

ANNUAL INFORMATION FORM

P:\Clients\1-Sedar\Nor-Hemi\AIF 2003\Closing Docs\AIF final.doc

NORTHERN HEMISPHERE DEVELOPMENT CORP.

#305, 455 Granville Street,
Vancouver, British Columbia, V6C 1T1
Phone: (604) 669-6463
Fax: (604) 669-3041
Toll Free: 1-800-663-9688

DATED: **December 1, 2003**

Item 1	Preliminary Notes	iii
1.1	Incorporation of Financial Statements, Proxy Circular and Other Documents.....	iii
1.2	Date of Information.....	iii
1.3	Glossary of Terms	iii
1.4	Conversion Table	iv
1.5	Currency.....	iv
Item 2:	Corporate Structure.....	5
2.1	Name and Incorporation	5
2.2	Intercorporate Relationships.....	5
Item 3:	General Development of the Business.....	5
3.1	Three- Year History.....	5
3.2	Significant Acquisitions and Significant Dispositions	6
3.3	Trends	6
Item 4:	Narrative Description of the Business.....	6
4.1	General Description.....	6
4.2	Issuers with Asset -backed Securities Outstanding.....	7
4.3	Material Mineral Projects.....	7
4.3.1	Kaza -Nort hstar Property.....	7
Item 5:	Selected Consolidated Financial Information	26
5.1	Annual Information.....	26
5.2	Dividends.....	26
5.3	Foreign GAAP.....	26
Item 6:	Management’s Discussion and Analysis.....	26
6.1	Form 44-101F2 Disclosure.....	26
6.1.1	General Financial Analysis.....	27
6.1.2	Quarterly Information.....	28
6.1.3	Liquidity and Capital Resources and Results of Operations.....	28
6.2	Foreign GAAP.....	30
Item 7:	Market for Securities.....	30
7.1	Market for Securities	30
Item 8:	Directors and Officers.....	31
8.1	Name, Address, Occupation and Security Holding.....	31
8.2	Corporate Cease Trade Orders or Bankruptcies	32
8.3	Penalties or Sanctions.....	32
8.4	Personal Bankruptcies	33
8.5	Conflicts of Interest.....	33
Item 9:	Additional Information.....	33

ANNUAL INFORMATION FORM

Item 1 Preliminary Notes

1.1 Incorporation of Financial Statements, Proxy Circular and Other Documents

The information provided in this document is supplemented by disclosure contained in the documents listed below which are incorporated by reference into this document. These documents must be read together with this document in order to provide full, true and plain disclosure of all material facts relating to the Company. The documents listed below are not contained within, or attached to this document. The documents may be accessed by the reader at the following locations:

Type of Document	Effective Date / Period Ending	Date Filed / Posted	Document Name which may be viewed at the SEDAR website at " www.sedar.com " (or alternative location for nonSEDAR documents)
Management Information Circular	July 18, 2003	July 23, 2003	Management Proxy – Information Circular
Audited annual financial statements (most recent) ⁽¹⁾	February 28, 2003	January 18, 2003	Audited annual financial statements – English
Quarterly financial statements (most recent) and Form 51-901F	August 31, 2003	October 20, 2003	Form 51-901F (BC) Interim financial statements –English
News Releases for 2003	various dates		Press Release – English

1.2 Date of Information

All information in this AIF is as of December 1, 2003 unless otherwise indicated.

1.3 Glossary of Terms

Certain terms used throughout this Annual Information Form are defined below:

“Affiliate”	In respect of any company or corporation, another company or corporation which is its parent or subsidiary or which is controlled by the same person who controls it.
“Company Act”	Company Act, R.S.B.C. 1996, c.62.
“g/t”	Grams per metric tonne.
“mineralization”	A natural aggregate of one or more valuable minerals.
“net profit interest” or “interest”	A specified percentage of the entire proceeds received from a mine’s production less capital costs, labour and materials for the mining and treating of ore. Costs also usually include transportation to the point of sale, geological, assaying and local overhead expenses.

“Net Smelter Return Royalty” (“NSR”)	A phrase used to describe a royalty payment made by a producer of metals, usually to a previous property owner, based on gross mineral production from the property, less deduction of certain limited costs including smelting, refining, transportation and insurance costs.
“operator”	The party in a joint venture which carries out the operations of the joint venture
“ore”	A natural aggregate of one or more minerals which may be mined and sold at a profit.
“ounces”	Troy ounces.
“ton”	2,000 pounds or 907 kilograms.
“Tonnage” and “grade”	The quantity of ore reserves and the amount of gold and silver (or other products) contained in such reserves and include estimates for mining dilution but not for other processing losses.
“Tonne”	2,205 pounds or 1,000 kilograms
“wt%”	Percentage by weight.

1.4 Conversion Table

In this AIF a combination of Imperial and metric measures are used with respect to mineral properties located in Canada. Conversion rates from Imperial measure to metric and from metric to Imperial are provided below:

Imperial Measure	=	Metric Unit	Metric Measure	=	Imperial Unit
2.47 acres		1 hectare	0.4047 hectares		1 acre
3.28 feet		1 metre	0.3048 metres		1 foot
0.62 miles		1 kilometre	1.609 kilometres		1 mile
0.032 ounces (troy)		1 gram	31.1 grams		1 ounce (troy)
1.102 tons (short)		1 tonne	0.907 tonnes		1 ton
0.029 ounces (troy)/ton		1 gram/tonne	34.28 grams/tonne		1 ounce (troy/ton)

1.5 Currency

Unless otherwise indicated, all dollar amounts are in Canadian dollars.

ANNUAL INFORMATION FORM

Item 2: Corporate Structure

2.1 Name and Incorporation

Northern Hemisphere Development Corporation (the “Issuer”) was incorporated on March 6, 1978 under the laws of the Province of British Columbia by registration of its Memorandum and Articles pursuant to the *Company Act* under the name Pan-Cana Development Corporation. Effective May 18, 1978, the Issuer changed its name to Hemisphere Development Corp. and increased its authorized capital from 5,000,000 to 10,000,000 common shares without par value. On September 13, 1994, the Issuer altered its memorandum to increase its authorized capital to 50,000,000 common shares without par value. Effective March 20, 1979 the Issuer adopted new articles and on January 14, 2000, the Issuer changed its name to its present name, consolidated its share capital so that every five shares were consolidated to one new share and subsequently increased its authorized capital to 100,000,000 common shares without par value.

The head office of the Issuer is located at 305 - 455 Granville Street, Vancouver, British Columbia, V6C 1T1. The Issuer's auditors are KPMG LLP, Chartered Accountants, Vancouver, British Columbia and the Registrar and Transfer agent is Computershare Trust Company of Canada, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

2.2 Intercorporate Relationships

The Issuer has one active wholly owned subsidiary, Hemisphere Development Corporation “Hemisphere US”), incorporated in the State of Colorado on May 22, 1980.

Item 3: General Development of the Business

3.1 Three-Year History

The Issuer is a natural resource company primarily engaged in the acquisition, exploration and development of natural resource properties since 1978. The mineral properties are in the exploration stage. As at February 28, 2003, the Issuer's most recently completed fiscal year, the Issuer had an option to acquire a 100% interest in the Kaza-Northstar Property situated in Omineca Mining Division of British Columbia, a 51,73% interest in the Sunrise Polymetallic property joint venture near Yellowknife, NWT, and a 50% interest in one lithium claim, known as the Elk 1 Claim located in the Northwest Territory, 115 km. east-southeast of Yellowknife.

The Issuer's subsidiary Hemisphere US has, for more than 20 years, held a small minority interest in oil and gas producing oil wells situate in the State of Oklahoma. Hemisphere US has not participated in the drilling of any new wells since 1982. During the year ended February 28, 2003, the Issuer realized revenue from the oil and gas holdings of \$15,746. Costs have been written down to a nominal value and detailed records are no longer available with respect to the Issuer's costs and percentage interests. The revenue from these wells is not material to the Issuer.

In the fall of 1998, as a result of a drilling program on the Beaverlodge and Wopmay properties located approximately 360 kilometres north-northwest of Yellowknife, NWT and 100 km due south of the south-

east arm of Great Bear Lake, which showed that further exploration on the properties would not be economic, the Issuer dropped the properties and the \$1,169,814 in resource property costs related to these properties were written off in the fiscal year ended February 28, 1999. The Issuer pays its 50% costs to keep the Elk 1 Claim in good standing but no work has been conducted on this claim for some time, nor is any work program planned.

On March 11, 2002, the Issuer entered into an option agreement with Mona Jean Miller-Tait of North Vancouver, B.C. (the "Optionor"), who is at arm's length to the Issuer, to acquire a 100% right, title and interest in a group of mineral claims located in the Omineca Mining Division of British Columbia and more particularly referred to as the Kaza-Northstar Property. To earn out its option and acquire 100% of the Kaza-Northstar Property, the Issuer agreed to pay the Optionor the sum of \$75,000, issue 700,000 of its common shares to the Optionor and incur a total of \$500,000 in Exploration Expenditures on the property over a period of the next four years. To date the Issuer has paid the first \$30,000 and issued 200,000 common shares to the Optionor. Additionally, if the Issuer decides to place the property into commercial production, it shall issue to the Optionor a total of 500,000 shares within 15 days of a public announcement of its intentions. Once the Issuer has exercised its option, the Optionor shall be entitled to receive a 3% Net Smelter Return ("Royalty") which shall be paid as to \$15,000 yearly, commencing on the fifth anniversary of the effective date of the option agreement until such time as the Issuer publicly announces that it will be placing the property into commercial production, at which time the requirement to pay an advance Royalty payment shall terminate. Two percent of the Royalty may be purchased by the Issuer from the Optionor for \$1,000,000 for each percentage point and the remaining one percent may be purchased for \$2,000,000.

On June 16, 2003 the Exchange accepted for filing an agreement dated June 9, 2003 among Silver Standard Resources Inc. ('Silver Standard'), Aber Diamond Corp. ('Aber') and the Company whereby Silver Standard agreed to purchase Aber's 48.27% interest and Northern Hemisphere's 51.73% interest in the Sunrise Lake Deposit for a total of US\$490,000 cash and the issuance of 83,004 common shares of Silver Standard, of which the Company was to receive US\$252,440.40 cash and 42,938 common shares of Silver Standard.

3.2 Significant Acquisitions and Significant Dispositions

There were no significant acquisitions or dispositions completed by the Company during its most recently completed financial year other than as set out above in section 3.1 and elsewhere in this document.

3.3 Trends

The Company has determined that a change in the provincial government in British Columbia will lead to increased incentives for resource development in the Province. In addition, the price of gold bullion has continued to increase, reflecting in part, a weakening United States dollar. In the opinion of the Company, these factors will make mineral exploration in general in British Columbia increasingly attractive and increase the opportunities for its properties.

Item 4: Narrative Description of the Business

4.1 General Description

The Business of the Company

At the end of the Issuer's fiscal year ended February 28, 2003, the Issuer's business consisted of the exploration and development of natural resource properties, and although very little exploration was conducted during the past fiscal year, a total of \$68,390 was spent to keep its existing properties in good standing.

All up-to-date information regarding the Issuer's properties which are owned by the Issuer and described in its audited financial statements for the fiscal year ended February 28, 2003 is contained in its Annual Information Form for the 2003 fiscal year, dated December 1, 2003 and the geological report titled "Progress Report on the Year-2003 Surface Exploration Program on the Kaza-Northstar Project, Northern Hemisphere Development Corporation", dated October 22, 2003, prepared by Carl M. Schulze, P. Geo of All-Terrane Mineral Exploration Services, as well as in other geological reports, all of which may be reviewed on the SEDAR website at www.sedar.com

4.2 Issuers with Asset-backed Securities Outstanding

Not applicable.

4.3 Material Mineral Projects

4.3.1 Kaza-Northstar Property

The Issuer will be concentrating its activities on the Kaza-Northstar Property acquired pursuant to an agreement dated March 11, 2003 and as a result, the information required with respect to the Issuer's business to be included in this Annual Information Form will relate to the Kaza-Northstar Property.

The following information is a brief compilation taken from the report titled "Progress Report on the Year-2003 Surface Exploration Program on the Kaza-Northstar Project, Northern Hemisphere Development Corporation", dated October 22, 2003, prepared by Carl M. Schulze, P. Geo of All-Terrane Mineral Exploration Services for the Issuer, which report can be reviewed on the SEDAR website at www.sedar.com.

1. Property, Description and Location

The Kaza – Northstar property is located roughly 220 air kilometers north-northwest of Fort St. James, and about 150 km north-northeast of Smithers in north-central British Columbia. The property hosts two major project areas: the Northstar project area, centered at 56° 03' 05" N Latitude, 126° 15' 00" W Longitude; and the Kaza project area, centered at 55° 58' 45" N Latitude, 126° 20' 15" W Longitude.

The property covers roughly 3,600 hectares areas within NTS Sheets 93M/16 and 94D/01, extending as a north-northeast-trending contiguous claim block along the eastern portion of Kaza Lake. It consists of 29 two-post claims and 8 four-post claims (Table 1), for a total of 140 claim units (Some overlap occurs where four-post claims were staked subsequently to valid two-post claims; the number of units stated is calculated on area covered). The two-post claims are owned by Ms. J. Miller-Tait under option to Northern Hemisphere under terms of the March 11, 2002 option agreement (see Section 1.1.1). The four-post TLA 1 through TLA 7 claims were recorded in April, 2002 and the Garry claim was recorded in September, 2003; these were subsequently included in the agreement. All claims are unpatented and, to the author's knowledge, have not undergone a legal survey.

The property has received full permitting for surface exploration and proposed diamond drilling programs, as well as for access to the property. Northern Hemisphere has agreed to conduct full

reclamation of all surface disturbances, including drill sites, incurred during its exploration program, as well as reclamation of a derelict outfitter's camp south of Kaza Lake. Northern Hemisphere has also conducted partial reclamation of the former exploration camp at Kaza Lake and will complete this during the exploration program. Northern Hemisphere will also improve bridge access across Lion Creek in compliance with 100-year flood levels, and will construct temporary bridges across significant stream crossings.

The Northstar project area hosts several zones of copper-silver mineralization occurring as massive chalcocite and/or bornite veining, largely within a north-south extending dilational corridor. The Kaza project area hosts several zones of copper-gold-silver mineralization occurring as skarn and replacement-style horizons commonly associated with felsic dykes. No mineral resources or reserves have been established within the property, and there are no previous mine workings.

2. Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Kaza-Northstar property is accessible by all-weather logging roads in good condition extending roughly 260 road kilometers from Fort St. James to roughly two kilometers south of the south property boundary. From there, the property may be accessed during the summer by 4WD vehicles along a narrow road, extending through the Kaza project area to the Northstar project area. Road upgrading to all-weather status, including temporary bridge construction, will occur prior to a proposed drilling program. The Northstar project area is also accessible by fixed wing aircraft based at Fort St. James, and by helicopter from Smithers, B.C. 150 kilometres to the south-southwest. A major logging camp, the Lovell Cove camp, is located about 60 road kilometers to the southwest along the BC Rail line.

The Northstar project area is located within the Cariboo Heart Range, with elevations from 1,200 metres (4,000 feet) to 1,750 metres (5,750 feet). Topography is moderate to steep, with narrow gorges in southeastern areas. Most areas are below the tree line at about 1,600 metres (5,250 feet), and are covered by thick stands of sub-alpine fir with lesser spruce. The remaining project area is located within gently to moderately rolling terrain west of the Cariboo Heart Range with elevations ranging from 1000 metres (3,300 feet) to 1,250 metres (4,100 feet). Here, vegetation consists of regenerated mixed coniferous and deciduous forest and scrub following a forest fire occurring in the mid-1960s.

The climate is typical of northern continental areas, with cool summers and cold winters, and fairly abundant summer rainfall and winter snowfall, particularly in the Northstar project area. The snow-free field season occurs from June to early November, likely somewhat shorter at higher elevations, although drilling can be undertaken with moderate snow cover.

The property contains abundant moderate terrain suitable for construction of mine workings, processing plant sites tailings ponds, heap-leach pads and waste disposal areas, if warranted. Abundant water is available at Kaza Lake and Lion Creek.

Fort St. James is a full-service community servicing a population of about 5,500, with excellent road and hydro-electric power access. The B.C. Rail line, which extends north-northwest from the town, is located roughly 20 kilometres west of the property. Smaller population centres exist along Takla Lake, particularly in the Lovell Cove area.

3. History

Much of the information comprising the following section is supplied by the year-2002 compilation report by J. Varas and Richard Williams, titled "A Summary of the Historical Exploration Activities and

Results for the Kaza-Northstar Property, Omineca Mining Division, B.C. and Recommendations for Further Exploration”, which report can be reviewed on the SEDAR website at www.sedar.com.

Northstar Project Area

The showings comprising the Northstar project area were first discovered and staked as the FRED prospect by Mr. Robert Tait in 1965. Five showings were identified: the Main showing, the North showing, the CV and CVH showing (both also referred to as the B showing) and the BC showing (BC Minfile, 2003). The Main showing consists of disseminated bornite, chalcopyrite and copper oxide mineralization within north-south striking, steeply east dipping siltstones, from which a sample returned a value of 2.65% copper, 6.86 g/tonne silver and 0.2 g/tonne gold (Property File, Kikuchi, T., 1969). The North showing, located 300 – 450 metres to the northwest, hosts disseminated chalcocite within andesite, from which a sample taken in 1966 returned 1.57% copper and 13.7 g/tonne silver (White, 1966). The BC showing, 500 metres southeast of the Main showing, consists of a 7 – 15 centimetre wide vein, from which a channel sample returned a value of 50.9% copper, 603.4 g/tonne silver and 0.3 g/tonne gold (Letter from the President, Northstar Copper, 1967). The CVH showing, consisting of bornite, chalcocite and specular hematite located 600 metres south-southeast of the Main showing, returned a value from trench chip sampling of 2.60% copper, 5.14 g/tonne silver and 0.2 g/tonne gold across 7.3 metres (Kikuchi, 1969). The CV showing, consisting of shear-hosted bornite, covellite, chalcocite and specular hematite located 45 metres west of the CVH showing, returned a channel sample value of 3.3% copper and 10.3 g/tonne silver across 3.66 metres (Kikuchi, 1969).

Exploration in 1966 consisted of preliminary mapping, prospecting and geological mapping, followed by grid soil sampling and a 637-metre diamond drilling program of nine AQ-diameter holes targeting the Main and B showings (Table 2).

In 1968, a further eleven AQ-diameter holes totaling 800 metres were drilled, as well as 9,144 metres of bulldozer trenching and blasting of 50 shallow pits (Table 2). Trenching across part of the B showing revealed a system up to 11 metres wide and traceable for 60 metres, consisting of sub-parallel chalcocite-bornite veins to 0.45 metres in width (Varas and Williams, 2002, after White, 1968). An 8.16-metre channel sample reported the following grades:

Sample # *	Sample Width (m)	Ag (g/tonne)	Cu (%)
7172	3.05	4.65	0.65
7173	0.41	173.6	32.00
7174	1.27	3.1	0.70
7175	3.05	4.65	0.90
7176	0.38	1.125	7.2
Total	8.16m	12.65 g/tonne Ag	2.62% Copper

Sampling of a second trench located 150 metres to the south-southwest returned the following grades (White, 1968):

Sample # *	Sample Width (m)	Ag (g/tonne)	Cu (%)
7186	3.35	4.65	1.05
7187	1.83	13.95	3.00
Total	5.18	7.9 g/tonne Ag	1.74% Cu

* from Varas and Williams, 2002.

A further thirteen AQ-diameter holes totaling 1242 metres were drilled, largely across the B showing (Table 2). From this work, a northwest-southeast trending zone of disseminated and irregular veinlets of bornite within brecciated porphyritic andesite (White, 1968) was delineated, with interpretation, including drill intercepts, described in Figure 3.

In 1972, nine AQ-diameter holes totaling 693 metres were drilled; however, locations and results are not known.

In 1973, Bethlehem Copper Mines Ltd. optioned the property, conducted a geochemical survey across the eastern portion of the property, excavated two more bulldozer trenches, and drilled eight shallow AQ diamond drill holes totaling 290 metres.

In 1974 Northstar Copper Mines Ltd. conducted limited bulldozer trenching and a 10-hole, 398-foot (121.5m) “Winkie” drilling program targeting extension of the shale unit hosting the “RMT” showing, interpreted as occurring north of the B-showing. No significant intercepts were reported.

The property lay dormant until 1996, when Everest Mines and Minerals Ltd optioned both the Kaza and Northstar properties. A bulldozer trench at the B-showing exposed a system of parallel chalcocite veins and mineralized shear zones within porphyritic andesite. Eight continuous 2-metre chip/ channel samples were obtained, returning a value of 2.8% copper and 13.6 g/tonne silver across 16 metres (Miller-Tait, 1996). A second showing, the “B-Zone 2”, discovered 100 metres to the north, is comprised of three narrow north-south striking, west-dipping chalcocite-bornite veins. Channel sampling returned the following results:

Width (m)*	Ag (g/tonne)	Cu (%)
2.0	50.4	8.4
2.0	60	11.8
1.0	55	9.6
1.0	40.7	7.7

* after Varas and Williams, 2002

In 1997, Everest Mines and Minerals Ltd established a cut grid of eleven 990-metre lines ranging from 0+00 to 10+00N, extending east from Base Line 0+00. Everest conducted a detailed soil geochemical program at 15-metre station intervals across the southern ten lines (a 30-metre station interval was used for the southern three lines). The program focused on copper, silver, gold, lead and zinc analysis, and delineated numerous northeast-southwest to north-south trending copper anomalies. Everest also excavated three new trenches and a blast trench: the “Discovery Cut”, hosting the “New Vein”, located south of the B-showing; Trench TN-1 located about 40 metres to the north of the Discovery Cut; and the blast trench and trench TN-2, about 180 metres to the northeast, all within porphyritic andesite. Channel sampling of the 0.75-metre “New Vein”, hosted within a 2.0-metre wide shear zone oriented at 160°, returned values of 51.68% copper and 279 g/tonne silver across 1.0 metre, and 20.6% copper and 124 g/tonne silver across 2.0 metres. Results from trench sampling are as follows:

Trench *	Width (m)	Copper (%)	Silver (g/tonne)	Gold (ppb)
Discovery	5.0	7.9	55.2	266
Blast trench	5.5	7.3	46.6	
TN-1	23.0	2.1	4.6	
TN-2	7.0	7.9	55.2	

* after Varas and Williams, 2002

A fourth trench, TN-3, south of the Discovery Cut, was not sampled, due to “no visible mineralization”.

Also in 1997, Everest contracted Geotronics Surveys Ltd. to conduct ground magnetic, Induced Polarization (IP) chargeability and resistivity surveys covering the same grid lines as the geochemical survey. The IP survey revealed a broad anomalous area ranging from 500 metres wide along Lines 7 + 00 and 9 + 00N to 900 metres wide along Lines 2+00, 3+00 and 4+00N. The survey indicates the anomalous zone strikes roughly north-south, is at least 900 metres long and is open along strike. In southern areas it is comprised of up to four zones, with a single source comprising the northern part. The northwestern part of the anomaly correlates with magnetic and resistivity contacts, with magnetic and resistivity highs correlating with porphyritic andesites, and lows corresponding with sedimentary units (Varas and Williams, 2002; after Mark, 1998). In the southeastern part the response is more complex, with correlation between IP response and anomalous copper and silver soil geochemical values ranging from excellent to no correlation (Mark, 1998).

In March 2002, Northern Hemisphere Development Corporation entered into an option agreement to acquire a 100% interest in both the Kaza and Northstar properties. Northern Hemisphere then staked the TLA 1 – 8 claims, covering territory between the two claim blocks, effectively creating one contiguous land holding, as well as additional ground to the north and south of the respective project areas. The Northstar and Kaza properties are now referred to as the Northstar project and Kaza project areas.

In July 2002, J. Patricio Varas and Richard Williams, along with consultant Godfrey Walton visited both project areas, and provided recommendations for further exploration. These formed the basis of the year-2003 surface exploration field program described in this report.

Kaza Project Area

The earliest records on the Kaza project area date from 1967, when the FIRE claim block was controlled by Mr. R.M. Tait. That year, pyritic gossanous zones with intermittent chalcopyrite up to 30 metres wide and with a minimum strike length of 300 metres were identified. However, only two channel samples were obtained from locations about 800 feet apart, with the following results (Sinclair, 1967):

Sample No. *	Country Rock	Channel Length	Gold (oz/ton)	Silver (oz/ton)	Copper (%)
13003D	Hornblende	6 ft	0.05	2.25	1.30
13004D	Marble	4 ft	0.015	0.20	1.30

* after Sinclair, 1978

In 1968, Mr. Tait conducted further exploration, including geological mapping and a 10-hole, 2,164-foot (660-metre) diamond drilling program. This reportedly returned a value of 1.17% copper, 14.4 g/tonne gold and 120 g/tonne silver across 1.2 metres from DDH #9, **although no records to substantiate this intercept are available**. One 4-metre surface chip sample reportedly returned a value of 0.88% copper, 15.43 g/tonne gold and 127 g/tonne silver.

In 1973 Dynasty Explorations Ltd conducted soil sampling and magnetometer surveys across the mineralized area. The soil survey revealed a broad copper anomaly 3800 feet (1160 metres) long by 1500 feet (460 metres) wide covering the main mineralized area. The magnetometer survey revealed erratic magnetic highs corresponding with narrow magnetite horizons. Dynasty also analyzed six rock samples taken from the best exposures of skarn-style mineralization in the main mineralized trench, with the following results (Dean and Davis, 1973):

Sample Number	Width	Copper (%)	Gold (oz/ton)	Silver (oz/ton)
3-D-17	6.5 feet	0.20	0.004	0.05
3-D-26	13 feet	0.88	0.45	0.37
3-D-28	Grab	0.22	0.010	0.08
3-D-29	9 feet	1.01	0.040	0.34
3-D-30	6 feet	1.39	0.071	0.41
3-D-32	5 feet	0.28	trace	0.28

Dynasty also conducted regional copper geochemical sampling traverses along Lion Creek, Kaza Creek and several tributaries. Background copper values were returned from Lion Creek; background to weakly anomalous values were returned from Kaza Creek and a Kaza Creek tributary. Sampling along a tributary of Lion Creek north of the main mineralized area returned copper values ranging from background (66 ppm) to strongly anomalous (1400 ppm), with numerous values exceeding 200 ppm copper.

In 1980, Dome Exploration (Canada) Ltd. conducted soil geochemical surveying for copper, silver, gold and arsenic outside of the main mineralized trend and determined that no significant anomalies were identified. Dome also conducted chip sampling along the main mineralized trend, obtaining values to 0.085 opt gold across 5 metres, and identified the importance of “hornblendite zones” as potentially auriferous. However, Dome concluded that there was likely insufficient tonnage to warrant further exploration.

In June 1983 Asarco Exploration Company of Canada Ltd. staked the 20-unit BLUE claim across the Main Trend, and obtained numerous samples for petrographic analysis.

In August, 1985, Mr. Robert M. Tait staked the LOG 1-4 claims covering the Main Trend. Three rock samples obtained returned gold and silver values ranging from background to 0.69 opt silver and 0.050 opt gold.

In 1996, Everest Mines and Minerals Ltd. obtained five 10-kg, minus-20 mesh stream sediment samples. Three returned anomalous gold values: 97 ppb gold from a creek draining the northern portion of the main trend; 144 ppb gold from a creek to the south; and 428 ppb gold from a creek to the west (Miller-Tait, 1996). Everest also mapped the known showings in detail, divided the main trend into the Main, South and North showings, and obtained 29 rock chip/ channel samples showing the presence of pyrite – chalcopyrite +/- malachite +/- magnetite. The best results are as follows:

Showing *	Width (m)	Cu (%)	Au (g/tonne)	Ag (g/tonne)
Main	10	0.99	1.57	29.1
South	10	0.95	0.81	17.1
North	10	0.46	4.69	7.0
North	10	1.5	4.77	17.0
North	10	0.98	3.70	11.7
North	5	3.1	1.86	30.0

* after Varas and Williams, 2002

The Main and South showings are located along the same topographic lineament covering a distance of 370 metres (Varas and Williams, 2002; after Miller-Tait, 1996). The North showing was described as

three gossanous, pod-like bodies up to 20 metres in diameter (Varas and Williams, 2002; after Miller-Tait, 1996).

Also in 1996, I.S. Thompson of the firm of Derry, Mitchener, Booth and Wahl collected four composite grab and one grab sample from the Kaza showings, with the following results (Thompson, 1996):

Sample No *	Description	Cu (%)	Au (g/tonne)	Ag (g/tonne)
#73221	Main showing	0.35	0.48	8.0
#73222	Parallel to #73221	0.28	1.10	8.6
#73223	South Showing	0.16	0.16	3.9
#73224	Grab, oxidized volcanics	0.27	0.34	7.5
#73225	Between Main and South	2.30	0.01	12.5

* after Varas and Williams, 2002

In August 1996 Everest entered into an option agreement with Mr. R.M. Tait on the thirteen claims then comprising the Kaza property. In 1997 Everest conducted soil geochemical, ground magnetometer and Induced Polarization (IP) chargeability and resistivity surveys, as well as an intensive mechanical trenching program.

A base line oriented at 330° was established, with eleven grid lines spaced 100 metres apart ranging from 5+00N through 5+00S. These extend 500 metres at 60° and 240° respectively from the base line. A total of 381 soil samples were obtained at 25-metre sample intervals, with no samples taken in areas of swampy ground. The survey identified strongly anomalous coincident copper and gold values along the Main Trend, including copper values exceeding 1.0 % and several gold values exceeding 1.0 g/tonne gold, to a maximum of 5.09 g/tonne gold. The survey also identified numerous copper anomalies, commonly but not exclusively coincident with anomalous gold zones.

The Induced Polarization survey revealed five anomalous zones, interpreted to represent sulphide-rich zones. Two of these anomalies are coincident with the Main Trend, the third occurs parallel to this at roughly 2+50E along the extent of the grid, the fourth occurs to the west, and the fifth underlies the north-eastern portion of the grid.

The trenching program targeted the strongest geochemical anomalies along the main trend and exposed massive sulphide zone up to 23 metres wide with an inferred strike length of 450 metres. The best results were obtained in trench K-T-7, returning a value of 1.70 g/tonne gold and 7958 ppm copper across 7.5 metres (Church and Miller-Tait, 1998).

In 2002 Northern Hemisphere entered into an option agreement to acquire both the Kaza and Northstar properties.

4. Geological Setting

Regional Geology

The Kaza-Northstar property is located on NTS map sheets 93M/16 (northeast corner of the Hazelton sheet and 94D/01 (southeast corner of the McConnell Creek sheet). The property is located within the Intermontane Belt of the Canadian Cordillera and is underlain by the Stikinia terrane which lies in north-northwest contact with the Cache Creek terrane roughly 10 kilometres to the east. Stratigraphy, including ages of groups and formations, is based on reports authored by Dean in 1973, in turn based on Geological Survey of Canada reports O.F. 342 and O.F. 2322.

The Cariboo Heart Range and much of the broad, north-northwest trending Lion Creek valley to the west is underlain by Upper Triassic Takla Group (Stuhini Group) rocks, predominantly Savage Mountain Formation subaqueous augite porphyritic basaltic and porphyritic andesitic flows and tuffs, with lesser shale and greywacke and minor limestone. These stratigraphically overlie Dewar Formation tuffs and clastic sediments, with minor limestone, also part of the Takla Group, exposed within southwestern portions of the Cariboo Heart Range.

South of Kaza Lake, klippe of Takla Group rocks have been emplaced by thrust faulting onto an assemblage of predominantly Jurassic to Cretaceous Hazelton Group rocks, which underlie much of the lower Lion Creek valley. Here, the Hazelton Group consists largely of Telkwa Formation calc-alkaline basaltic to andesitic flow, tuff and lapilli tuff volcanics, with lesser dacitic and rhyolitic volcanics and intercalated volcanoclastic sediments (Church and Tait, 1998, after Dean, 1973). Telkwa Formation rocks are overlain by Cretaceous Sustut Group, Tango Creek Formation conglomerate, sandstone, siltstone and coaly shale, which directly underlie the Stuhini Group klippe. Hazelton Group rocks have also been intruded by Tertiary Kastberg Intrusives, consisting of biotite rhyodacite porphyry and massive leuco-rhyolite (Church and Tait; 1998, after Dean, 1973).

Regional and district scale faults, including the Takla Fault east of the Cariboo Heart Range, and the Pinchi Fault further to the east, extend NNW – SSE, conformable to regional stratigraphic and tectonic trends within the northern Cordillera at comparable latitudes. Within the Lion Creek area, these faults signify major structural breaks manifested as major river drainages.

Dean (1973) identified a major northeast-dipping thrust fault, the “Vital Fault”, east of the Takla Fault, resulting in emplacement of upper Cretaceous layered “Axelgold” gabbros onto Triassic to Jurassic Stilika Assemblage metapelites, metaconglomerates and metavolcanics. Pennsylvanian to Permian Cache Creek oceanic volcanics, oceanic shales and chemical sediments, and serpentinite, underlie much of the territory east of the Vital Fault.

The Early Jurassic Hogem Batholith, consisting of foliated quartz monzonite, occurs southwest of the project area (Varas and Williams, 2002, after Thompson, 1996).

Property Geology

The major lithological units and stratigraphy that form the basis of the property geology of this report were identified and mapped by Dean in 1973.

The Northstar project area is underlain by Upper Triassic Savage Mountain Formation volcanics and lesser limestone and fine clastic sediments. Southeast of Kaza Lake, Savage Mountain Formation volcanics occur within a thrust fault-emplaced klippe overlying Cretaceous Tango Creek Formation conglomerate and sandstone (Unit 6, Map 1), visible at one outcrop location along the access road. The property area extending south-southwest of the south shore of Kaza Lake is underlain by Lower Jurassic Hazelton Group, Telkwa Formation calc-alkaline volcanics, predominantly basalts, andesites and andesite tuffs (Unit 5 on Maps 1 and 2; Unit 1 on Maps 4, 5, 7 and 9). Quartz and quartz-feldspar porphyritic dykes occur within the Telkwa Formation volcanics; these have been interpreted as members of the Tertiary Kastberg Intrusives.

Dean (1973) interpreted two parallel north-northwest – south-southeast trending property-scale faults northeast of the Kaza project area. The southwestern fault was also indicated by year -2003 mapping, although presence of the northeastern fault was not confirmed.

Northstar Project area

Northstar Project Geology

The Northstar project area is underlain by four members of Upper Triassic Savage Mountain Formation volcanics and sediments. The oldest member, "Unit 1", consists of a broad unit of feldspar porphyritic andesite, with up to 25% porphyritic plagioclase clasts to 2.0 cm in length, locally bladed, within a fine grained dark groundmass (Maps 1 and 2). Andesites are commonly vesicular to amygdaloidal resulting from calcite emplacement. The "B" showing and trenches exposed by Everest Minerals occur within these porphyritic andesites. The second unit (Unit 2) consists of augite porphyritic green epidotic and chloritic basaltic flows, tuffs and lapilli tuffs, which have undergone greenschist-facies metamorphism. An age relationship was established through identification of rare lithic fragments of Unit 1 feldspar-porphyritic andesites within the basalts. Unit 3 consists of fine bedded shales, mudstones and siltstones, locally calcareous. Unit 4 consists of grey limestone, locally as broad members, and commonly hosting late-stage calcite vein stockwork zones.

Year-2003 mapping indicates that Unit 2 basalts underlie southern and southwestern portions of the Northstar project area, separated from Unit 1 andesites to the northeast by a north-northwest extending contact (Maps 1 and 2). A small limestone unit occurs along the contact south of the Discovery Cut. Northwestern portions of this project area, including the Main Zone area, are underlain by a complex sequence of east-northeast – west-southwest-trending intercalated, largely narrow, members of Unit 1 andesites, Unit 2 basalts and Unit 3 fine clastic sediments, locally calcareous. A fairly broad member of veined Unit 4 limestone extending conformably to this sequence marks the upper (northwest) boundary of the finely intercalated portion, although broader andesitic, basaltic and sedimentary units occur along a similar orientation farther to the northwest. The North showing occurs within Unit 1 andesites, along and to the north of a conformable fault contact separating these from Unit 2 basalts and minor Unit 3 sediments to the south-east.

Farther to the northwest, beyond the property boundary, northeast-southwest trending Unit 2 basalts are intercalated with members of Unit 3 fine clastic sediments up to 75 metres in width. Much of the sediments and portions of the volcanics have undergone strong carbonate alteration and silicification.

South of the gridded area, an east-northeast – west-southwest trending lens of weakly quartz – feldspar porphyritic granite was identified (Unit 7 on Map 1). No occurrences of similar lithology are mentioned in past literature; descriptions in past reports suggest it resembles the Early Jurassic Hogem Batholith most closely.

Dean (1973) indicated that areas just north of Kaza Lake southwest of the project area are underlain by upper Triassic Dewar Formation sediments and tuffs; however, this area was not visited during the 2003 season.

Northstar Project Structural Geology

Detailed geological mapping in 2003 identified a pervasive structural fabric, manifested as small shear zones, minor faults and a widespread northwest – southeast oriented foliation with variable dips ranging from steeply southwest to steeply northeast. Joint planes are commonly parallel to this. This fabric is dominant in southern and eastern areas, including the "B" showing area, where mineralization is controlled by it. The inferred major contact and most stream drainages also parallel it. However, in northeastern areas, underlain by feldspar porphyritic andesite, a more pronounced north-northwest-south-southeast trending fabric predominates. At Trench T-N-2 and a bornite occurrence to the north, chalcocite – bornite veins (see Section 7: Mineralization) are oriented roughly north-south, dipping

steeply, variably to the west or east. This suggests an approximately north-south oriented dilational corridor open to the north and potentially somewhat to the south beyond the Discovery Cut.

Bedding within the limestone unit along the northwest – southeast trending andesite - basalt contact is oriented at 300° , dipping at -40° to the northeast.

To the northwest, foliation generally parallels the finely intercalated northeast – southwest trending stratigraphy. The Main showing occurs along a fault contact oriented at 55° , dipping steeply to the southeast, between Unit 1 andesites to the southeast and Unit 3 fine bedded siltstone to mudstone to the northwest. To the northwest, the North Showing occurs within porphyritic andesite along the northwest side of a fault of similar orientation, separating the andesites from basalts to the southeast. Both major structural fabrics occur within intercalated basalts and sediments in the area of carbonate alteration further northwest.

Interpretation of year-2003 mapping results indicates the boundary between northwest-southeast trending stratigraphy and the northeast-southwest trending intercalated assemblage to the northwest occurs north of L 9 + 00N. However, no fault contacts or fold axis were observed, and are omitted from interpretations to date.

Kaza Project Area

The lithologic units and stratigraphy underlying the Kaza project area were first mapped and compiled by Dean in 1973. Lithologic units ranging from Unit 1 through Unit 5 described are based on the stratigraphic column for the Kaza Property developed by Dean; however, these are not the same units as those described under “Northstar Project Area”, above.

Kaza Project Area Geology

The Kaza project area is underlain predominantly by a thick sequence of Lower Jurassic Telkwa Formation calc-alkaline volcanics and lesser intercalated sediments. The predominant rock type is a feldspar-porphyritic andesite, with up to 30% plagioclase feldspar phenocrysts within a dark green groundmass (Unit 1c on Maps 4, 5, 7 and 8). Most of the mineralized occurrences are hosted by this rock type. Western portions are underlain by an augite +/- hornblende porphyritic andesite (Unit 1b on Maps 4, 5, and 7) locally with small plagioclase laths to 5 mm in length (Church and Tait, 1998). Small units of fine grained, dark green tuffs occur at several locations (Unit 1b).

Year-2003 mapping east of the gridded area identified a broad unit of basalt, texturally distinct from the Kaza project area andesites, but also locally augite and feldspar porphyritic. Mapped by Dean as Unit 1a andesites, these are now interpreted as a separate lithologic unit, indicated as Unit 1e on Map 4.

A unit of light grey limestone occurs along strike to the north-northwest of the Main Trend (Unit 2 on Maps 4, 5, and 7). To the southeast, along Kaza Creek, two small south-southeast trending, southwest dipping units of calcareous sandstone occur within porphyritic andesite (Unit 3 on Map 4).

Several north-northwest - south-southeast trending quartz and quartz - feldspar porphyritic dykes occur within the project area, most prominently within the Main Trend (Unit 5a, Maps 4, 5, 7 and 8). Much of the Kaza project area mineralization is spatially associated with these dykes, particularly one major dyke interpreted to extend along the entire length of the Main Trend. Another quartz porphyritic dyke, sub-parallel to these, occurs about 1.5 kilometres to the northeast, and has been interpreted as an extension of one or more mapped farther south-southeast by Dean. These dykes are provisionally interpreted as members of Tertiary Kastberg Intrusives, although they differ compositionally from

descriptions of Kastberg Intrusives provided in previous reports, and may predate the Kastberg Suite. A small north-south trending unit of weakly hornblende porphyritic rhyolite (Unit 5b on Maps 5 and 7) extends across the north-eastern end of Trench K-T-5; this resembles descriptions of the Kastberg Intrusives.

Small units of ‘hornblendite’, commonly hosting chalcopyrite and pyrite, occur in the North Showing area of the main trend. Numerous similar occurrences discovered in 2003 led to identification of a distinct trend, extending at 105° from the area near trench K-T-8 (Maps 7 and 8). These are now interpreted as altered andesite skarn occurrences with a distinct geochemistry, rather than a separate lithological unit.

Kaza Project Structural Geology

Stratigraphy in the Kaza project area trends north-northwest – south-southeast, roughly parallel to the base line of the cut grid. The dominant foliation, most pronounced within mineralized zones, extends approximately parallel to stratigraphy, with a predominantly vertical to steep north-east dip. However, at Trenches K-T-1 and K-T-2 at the South Showing along the Main Trend, both the quartz-feldspar porphyritic dyke and the foliation attain a southeast – northwest orientation, with predominant foliation measurements of 300°, dipping steeply to the north-northeast. Also, at trench K-T-8 at the North Showing foliation within massive sulphides is oriented at 125° with a vertical dip. Small faults and shear zones throughout the Main Trend are roughly parallel to foliation.

Foliation directions to the east along Kaza Creek are more variable, with fabrics oriented at 70°, dipping steeply southwards, and at 295°, dipping at 50° to the north-northeast, in addition to the predominant foliation.

A significant fault, oriented at roughly 105°, is suggested by a zone of brecciated andesite up to 10 metres wide, locally with minor fracture-controlled copper mineralization, northeast of trench K-T-8. This is parallel to, and slightly northeast of, the mineralized ‘Hornblendite Zone’ described in Section 5.2.2.1.

The contact between feldspar porphyritic andesites and the newly recognized basaltic unit to the east along Kaza Creek is interpreted as a north-south trending fault, resulting in dextral offsetting. Dean has interpreted this as contiguous with a north-northwest – south-southeast trending fault extending towards a magnetite skarn occurrence, the ‘North Mag’ occurrence, associated with a felsic dyke north of the Kaza project area. Several occurrences along Kaza Creek of brecciated andesite and minor shale having a north-south striking, vertical foliation are located roughly one kilometer downstream of the fault contact, also suggesting the presence of a fault zone.

5. Exploration

In 2003, Northern Hemisphere conducted line cutting to extend existing grids on both the Northstar and Kaza project areas. This was followed by soil geochemical sampling, geological mapping, rock and silt sampling covering the grid extensions of both project areas. Detailed geological mapping and rock sampling were also conducted over the 1997 grids at both project areas, and directly northwest of the previously gridded portion of the Northstar project area. Ground magnetometer and Induced Polarization surveys were conducted over the entire newly cut grids at the Kaza project area; Chargeability and resistivity I.P. surveying was also done across much of the grid extension of the Northstar project area. A two-line gravity survey was conducted across the central portion of the Northstar project area. Also, reconnaissance traversing, including rock and silt sampling and geological

mapping, was done to the north and southeast of the Northstar grid, and to the north and east of the Kaza grid.

Partial reclamation of the derelict Northstar camp was also done.

Unfortunately, adverse weather conditions resulted in the access road becoming impassable. The program was terminated prior to completion of detailed mapping of outlying areas of the Kaza grid, and of the I.P. program on the newly cut Northstar grid. However, priority exploration for delineation of mineralized zones and identification of drill targets was completed.

All exploration was conducted by All-Terrane Mineral Exploration Services of Whitehorse, Yukon, under contract to Northern Hemisphere, except for the geophysical surveying, which was performed by Aurora Geosciences Ltd of Whitehorse, Yukon and Yellowknife, NWT, under the supervision of All-Terrane.

Geochemical sampling results can be determined as reliable, as strict parameters were used during sample collection (see Section 9: Sampling Method and Approach). Interpretation of soil sample results must include recognition of horizon sampled. A-horizon or C-horizon samples were taken where B-horizon material was unavailable; anomaly threshold levels may vary. Geological mapping, sampling and geophysical surveying were all supervised by qualified professionals, registered with professional associations.

6. Mineralization

Northstar Project area Mineralization

The most prospective mineralized zones at the Northstar project area occur within the “B” showing area and along the interpreted north-south dilational corridor hosting the Discovery Cut and Trench T-N-2. The Main and North showings have low potential to host significant mineralized zones.

“B” Showing

The B showing consists of several zones of vein and shear-hosted chalcocite and minor bornite hosted by Unit 1 feldspar porphyritic andesite. Trench T-N-1 exposed massive chalcocite veins with azurite and malachite staining within east-southeast striking, steeply southwest dipping shear zones. Massive bornite and minor malachite and azurite also occur as amygdules within vesicular andesite, where it has replaced secondary calcite veins and vesicular infilling. Past sampling returned values to 2.1% copper and 4.6 g/tonne silver across 23.0 metres. Host andesites display fairly strong hematite alteration; epidote occurs as veins and as amygdules somewhat outbound from the zone.

Drilling in 1968 identified a copper horizon at depth, interpreted as striking north-south and dipping 50° to the west (Church and Tait, 1998). Drill records are unavailable, however White has described mineralization as disseminations and irregular veinlets of bornite within brecciated andesite porphyry (White, 1968). Reported drill intercepts range from 1.14% copper across 40 feet (12.2 metres) to 1.68% copper across 48 feet (14.6 metres), with an intercept grading 1.97% copper across 16 feet (4.9 metres), open at depth, terminated due to hole abandonment. These do not necessarily represent true widths. However, reinterpretation in 2003 of the reported data suggests an east-southeast striking zone, dipping to the southwest, conformable to orientation of surface shear-hosted mineralization.

Dilational Corridor

Several vein-style massive chalcocite showings, with azurite and malachite staining, hosted by Unit 1 porphyritic andesite, occur to the south and northeast of the B showing. These include the Discovery Trench, where a 1.0 metre channel sample of massive bornite returned 51.68% copper and 279 g/tonne silver, and a 5.0-metre chip sample returned 7.9% copper, 55.2 g/tonne silver and 266 ppb gold; and Trench T-N-2, where channel sampling returned 7.9% copper and 55.2 g/tonne silver across 7.0 metres. At both locations, almost all mineralization is confined to massive chalcocite veins, ranging from sub-centimetre to 0.75 metres in width. Vein orientations are variable at the Discovery Cut, however at Trench T-N-2, 150 metres to the northeast, north-south to north-northwest – south-southeast striking, steeply east-dipping vein orientations predominate.

Roughly 125 metres north of T-N-2 early excavations of feldspar porphyritic andesite revealed bornite with malachite staining within calcite and drusy quartz vein stockwork zones. This area was not trenched in 1997; however a 2.3 metre chip sample obtained in 2003 returned 4.69% copper and 33.2 g/tonne silver. The setting is distinct as mineralization occurs as bornite, which has a higher sulphide content than chalcocite, within quartz or calcite veins, rather than as massive sulphide veins. Host rocks display fairly strong hematite alteration.

Year-1997 Induced Polarization surveying revealed a north-south trending chargeability anomaly underlying these showings. This suggests these exposures represent parts of a dilational corridor up to 100 metres wide, open to the north and for a limited distance to the south. Early extensional tectonics resulted in formation of abundant open space-bearing fracture and breccia zones, subsequently infilled by massive chalcocite veins, grading northwards to vein-hosted bornite. Year-1997 soil sampling along strike at L 9+00N, 200 metres to the north, returned anomalous copper values to 388 ppm, although no anomalous values were returned from L 8+00N.

Other Mineralization

A previously exposed, unnamed zone located midway between the Main Showing and trench T-N-1 of the “B” showing consists of minor fracture-filling bornite-chalcocite veining within hematite-altered feldspar porphyritic andesite. It also hosts banded quartz-carbonate veins with malachite staining, commonly within orange ankerite-altered zones. Composite grab sampling returned values to 1.59% copper and 8.1 g/tonne silver; chip sampling of an ankeritic zone returned 1255 ppm copper and 0.7 g/tonne silver. However, economic potential of this occurrence is low.

Ankeritic and carbonate-altered veins increase in abundance to the northwest.

Kaza Project Area

Main Trend

The main trenched area encompassing Trenches T-K-1 through T-K-6 is now referred to as the “Main Trend”. This consists of a north-northwest – south-southeast trending zone of relatively continuous skarn-style sulphide zones, with narrow massive magnetite zones. These occur within Telkwa Formation feldspar porphyritic calc-alkaline andesite, spatially associated with quartz-feldspar porphyritic dykes, commonly strongly calcareous, extending conformably to local stratigraphy. Year-2003 mapping indicates one major dyke extends throughout the Main Trend area; towards the southern limit of the trenched area, the zone attains a south-east orientation.

Mineralization consists of massive to semi-massive pyrite and chalcopyrite +/- bornite, developed most strongly along dyke margins. Bornite is more abundant towards the southern end of the Main Trend. Endoskarn sulphide mineralization also extends roughly one metre into the dykes; gold values tend to be highest within endoskarn and immediate exoskarn (host rock) mineralization. Host rock sulphide mineralization is commonly associated with small shear zones, where sulphides have undergone near complete oxidation. Narrow magnetite skarn zones are most common within southern trenches, with variable, sub-economic to low copper and gold values.

Copper and gold values are not uniformly coincident; zones of high copper and low gold values (6409 ppm copper, 360 ppb gold across 3.0 metres, Trench K-T-1), the inverse (339 ppm copper, 1.515 g/tonne gold across 4.0 metres, Trench K-T-2) and coincident high copper-gold zones (24600 ppm copper, 1.555 g/tonne gold across 1.0 metre, Trench K-T-1) were all recognized. This suggests multiple pulses of mineral emplacement, with varying geochemical signatures.

North of trench K-T-6, along strike extension of the Main Trend, gold-bearing chalcopyrite occurs as veinlets and blebs within Unit 2 limestone. Values to 2.62% copper, 0.918 g/tonne gold and 37.8 g/tonne silver were returned from year-2003 composite grab sampling. Fairly abundant trench push of strongly silicified limestone with patchy and fracture controlled chalcopyrite occurring just to the northwest, returned strongly anomalous values to 6610 ppm copper, 0.319 g/tonne gold and 26 g/tonne silver (values above from two composite grab samples). These, together with strongly anomalous copper and gold-in-soil values indicate the main zone extends further to the northwest, through variable lithologies.

Hornblendite Zone

Past exploration in the North Showing area identified numerous small hornblendite units, commonly with high pyrite and/or chalcopyrite contents. These, originally believed to be dykes, are now believed to be zones of calc-silicate skarn alteration of a distinct metasomatic geochemistry to that seen in the Main Skarn area, resulting in formation of abundant hornblende. Year-2003 exploration identified an east-southeast – north-northwest trending zone hosting fairly abundant hornblendite occurrences, present largely as rubblecrop on surface, northeast of the Main Trend (Map 9). Foliation and shear zones within trenches K-T-7 and K-T-8, which host the highest combined massive sulphide-hosted copper-gold grades to date (0.796% copper and 1.70 g/tonne gold across 7.5 metres, Trench K-T-7; 0.385% copper, 0.617 grams/tonne gold and 6.7 grams/tonne silver across 42 metres, open-ended in both directions, Trench K-T-8), strike roughly parallel to the interpreted trend. Thus, these trenches, in the North Showing area near the previously identified hornblendite zones, are now interpreted to occur towards the known western end of the hornblendite zone.

Year-2003 exploration led to discovery of several hornblendite occurrences in rubblecrop, returning grab and composite grab sample values ranging from 4370 ppm copper, 0.753 g/tonne gold and 11 g/tonne silver to 3.08% copper, 11.7 g/tonne gold and 67 g/tonne silver. Mineralization occurs as vein, banded and blebby, chalcopyrite and pyrite, generally unoxidized. This is a distinct fabric from skarn zones in the Main Trend, indicating a separate mineralogical setting. Year-1997 geochemical surveying revealed a strongly anomalous gold and variably anomalous copper signature of this zone. Directly northeast of the occurrences yielding the highest gold values, a zone of brecciated andesite, locally with fine fracture-controlled auriferous chalcopyrite and malachite veining, extends parallel to the hornblendite zone. This suggests a significant property-scale fault zone, which potentially controlled mineral emplacement along the southwest side.

Similar sulphide mineralization was discovered to the east-southeast of the Hornblendite Zone, although hornblende development was less pronounced. Values obtained ranged from 1235 ppm copper and

0.138 g/tonne gold across 1.1 metres, to 2600 ppm copper and 7.93 ppm gold from a composite grab sample. This occurrence, called the “O’Grady’s Bar” showing, is proximal to a strongly foliated quartz-porphyrific monzonite dyke. It remains undetermined whether this represents an extension of the Hornblendite Zone.

Other Mineralized Occurrences

Several trends of pyrite – chalcopyrite skarn parallel to, and to the northeast of, the Main Trend were identified (Maps 8 and 9). Copper and gold values are weakly to moderately anomalous, ranging from 428 ppm copper and 0.023 g/tonne gold across 0.6 metres to 1230 ppm copper and 0.13 g/tonne gold across 1.1 metres. At least one zone is spatially associated with a quartz porphyritic monzonite dyke. Chip sampling within an old trench along the interpreted southeastern extension of the southernmost of these zones returned values to 2390 ppm copper and 0.583 g/tonne gold across 2.0 metres. Zones discovered to date have weakly anomalous to background gold and moderately elevated copper soil geochemical signatures; the bedrock sources of several much stronger copper and/or gold-in-soil anomalies have not been found.

An occurrence of quartz porphyritic dyke material and adjacent strongly silicified, weakly pyritic andesite was exposed along the access road southeast of the Main Trend (Maps 5 and 6). Sampling returned background to weakly anomalous values, to 0.06 g/tonne gold and 37 ppb copper across 1.2 metres. A composite grab sample of mineralized limonitic feldspar porphyritic andesite returned a value of 273 ppm copper, 2.6 g/tonne silver and 0.44 g/tonne gold. Anomalous copper and weakly elevated gold values were returned from soil samples directly east of the zone.

An occurrence of replacement-style massive magnetite, called the “North Mag” occurrence, is located along the access road about 1.5 km north-northeast of the Main Trend. Massive magnetite with minor chalcopyrite and pyrite occurs within foliated andesite along the projected trace of a north-northwest – south-southeast trending property-scale fault delineated by Dean in 1973. Chip sampling in 2003 returned a value of 1158 ppm copper, 2.2 g/tonne silver and 0.03 g/tonne gold across 6.8 metres. This zone occurs to the immediate northeast of a strongly calcareous north-northwest – south-southeast trending quartz-feldspar porphyritic felsic dyke. Felsic dyke exposures were also mapped by Dean along the south side of the fault trace.

Another occurrence, called the “Far East” occurrence, is located along Kaza Creek about 1.75 kilometres east of the Main Trend. This consists of chalcopyrite-rich calcite veins within strongly chloritized basalts. Chip sampling returned a value of 3.06% copper, 0.05 grams/tonne gold and 74 grams/tonne silver. A composite grab sample of similar material nearby returned 250% copper, 0.36-g/tonne gold and 39.0 g/tonne silver. A composite grab sample of silicified chalcopyrite-bearing basalt 40 metres to the north of these returned 0.58% copper, 1.210 grams/tonne gold and 6.2 grams/tonne silver. The latter is distinguished by stronger silicification and lesser chlorite alteration, as well as higher gold and lower silver and copper values.

7. Drilling

No drilling has been completed by the Issuer.

8. Sampling and Analysis

All geochemical sampling was subject to rigorous parameters, including detailed descriptions of each sample. Rock samples were obtained using a 22-oz Estwing rock hammer, and located in the field using a non-differential Global Positioning System (GPS) instrument. Samples were placed in plastic bags

designed specifically for rock sampling. A tag with the unique sample number, supplied by ALS Chemex Labs, was placed in the bag; the sample number was written on both outsides of the bag in "Magic Marker". The sample number was also written on Tyvex Tags using grease pencils and attached to the sample location in the field.

Samples were recorded as to location (UTM - NAD 27 Canada) sample type (grab, composite grab, chip, etc), width of chip samples, exposure type (outcrop, rubblecrop, float, etc.), formation, lithology, modifier (for textural or structural descriptions), colour, degrees of carbonate presence and silicification, other alteration, economic mineralization including estimated amounts, date, sampler and comments (Appendices 2 and 3). Minimum weight of rock samples was 0.25 kg, although most samples, particularly chip samples, were much heavier, commonly exceeding 1.0 kg. At zones of continuous chip sampling, samples intervals were broken at contacts of distinct mineralogy or lithology. Samples did not exceed 3.0 metres in length.

Rock sampling was done in an effort to accurately represent tenor of a mineralized zone, and involved collection of material as evenly as possible along the entire interval. Chip samples, which are preferred, were taken at sites of continuous outcrop; composite grab and grab samples were taken in areas of rubblecrop, felsenmeer or float. Chip samples, measured using measuring tape, were taken from trenches, unless slumping has compromised original outcrop exposure. Trench samples were taken to test particular mineral horizons or rock types for specific mineralogical characteristics.

Soil samples were taken at 50-metre station spacing across the year-2003 grids, including base and tie lines. Sample numbers supplied by ALS Chemex Labs were written in grease pencil on a Tyvex tag and tied onto the station picket. Samples were placed in kraft bags, with a Tyvex tag supplied by ALS Chemex showing the unique sample number placed in the bag, and the sample number written in "Magic Marker" on both sides of the bag. The bags were then dried as much as possible before shipping. Samples were preferably taken of B-horizon material, although sampling of A or C horizon soil was done where B-horizon material was unavailable. This was preferable to omitting the sample. Minimum original sample weight was 0.25 kg, although in the case of several A-horizon samples, much of this was comprised of organic material, and insufficient material remained for gold analysis.

All samples were described as to location (grid station, UTM coordinates if taken along traverse), horizon, depth of sample, slope angle, colour, percent coarse fragments, surrounding vegetation, surficial lithology, fragment lithology, percent organics, date, sampler and comments. If a particular parameter could not be determined, particularly fragment lithology, no record was made.

Variability in results of soil sampling may be caused by depth of overburden, slope angle, and outcrop exposure, with lower values expected in flat areas with thick overburden. Year-2003 results indicate that A-horizon samples tend to be enriched in copper. Gold ions are less mobile also; thus samples with high copper-gold ratios may indicate transport distance rather than low bedrock gold values.

Silt samples were taken from several locations at a particular site to improve representability, focusing on fine material. Samples were placed in kraft bags with a sample tag showing unique sample number, labeled and marked in the field in the same manner as soil samples. Mossmat samples were taken if exposed silt was unavailable. Sample locations in UTM NAD-27 format were recorded in the field using a non-differential GPS and described as to percent fines, colour, stream grade and width, date, sampler and comments. All samples were taken in order to provide accurate representation of mineralization present.

Field data was entered into Microsoft Excel spreadsheet format, and later matched with analytical results. This process was continually re-checked to ensure correct results are associated with descriptions.

The author cannot verify the adequacy and quality of historical sampling, sample preparation, security and analytical procedures, for work performed before 2002. No descriptions were included in any past records, and the author was not involved in past exploration. Sampling techniques, preparation, analytical procedures and security were included in the year 2002 report by Varas and Williams.

9. Securities of Samples

All rock samples were placed in thick plastic industry standard sample bags, sealed with thick plastic serrated "Zap Straps" and sent in similarly sealed rice bags to ALS Chemex Labs of North Vancouver, B.C., a certified analytical laboratory. Sealed rice bags were personally handed to the courier, a subsidiary of Greyhound Bus Lines, by the qualified person, and were delivered by the courier directly to ALS Chemex. All rock samples were crushed to ensure that a minimum of 70% of the material was less than 2.0 mm in size; this material was thoroughly mixed. From this, a 250g sample was pulverized to 75-micron size; then a 50-gram sample of this underwent fire assay analysis with atomic absorption finish. This technique provides gold analysis ranging from 0.005 to 10.0 g/t gold; samples exceeding these values (overlimits) were re-analyzed by 30-gram gravimetric finish.

All soil and silt samples were screened to 180-micron size (minus-80 mesh); the fine fraction then underwent gold analysis by 30-gram fire assay with ICP – AES finish, providing a detection limit of 0.001 g/tonne.

All samples, including soil and silt samples, were also analyzed by 34-element ICP to test for abundances of Ag, Al, As, B, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Ti, Tl, U, V, W and Zn. Copper values exceeding 10000 ppm were re-analyzed by aqua regia digestion with atomic absorption finish, providing an analytical range of 100 ppm to 30%.

ALS Chemex provides comprehensive in-house quality-control, using numerous blanks to test for any potential contamination, confirming that no detectable contamination has occurred. ALS Chemex also conducted repeated in-house standard sampling for all 34 elements involved in ICP analysis and gold to determine accuracy of analysis. The lab also incorporated more limited analysis of standard samples with known element concentrations provided by several outside firms.

ALS Chemex also performed duplicate analysis of gold and all 34 elements analyzed by ICP of numerous samples supplied by Northern Hemisphere in 2003, to determine uniformity of elemental distribution. This is particularly important for gold, whereby duplicate analysis may determine potential for "coarse gold effect".

10. Mineral Resource and Mineral Reserve Estimate

No estimate has been made at this time.

11. Mining Operations

No mining has occurred at this time.

12. Exploration and Development

In 2003, Northern Hemisphere conducted line cutting to extend existing grids on both the Northstar and Kaza project areas. This was followed by soil geochemical sampling, geological mapping, rock and silt sampling covering the grid extensions of both project areas. Detailed geological mapping and rock sampling were also conducted over the 1997 grids at both project areas, and directly northwest of the previously gridded portion of the Northstar project area. Ground magnetometer and Induced Polarization surveys were conducted over the entire newly cut grids at the Kaza project area; Chargeability and resistivity I.P. surveying was also done across much of the grid extension of the Northstar project area. A two-line gravity survey was conducted across the central portion of the Northstar project area. Also, reconnaissance traversing, including rock and silt sampling and geological mapping, was done to the north and southeast of the Northstar grid, and to the north and east of the Kaza grid.

Partial reclamation of the derelict Northstar camp was also done.

Unfortunately, adverse weather conditions resulted in the access road becoming impassable. The program was terminated prior to completion of detailed mapping of outlying areas of the Kaza grid, and of the I.P. program on the newly cut Northstar grid. However, priority exploration for delineation of mineralized zones and identification of drill targets was completed.

All exploration was conducted by All-Terrane Mineral Exploration Services of Whitehorse, Yukon, under contract to Northern Hemisphere, except for the geophysical surveying, which was performed by Aurora Geosciences Ltd of Whitehorse, Yukon and Yellowknife, NWT, under the supervision of All-Terrane.

Geochemical sampling results can be determined as reliable, as strict parameters were used during sample collection (see Section 9: Sampling Method and Approach). Interpretation of soil sample results must include recognition of horizon sampled. A-horizon or C-horizon samples were taken where B-horizon material was unavailable; anomaly threshold levels may vary. Geological mapping, sampling and geophysical surveying were all supervised by qualified professionals, registered with professional associations.

The following table summarizes work performed at the Northstar and Kaza project areas:

Year-2003 Work Program

Northstar Project Area

Type of Survey	No of Samples	Amount Surveyed (km)
Line Cutting		19.1
Rock Sampling	32	
Soil Sampling	437	
Silt Sampling	41	
I.P. Survey		8.5
Gravity Survey		0.9

Kaza Project Area

Type of Survey	No of Samples	Amount Surveyed (km)
Line Cutting		11.0
Rock Sampling	134	
Soil Sampling	222	
Silt Sampling	6	
I.P. Survey		10.0
Magnetometer Survey		10.0

The foregoing section 4.3.1 summarizes the report titled “Progress Report on the Year-2003 Surface Exploration Program on the Kaza-Northstar Project, Northern Hemisphere Development Corporation”, dated October 22, 2003, prepared by Carl M. Schulze, P. Geo of All-Terrane Mineral Exploration Services. All references above in section 4.3.1 to “Appendices”, “Sections”, “Maps” or “Tables”, refer to those specific documents set out in the full report, which report can be found on the SEDAR website at www.sedar.com under the heading “Engineering Report and certificate of Qualification”, as filed on approximately December 31, 2003.

Risk Factors

The Issuer’s properties are in the exploration stage and are without a known body of commercial ore. Development of any of the properties will only follow upon obtaining satisfactory exploration results. There is no certainty that the expenditures made by the Issuer in exploring its mineral properties will result in discoveries of commercial quantities of ore. Most exploration projects do not result in the discovery of commercially mineable deposits of ore.

The business of exploration for minerals involves a high degree of risk. Few mineral properties are ultimately developed into producing mines. 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. The Issuer could become subject to liability against which it cannot insure or against which it could elect not to insure. The economics of developing mineral properties are affected by such factors as the cost of operations, variations in the grade of ore mined, fluctuations in mineral markets, costs of processing and equipment, government regulations including regulations relating to royalties, allowable production, importing and exporting of mineral product and environmental protection rules and regulations.

Factors beyond the control of the issuer could affect the marketability of any minerals discovered and/or produced. Mineral prices are subject to continuous fluctuation and the effect of these factors cannot be accurately predicted.

The Issuer does not have sufficient funds to complete all of its exploration and development programs. Therefore, additional funds will be required. The only sources of future funds for its exploration and development programs is the sale of equity capital or by entering into joint venture agreements. There is no assurance that the Issuer will be successful in obtaining further financing. A failure to obtain further financing could result in the loss or substantial dilution of the Issuer’s interests in its properties.

Existing and possible future environmental legislation, regulations and actions could give rise to additional expense, capital expenditures, restrictions and delays in the activities of the Issuer, the extent of which cannot be predicted. Regulatory requirements and environmental standards are subject to constant evaluation and may be significantly increased, which could materially affect the business of the Issuer or its ability to develop its properties. Before production can commence on any of its mineral properties, the

Issuer must obtain regulatory and environmental approvals. There is no assurance that such approvals will be obtained on a timely basis. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude entirely the economic development of the property.

Item 5: Selected Consolidated Financial Information

5.1 Annual Information

The following table provides particulars of net sales and revenues, net income from continuing operations, in total and on a per share and fully diluted bases, total net income or loss on a per share and fully diluted share basis and total assets and long term financial liabilities during the Issuer's three preceding financial years:

	February 28/2003	February 28/2002	February 28/2001
Revenues	\$15,837	\$18,017	\$44,292
Net Income or (Loss) Per Share	\$(265,782) \$(0.04)	\$(239,935) \$(0.04)	\$(234,525) \$(0.05)
Total Assets	\$507,539	\$437,700	\$666,662
Long Term Debt	0	0	0
Dividends	0	0	0

During the past three fiscal years, there were no changes in the Issuer's accounting policies, no significant acquisitions or dispositions other than as described above under the heading "Significant Acquisitions and Dispositions", or major changes in the direction of the Issuer's business.

5.2 Dividends

To date, the Company has not paid any dividends on its common shares nor is it intended to pay a dividend on any of its shares in the immediate future. Dividends will, in all probability, only be paid in the event the Company successfully brings one of its properties into production.

5.3 Foreign GAAP

Not applicable.

Item 6: Management's Discussion and Analysis

6.1 Form 44-101F2 Disclosure

6.1.1 General Financial Analysis

Since its incorporation the Company has endeavoured to secure valuable mineral properties that in due course could be explored, developed and brought into production to provide the Company with positive cash flow. To that end, the Company has expended its funds exploring and developing mineral properties each year since incorporation. As a result, the Company has incurred losses during each of its fiscal years since incorporation. Losses are typical of development-stage exploration and mining companies and are expected to continue until positive cash flow is achieved.

The Company's accounting policy is to defer all costs of acquiring natural resource properties and their related exploration and development costs until the property to which they relate is placed into production, sold or abandoned. At that time, capitalized costs are either amortized over the useful life of the orebody, following the commencement of production or written off if the property is sold or abandoned.

The Company explores for minerals and has no significant operating property. The Company has no material earnings and therefore finances these exploration activities by the sale of common shares. The key determinants of the Company's operating results are the following:

- (a) the state of capital markets, which affects the ability of the Company to finance its exploration activities;
- (b) the writedown and abandonment of mineral properties as exploration results provide further information relating to the underlying value of such properties; and
- (c) market prices for natural resources.

The Company knows of no trends, demands, commitments, events or uncertainties outside of the normal course of business that may result in the Company's liquidity either materially increasing or decreasing at the present time or in the foreseeable future. Material increases or decreases in the Company's liquidity are substantially determined by the success or failure of the Company's exploration programs and overall market conditions for smaller resource companies. The Company is not aware of any seasonality in the business that have a material effect upon its financial condition, results of operations or cash flows other than those normally encountered by public reporting smaller resource companies. The Company is not aware of any changes in its the results of its operations that are other than those normally encountered in its ongoing business.

Set forth below is a brief summary of the Company's financial operations during the last two financial years. For more detailed information, reference is made to the financial statements available on the SEDAR website at www.sedar.com.

6.1.2 Quarterly Information

The following table provides particulars of the Issuer's net sales and revenues, net income from continuing operations in total on a per share and fully diluted basis and net income or loss in total on a per share and fully diluted basis:

	February 28, 2003	November 30, 2002	August, 31,2002	May 31, 2002	February 28,2002	November . 30, 2001	August. 31, 2001	May 31, 2001
Revenues	\$15,837	\$4,226	\$3,384	\$2,791	\$18,017	\$1,140	\$9,570	\$2,893
Net Income Or (Loss) Per Share	(\$265,782) (\$0.04)	(\$73,810) (\$0.01)	(\$61,075) (\$0.01)	(\$23,191) \$0.04	(\$239,935) (\$0.04)	(37,630) (\$0.01)	(\$74,168) (\$0.01)	(\$45,063) (\$0.01)

6.1.3 Liquidity and Capital Resources and Results of Operations

Liquidity and Capital Resources

At this time, the Issuer has no operating revenue, other than the small amount of revenue received from its oil and gas interests, and does not anticipate any operating revenues until the Issuer is able to find, acquire, place in production and operate a mining property. Historically, the Issuer has raised funds through equity financing and the exercise of options and warrants to fund its operations.

The foregoing compares to the fiscal year ended February 28, 2002, when no private placement were conducted, nor were any options or warrants exercised.

Consequently, during the most recent fiscal year of the Company, the number of issued and outstanding shares of the Issuer increased from 5,884,456 shares to 8,106,456 shares.

Subsequent to the 2003 fiscal year end, as of October 27, 2003, the Issuer issued 100,000 shares to the vendors of the Kaza-Northstar-property (issued on April 15, 2003).

The Company has a working capital deficiency of \$113,421 at February 28, 2003. The Company will require funding to finance corporate and administrative expenses and ongoing exploration on the Company's mineral properties. There is no internal source of funding from which the Issuer can fund its business so the future of the Issuer depends on its ability to find attractive exploration projects and then to finance them. Outside of the small oil and gas revenue and interest income, the Issuer relies on the sale of its common shares to fund its activities. The market for the sale of shares for companies in the junior mining sector has been difficult over the past few years, but is currently improving.

During fiscal 2003, the Company completed two separate private placements for the sale of a total of 1,000,000 units at a price of \$0.10 per unit for gross proceeds of \$100,000. Each unit consisted of one common share of the Company and one non-transferable share purchase warrant to purchase one additional share at an exercise price of \$0.20 for a one year period.

Also during the fiscal year the Company completed a Short Form Offering of 374,000 units at \$0.45 per unit. Each unit consisted of two flow-through common shares, one flow-through warrant, one non flow-through common share and 1/2 of one non flow-through warrant. The Offering consisted of two closings, with 216,000 units being sold as of November 1, 2002 and 158,000 units being sold as of December 16, 2002.

For 216,000 of the above units, one flow-through warrant will entitle the holder to purchase one additional flow-through share for a period of two years from the closing of the Offering (November 1, 2002) at a price of \$0.25 in the first year and \$0.30 in the second year. One full non flow-through warrant will entitle the holder to purchase one additional common share for a period of two years from November 1, 2002 at a price of \$0.25 in the first year and \$0.30 in the second year. 97,200 agents' warrants were also issued at \$0.15 per share, expiring November 1, 2004.

For 158,000 of the above units, one flow-through warrant will entitle the holder to purchase one additional flow-through share for a period of two years from the closing of the Offering (December 16, 2002) at a price of \$0.25 in the first year and \$0.30 in the second year. One full non flow-through warrant will entitle the holder to purchase one additional common share for a period of two years from December 16, 2002 at a price of \$0.25 in the first year and \$0.30 in the second year. 71,100 agents' warrants were also issued at \$0.15 per share, expiring December 16, 2004.

Results of Operations

The Issuer considers its business to comprise a single operating segment, being the exploration and development of resource properties within the geographic area of Canada.

The Company reports a net loss of Cdn \$265,782 or \$0.04 per share for the fiscal year ended February 28, 2003 compared to a net loss of Cdn 239,935 or \$0.05 per share for the corresponding period in 2002. During the year, the Company wrote-off the Merritt Claims in British Columbia. Since the Company had no immediate plans to conduct exploration on the property, the Company took the conservative approach and wrote the claims off. There were no other write-offs or write-downs during the year. Oil and gas revenue has remained consistent when compared to last year netting approximately \$15,500 per year. Corporate and administrative expenses increased by approximately 10% from \$270,269 from \$245,640. The increase was in the normal course of business. The Company was more active in financing activities this year which result in increased expenses.

The mining industry in which the Issuer is engaged is in general highly competitive. Competitors include well-capitalized mining companies, independent mining companies and other companies having financial and other resources far greater than those of the Issuer. The Issuer competes with other mining companies in connection with the acquisition of gold and other precious metal properties. In general, properties with a higher grade of recoverable mineral and/or which are more readily mineable afford the owners a competitive advantage in that the cost of production of the final mineral product is lower. Thus, a degree of competition exists between those engaged in the mining industry to acquire the most valuable properties.

On June 16, 2003 the Exchange accepted for filing an agreement dated June 9, 2003 among Silver Standard Resources Inc. ('Silver Standard'), Aber Diamond Corp. ('Aber') and the Company whereby Silver Standard agreed to purchase Aber's 48.27% interest and the Company's 51.73% interest in the Sunrise Lake Deposit for a total of US\$490,000 cash and the issuance of 83,004 common shares of Silver Standard, of which the Company was to receive US\$252,440.40 cash and 42,938 common shares of Silver Standard.

Incentive Stock Options

The continuity of the Company's stock options for the years ended February 28, 2003 and 2002 is as follows:

Price	Expiry Date	Balance, February 28/02	Granted	Exercised	Expired/ Cancelled	Balance February 28, 2003
\$0.14	Dec 19/03	100,000	----	--	----	100,000
\$0.25	July 12/02	450,000	----	--	450,000	----
Totals		550,000	-	-	----	100,000
Weighted exercise Price		\$0.24				\$0.14

From the close of the most recently completed fiscal year, no further stock options were granted, nor were any of the above stock options exercised or cancelled.

Share Purchase Warrants

The following table sets out the continuity of the Issuer's outstanding share purchase warrants for the ended February 28, 2003.

Price	Expiry Date	Balance Feb31/02	Issued	Exercised	Expired	Balance Feb 31/02
\$0.32	May 31/02	1,906,666	---	---	1,906,666	---
\$0.32	July 10/02	1,000,000	---	---	1,000,000	---
\$0.20	June 27/03	0	500,000	---	---	500,000
\$0.20	Aug. 23/03	0	500,000	---	---	500,000
\$25/.30	Nov. 1 03 / 04	0	324,000	---	---	324,000
\$0.15	Nov. 1/04	0	97,200	---	---	97,200
\$0.25/.30	Dec. 16 03/ 04	0	237,000	---	---	237,000
\$0.15	Dec. 16.04	0	71,100	---	---	71,100
					TOTAL	1,729,300

As at the date of this Annual Information Circular no further warrants have been issued.

For further information regarding the affairs of the Issuer during the fiscal year ended February 28, 2003, refer to the audited and interim financial statements and quarterly reports filed on the SEDAR website at www.sedar.com

All significant subsequent events since the most recently reported fiscal year end of the Issuer are disclosed herein.

6.2 Foreign GAAP

Not applicable.

Item 7: Market for Securities

7.1 Market for Securities

The shares of the Issuer are listed and posted for trading on the TSX Venture Exchange.

Item 8: Directors and Officers

8.1 Name, Address, Occupation and Security Holding

The full names, municipality of residence, positions and offices held in the Issuer by the directors and executive officers of the Issuer, principal occupation within the past five years and periods during which each director and executive officer has served in such capacity for the fiscal year ended February 28, 2003.

Name, Municipality of Residence and Positions with Issuer	Date of Appointment and/or Election as a Director or Officer	Principal Occupation within the preceding five years.
J. Frank Callaghan, North Vancouver, B.C. Director, President and Chief Executive Officer	March 1, 2000	Director and President of International Wayside Gold Mines Ltd. since February 27, 1991; Director and President of Standard Drilling & Engineering Ltd. since January, 1981, a private British Columbia company which provides exploration and development services to the Issuer and other reporting issuers; Director and President of Northern Continental Resources Inc. from August 22/99 to present and Golden Cariboo Resources Ltd. from January 31/00 to present; Director of Island Mountain Gold Mines Ltd. from January 15/99 to present; Director and President of WEstate Energy Ltd. from October, 1997 to September, 1998, all reporting issuers involved in the mineral exploration and development field.
Charles N. O'Sullivan, Vancouver, B.C. Chairman of the Board, Director and Audit Committee Member	March 13, 1978	Self-Employed Geophysicist and Mining Executive, providing consulting services to the Issuer and to Northern Continental Resources Inc., since September 10, 1996 to present,. Mr. O'Sullivan has been a director of Northern Continental Resources Inc. since May, 1987 and was the President until March, 2000, at which time he ceased to be President and became Chairman of the Board.
H.K. (Ken) Maddison Coquitlam, B.C. Director, Audit Committee Member	August 25, 2000	Chartered Accountant and Fellow of the Institute of Chartered Accountants for British Columbia; Self Employed since October, 1997; Director and Chief Financial Officer of International Wayside Gold Mines Ltd. from October 6, 1997 to present; Director of Northern Continental Resources Inc. from December, 1999 to present; Director and Secretary of Golden Cariboo Resources Inc. from Chief Financial Officer from March, 2000 to present and Director of Island Mountain Gold Mines Ltd. from January, 2000 to present. All of these companies are in the mineral exploration and development business in Canada. Mr. Maddison has been a director and the Chief Financial

		Officer of Unity Wireless Corporation of Vancouver, B.C., a British Columbia reporting company, since October, 1998.
Alan Crawford Vancouver, B.C. Director, Member of the Audit Committee	February, 2000	Financial Consultant, Co-founder and director of Techven Finance Corp of Vancouver, B.C. and Edinburgh, Scotland, a company which manages and arranges for funding of a number of public companies as well as providing market communications, investor relations services and arranges public listings for companies in Europe and North America. Director of Northern Continental Resources Inc. since December, 1999, President and Director of Ona International Inc. since February, 1999, President and Director of Camflow Resources Ltd. since April, 1999 and Aberdeen International Inc. since February, 2000; Director of Tri-Lateral Venture Corp. from June, 2000 to present; Director of First Tower Enterprises Ltd. from August, 1999 to March, 2002; Director of Balmoral Capital Corp. from June, 1998 to October, 1999 and Director of 8 Crown Capital Corp. from March, 1999 to December, 1999.
J. Frank Bradley, N. Vancouver, B.C. Secretary and Chief Financial Officer	July, 1981 to April 1999 – March 2000 to present. Director from April, 1999 to August 30, 2001	Self-employed Chartered Accountant, Secretary of Northern Continental Resources Inc. since 1987 and director from April, 1999 to present; Secretary and CFO of Navigator Exploration Corp. since May, 1987; Secretary and CFO of Gitennes Exploration Inc. since November, 1993, all TSX listed mineral exploration companies.

As a group, the directors and senior officers beneficially own, directly or indirectly 526,300 voting common shares of the Issuer, representing approximately 6.4% of the voting securities of the Issuer.

8.2 Corporate Cease Trade Orders or Bankruptcies

None of the directors or officers or a shareholder holding 20% or more of the issued shares of the Issuer, is, or within the past 10 years prior to the date of this Annual Information Form has been, a director or officer of any other issuer that, while that person was acting in such capacity was the subject of a cease trade order or similar order or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days, nor has such person become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, during the past ten years.

8.3 Penalties or Sanctions

Subsequent to January 1, 2001, no director, officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is or has:

- (a) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

8.4 Personal Bankruptcies

During the 10 years prior to the date hereof, no director or officer of the Company, or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons has 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 such person or company.

8.5 Conflicts of Interest

Certain of the Directors of the Issuer are also directors and/or officers of other companies engaged in mineral exploration and development, as well as mineral property acquisitions. Accordingly, mineral property acquisition and/or exploration opportunities or prospects of which they become aware will not necessarily be made available to the Issuer. The directors intend, to allocate these opportunities or prospects from time to time among the various companies in which they are involved, on the basis of prudent business judgment, the relative financial ability, and need of each company in which they are directors and/or officers to participate. In the event of any conflict of interest, the directors will act in accordance with the common law and the provisions of the Company Act (British Columbia).

Item 9: Additional Information

The Issuer will provide to any person or company, upon request to the Secretary of the Issuer:

- (a) when the securities of the Issuer are in the course of a distribution under a preliminary short form prospectus or a short form prospectus,
 - (i) one copy of the AIF of the Issuer, together with one copy of any document, or pertinent pages of any document, incorporated by reference in the AIF,
 - (ii) one copy of the comparative financial statements of the Issuer for its most recently completed financial year for which financial statements have been filed together with the accompanying report of the auditor and one copy of the most recent interim financial statements of the Issuer that have been filed, if any, for any period after the end of its most recently completed financial year.
 - (iii) one copy of the information circular of the Issuer in respect of its most recent annual meeting of shareholders that involved the election of directors or one copy of any annual filing prepared instead of that information circular, as appropriate, and

- (iv) one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under clauses (I), (ii) or (iii); or
- (b) at any other time, one copy of any documents referred to in clauses (a)ii), (ii) and (iii), provided that the Issuer may require the payment of a reasonable charge if the request is made by a person or company who is not a security holder of the Issuer.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Issuer's securities, options to purchase securities and interests of insiders in material transactions, if applicable, is contained in the Issuer's information circular for its most recent annual meeting of shareholders that involved the election of directors, and that additional financial information is provided in the Issuer's comparative financial statements for its most recently completed financial year.