (Note 5(a)(ii));
(g) issued a share bonus to Long & Associates due to the delay in bringing the company's share to publicly trade comprising 31,000 shares with a deemed value of $10,000;
(h) issued 700,500 shares at various prices returning $197,775 to the treasury of the company; and,
(i) issued 135,000 shares to Long & Associates in consideration of the $40,000 payments due in May, 2001 (Note 4(a)(iii)).

7. LOSS PER SHARE

Loss per common share is calculated using the weighted average common shares outstanding during the year or period. The calculation of basic and fully diluted earnings per share is as follows:

	As At November 30, 2001 (Unaudited)	As At February 28, 2001	2000
Loss for common shares	$ 77,505	$ 75,347	$ 165,234
Weighted Average Shares-beginning	4,833,500	4,030,000	3,500,000
Issued for cash	158,296	72,352	222,164
Issued for mineral properties	160,780	98,302	-
Issued for debt	-	49,479	-
	5,152,576	4,250,133	3,722,164

7. LOSS PER SHARE - Continued

The Company does not have any warrants, options or other subscriptions outstanding that result in a further dilution in loss per common share and accordingly the diluted loss per share is unchanged from the basic loss per share.

8. SHARE EXCHANGE AGREEMENT

The Company and certain shareholders of the Company have entered into a Share Exchange Agreement with Panamex Resources Inc. ("Panamex"). Subject to shareholder and regulatory approval, Panamex has offered to purchase all of the issued and outstanding common shares of the Company on the basis of one common share of Panamex to be exchanged for each issued and outstanding common share of the Company. Panamex and the Company are related through common directors and management.

Pursuant to the Share Exchange Agreement, the Company's shareholders will acquire control of Panamex and will be accounted for as a reverse take-over with the Company as the acquirer. Panamex has applied for reinstatement of the Panamex's trading privileges on the CDNX and has filed a prospectus to raise between $1,200,000 and $1,500,000 through the issuance of between 4,000,000 and 5,000,000 units at a price of $0.30 per unit. Each unit consists of one share and one non-transferable share purchase warrant exercisable at a price of $0.35 and $0.45 within the first year and 18 months respectively, following posting of the warrants for trading by the exchange. The acquisition of the Company and the issuance of Panamex's shares are subject to (among other things) regulatory and shareholder approval. Panamex has received shareholder approval. Panamex has agreed to pay the Company $100,000 plus reasonable expenses in the event that the Company is ready, willing and able to complete the share exchange and the share exchange does not close.

9. FUTURE INCOME TAXES

The Company has adopted the new recommendations concerning accounting for income taxes. The new accounting policy, which was adopted for this year end was applied retroactively. The new standards require the recognition of future income taxes and benefits relating to the expected future tax consequences of the differences between the carrying amount of the balance sheet items and their corresponding tax values. These new standards also require the Company to compute future income taxes using the enacted corporate income tax rates of the years in which the differences will reverse.

Future realization of the tax benefits depends on the existence of sufficient taxable income of an appropriate nature within the existing tax laws. To the extent that the Company may not be able to realize the future income tax benefits the carrying value of the future tax benefits would be reduced to its expected realizable value. Accordingly, due to

9. FUTURE INCOME TAXES - Continued

the nature of the Company's business and the expected accumulation of tax losses, the Company does not expect to realize future income tax benefits unless it successfully develops its mineral properties (Notes 1 and 4).

As at February 28, 2001, the Company has the following available to reduce future income for tax purposes, the tax effect of which has not been recorded in the accounts.

Loss carried forward for tax purposes		
available until:	2005	$ 47,552
	2006	14,554
	2007	75,718
	2008	74,593
		212,417
Excess of undepreciated capital cost over the net book value of capital assets		587
Exploration and development income tax pools available on commercial production		
Cumulative Canadian Development Expense		74,605
Cumulative Canadian Exploration Expense		212,836
		$ 500,445

10. SUBSEQUENT EVENTS

Subsequent to the period end, the Company:

(a) was informed by Newmont Exploration of Canada Limited that it would not continue its option to acquire a 51% interest in the Tay-LP Properties (Note 4(d));

(b) issued 20,000 shares at a price of $0.25 per share to Long & Associates to extend the terms of their agreement (Note 4(a));

(c) received subscriptions for the issue of 125,000 shares at various prices returning $27,750 to the treasury;

(d) received subscriptions for the issue of 67,000 flow-through shares at a price of $0.30 per share returning $20,100; and,

(e) entered agreements for the settlement of $60,000 in indebtedness for the issue of 200,000 shares at a price of $0.30 per share.

Schedule "C" – PRO-FORMA FINANCIAL STATEMENTS OF ROSS RIVER MINERALS INC.

ROSS RIVER MINERALS INC.
(formerly Panamex Resources Inc.)

PROFORMA CONSOLIDATED FINANCIAL STATEMENTS
(Prepared without audit)

AS AT SEPTEMBER 30, 2001

COMPILATION REPORT
PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

To the Directors of:
Ross River Minerals Inc.
(formerly Panamex Resources Inc.)

I have reviewed, as to compilation only, the accompanying proforma consolidated balance sheet of Ross River Minerals Inc. (formerly Panamex Resources Inc.) as at September 30, 2001 and the proforma statements of loss for the nine months ended September 30, 2001 and for the year ended December 31, 2000.

In my opinion, the proforma consolidated balance sheet and proforma consolidated statements of loss have been properly compiled to give effect to the proposed transaction and the assumptions described in Note 1 to these financial statements.

These proforma financial statements have been prepared for inclusion in a prospectus (Notes 1,3 and 4).

"Robert Jamieson"
CHARTERED ACCOUNTANT

Vancouver, B.C.
March 15, 2002

ROSS RIVER MINERALS INC.
(formerly Panamex Resources Inc.)

PROFORMA CONSOLIDATED BALANCE SHEET
(Prepared without audit)

NINE MONTHS ENDED SEPTEMBER 30, 2001

	SEPTEMBER 30, 2001					
	Panamex Resources Inc.	Ross River Gold Inc.	Consolidation Entries	Pro-Forma Consolidated	With Minimum Offering	With Maximum Offering
ASSETS						
CURRENT						
Cash	$ 29,023	$ 171	$ (6,700)(a)	$ 22,494	$1,126,494	$1,402,494
Accounts receivable	6,910	3,283	1,015 (a)	11,208	11,208	11,208
Prepaid expenses	-	4,200	-	4,200	4,200	4,200
	35,933	7,654	(5,685)	37,902	1,141,902	1,417,902
ADVANCES RECEIVABLE	-	61,115	(61,115)(a)	-	-	-
OFFICE EQUIPMENT	-	1,370		1,370	1,370	1,370
MINERAL PROPERTIES	68,811	279,364	14,500 (a)	362,675	362,675	362,675
	$ 104,744	$ 349,503	$ (52,300)	$ 401,947	$1,505,947	$1,781,947
LIABILITIES						
CURRENT						
Account payable	$ 85,520	$ 49,009	$ -	$ 134,529	$ 134,529	$ 134,529
Due to related parties	-	82,812	-	82,812	82,812	82,812
Advances payable	209,745	72,888	(52,300)(a)	230,333	230,333	230,333
	295,265	204,709	(52,300)	447,674	447,674	447,674
SHARE CAPITAL	1,777,568	524,986	(1,777,568)(b) (190,521)(c)	334,465	1,438,465	1,714,465
DEFICIT	(1,968,089)	(380,192)	1,777,568 (b) 190,521 (c)	(380,192)	(380,192)	(380,192)
	(190,521)	144,794	-	(45,727)	1,058,273	1,334,273
	$ 104,744	$ 349,503	$ (52,300)	$ 401,947	$1,505,947	$1,781,947

ROSS RIVER MINERALS INC.
(formerly Panamex Resources Inc.)

PROFORMA CONSOLIDATED STATEMENT OF LOSS
(Prepared without audit)

NINE MONTHS ENDED SEPTEMBER 30, 2001

	Ross River Gold Ltd.	Panamex Resources Inc.	Consolidation Entries	September 30, 2001	December 31, 2000
ADMINISTRATIVE EXPENSES					
Amortization	$ 242	$ -	$ -	$ 242	$ 403
Audit and accounting	35,174	9,501	-	44,675	5,500
Bank charges and interest	220	150	-	370	19,109
Consulting	7,608	-	-	7,608	10,612
Legal	6,667	30,787	-	37,454	8,303
Management fees	-	40,000	-	40,000	-
Office and sundry	3,953	10,435	-	14,388	2,423
Promotion	624	59	-	683	711
Regulatory and transfer fees	-	37,373	-	37,373	489
Rent	22,500	15,000	-	37,500	30,240
Telephone	517	38	-	555	962
NET LOSS FOR THE YEAR	$ 77,505	$ 143,343	$ -	$ 220,848	$ 78,752

LOSS PER COMMON SHARE - basic	$ 0.03	$ 0.01
- with minimum offering	$ 0.02	$ 0.01
- with maximum offering	$ 0.02	$ 0.01

ROSS RIVER MINERALS INC.
(formerly Panamex Resources Inc.)

NOTES TO PROFORMA CONSOLIDATED FINANCIAL STATEMENTS
(Prepared without audit)

NINE MONTHS ENDED SEPTEMBER 30, 2001

1. BASIS OF PRESENTATION

These proforma consolidated financial statements are based on the unaudited financial statements of Panamex Resources Inc. ("Panamex") for the nine months ended September 30, 2001 and the unaudited financial statements of Ross River Gold Ltd. ("Ross River") for the nine months ended November 30, 2001, as prepared by management. These proforma consolidated financial statements reflect the proposed reverse takeover as if it had occurred effective September 30, 2001 for the purposes of the balance sheet and as of January 1, 2000 for the purposes of the statement of loss.

Under the proposed reverse takeover Panamex has received shareholder approval to consolidate its share capital by issuing one (1) new share for every five (5) old shares and to change its name to Ross River Minerals Inc. The Company will then seek regulatory approval to transfer 750,000 shares within escrow. Panamex has agreed to enter into the reverse takeover of Ross River by acquiring all the issued and outstanding common shares of Ross River in exchange for post-consolida- tion common shares of the Company. These proforma financial statements are prepared on the assumption that Panamex will receive shareholder approval to consolidate it share capital, receive regulatory approval to the transfer in escrow and will change its name to Ross River Minerals Inc. Panamex has received shareholder approval for the transaction, the consolidation of its capital and the change of its name. Accordingly, these proforma financial statements are prepared under the name of Ross River Minerals Inc. the name of the continuing company.

These proforma consolidated financial statements are prepared as a business combination under the purchase method applying reverse takeover accounting. As a result of the transactions, control of Ross River Minerals Inc. will pass to the shareholders of Ross River Gold Ltd. Accordingly, the share exchange is accounted for as a reverse takeover of Panamex by Ross River. Under reverse takeover accounting, Ross River is deemed to be the acquirer and the continuing entity.

The application of reverse takeover accounting results in the following:

(a) The proforma consolidated financial statements are issued under the name of Ross River Minerals Inc. as a continuation of the post-consolidation financial statements of Panamex.

(b) As Ross River Gold Ltd. is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the proforma consolidated financial statements and the continuing entity at their historical carrying values.

(c) The number and class of outstanding shares reported are those of Panamex, as adjusted for the consolidation and the reverse takeover while the dollar amounts of the share capital and deficit are those of Ross River.

ROSS RIVER MINERALS INC.
(formerly Panamex Resources Inc.)

NOTES TO PROFORMA CONSOLIDATED FINANCIAL STATEMENTS
(Prepared without audit)

NINE MONTHS ENDED SEPTEMBER 30, 2001

1. BASIS OF PRESENTATION - Continued

(d) The comparative figures reflect the reverse takeover as if it had occurred effective September 30, 2001 for the purposes of the balance sheet and as at January 1, 2000 for the purposes of the statement of loss.

(e) The deemed consideration for the acquisition of Panamex has been measured at the net book value of Panamex. The net book value deficiency has been charged to share capital.

The net identifiable asset of Panamex acquired effective with the reverse takeover as at September 30, 2001 are as follows:

Cash	$ 29,023
Accounts receivable	6,910
Deferred exploration costs	68,811
Accounts payable and accruals	(85,520)
Loans and advances	(209,745)
Charged to share capital	$ (190,521)

The excess purchase price was charged to share capital.

2. AUDITED STATEMENTS

These proforma consolidated financial statements should be read in conjunction with the audited financial statements of Panamex Resources Inc. for the year ended December 31, 2000, the unaudited statements of Panamex for the nine months ended September 30, 2001, the audited statements of Ross River Gold Ltd. for the year ended February 28, 2001 and the unaudited statements for the nine months ended November 30, 2001.

3. SHARE CAPITAL

	Minimum Offering		Maximum Offering	
	Shares	Amount	Shares	Amount
Issued, beginning of period	5,713,000	$1,777,568	5,713,000	$1,777,568
Share consolidation and combination	(4,570,400)	(1,968,089)	(4,570,400)	(1,968,089)
Shares issued to Panamex shareholders	1,142,600	(190,521)	1,142,600	(190,521)
Shares issued on combination	6,000,000	524,986	6,000,000	524,986
Minimum offering	4,000,000	1,200,000	-	-
Maximum offering	-	-	5,000,000	1,500,000
Corporate finance shares	100,000	30,000	100,000	30,000
Share issue costs	-	(126,000)	-	(150,000)
Issued, end of period	11,242,600	$1,438,465	12,242,600	$1,714,465

ROSS RIVER MINERALS INC.
(formerly Panamex Resources Inc.)

NOTES TO PROFORMA CONSOLIDATED FINANCIAL STATEMENTS
(Prepared without audit)

NINE MONTHS ENDED SEPTEMBER 30, 2001

3. SHARE CAPITAL - Continued

For the purposes of these proforma consolidated financial statements all shares issued by Ross River up to and including the date of the prospectus are deemed issued on September 30, 2001, for the purposes of the balance sheet and as at January 1, 2000 for the purposes of the statement of loss.

4. FINANCING

As part of the reverse takeover the Panamex has entered into an Agency Agreement with Canaccord Capital Corporation for the issue and distribution of a minimum of 4,000,000 and a maximum of 5,000,000 units at a price of $0.30 per unit, each unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share at a price of $0.35 for a period of one year following the date the warrants are posted for trading by the Exchange and at a price of $0.45 thereafter for a period ending 18 months following the date the warrants are posted for trading.

The agent will receive a corporate finance fee of 100,000 common shares and a cash commission equal to 8% of the gross proceeds. Additionally, the agent will receive agent's warrants equal to 20% of the units issued under the offering entitling the agent to exercise the agent's warrants pursuant to the same terms as the other warrants.

These proforma consolidated financial statements are prepared on the basis of the company receiving $1,104,000 and $1,380,000 respec- tively, net of share issue costs if the minimum or maximum offering is completed.

5. CONSOLIDATION ENTRY

Panamex	- Cash advances from Ross River to September 30, 2001	$ 52,300
Ross River	- Cash repaid October 1 to November 30, 2001	(6,700)
Ross River	- inter-company charges for engine- ering and consulting costs	14,500
	- Goods and Services Tax thereon	1,015
Ross River	- Panamex cash advances to November 30, 2001	$ 61,115

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the *Securities Act* (British Columbia) and its regulations.

DATED: March 28, 2002

"Marcus N. Foster"
Marcus N. Foster
Chief Executive Officer

"Lindsay Birrell"
Lindsay Birrell
Chief Financial Officer

On behalf of the Board of Directors

"Gary V. Shugg"
Gary V. Shugg
Director

CERTIFICATE OF THE AGENT

To the best of our knowledge, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the *Securities Act* (British Columbia) and its regulations.

DATED: March 28, 2002

CANACCORD CAPITAL CORPORATION

Per: *"Michael G. Greenwood"*
President and Chief Operating Officer