UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

[ ] REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934.

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSACTION PERIOD FROM _____ TO _____

Commission File Number 0-19385

RESOURCE FINANCE & INVESTMENT LTD.
(Exact name of Company as specified in its charter)

A CORPORATION FORMED UNDER THE LAWS OF BERMUDA
(Jurisdiction of Incorporation or Organization)

10, route de l'Aéroport
1215 Geneva Switzerland

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act: NONE

Securities registered or to be registered pursuant to Section 12(g) of the Act

Common Shares
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: NONE

The number of outstanding Common Shares as of December 31, 2004 was 31,156,825 on the Company's share register, with further 4,800,000 shares reserved for issue following the Company's private placement of May 19, 2005.

Indicate by check mark whether the Company (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [ ] No

Indicate by check mark which financial statement item the Company has elected to follow.
Item 17 [X] Item 18 [ ]

(Applicable only to issuers involved in bankruptcy proceedings during the past five years)
Indicate by check mark whether the Company has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. NOT APPLICABLE

FORWARD-LOOKING STATEMENTS

The following discussion contains forward-looking statements regarding events and financial trends, which may affect Resource Finance & Investment Ltd.'s (the "Company") future operating results and financial position. Such statements are subject to risks and uncertainties that could cause the Company's actual results and financial position to differ materially from those anticipated in the forward-looking statements. These factors include, but are not limited to, the fact that the Company is in the development stage, will need additional financing to develop its properties and that such properties may not contain a sufficient scale of commercially viable minerals, as well as additional factors are set forth in more detail in the section entitled "Risk Factors" in Item 3.D. and "Operating and Financial Review and Prospects" at Item 5.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Information

The following tables set forth selected financial data regarding the Company's operating results and financial position prepared in accordance with the accounting principles generally accepted in Canada (Canadian GAAP) and by the accounting principles generally accepted in the United States (U.S. GAAP). Differences between Canadian and U.S. GAAP are noted below and described in Note 10 to the Consolidated Financial Statements attached. The following data has been derived from the Company's financial statements and is qualified in its entirety by, and should be read in conjunction with, the financial statements and notes thereto for the fiscal years ended December 31, 2004, December 31, 2003 and December 31, 2002 included elsewhere in this Annual Report. Historical information for periods prior to the fiscal year ended December 31, 2001 are derived from financial statements, not included herein.

Included in the Company's consolidated financial statements are the results of operations of Resource Finance & Investment Ltd, its two wholly owned operating subsidiaries from their respective dates of incorporation: Oregon Resources Corporation ("ORC") incorporated on September 12, 1990 in Oregon, U.S.A., and Dynamex Resources Corporation ("Dynamex") incorporated on October 22, 2003 in Wyoming, U.S.A.

All financial information is presented in Canadian dollars ("CAD$"), unless indicated otherwise.

Canadian GAAP

	(in Canadian Dollars)				
	Year ended Dec 31 2004	Year ended Dec 31 2003	Year ended Dec 31 2002	Year ended Dec 31 2001	Year ended Dec 31 2000
CONSOLIDATED STATEMENTS OF OPERATIONS					
Revenues	0	0	-	-	127,485
Operating expenses	573,968	431,711	201,824	257,048	204,514
Operating loss	(573,968)	(431,711)	(201,824)	(257,048)	(204,514)
Net loss	(551,939)	(353,423)	(229,221)	(295,960)	(96,489)
Net loss per share	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)
Loss per common share	(0.02)	(0.01)	(0.01)	(0.01)	(0.01))
Capital stock (number of shares)	31,156,825	27,556,825	24,462,765	20,724,409	9,962,765
CONSOLIDATED BALANCE SHEETS					
Working capital	(79,732)	(72,936)	(445,828)	(216,607)	(579,216)
Resource property	167,514	16,846	-	-	-
Deferred exploration expenses	324,933	228,561	-	-	-
Total assets	951,191	251,099	2,940	9,818	21,835
Total liabilities	292,402	87,548	448,768	226,425	601,051
Deficit accumulated during the development stage	(11,127,063)	(10,575,124)	(10,221,70)	(9,992,480)	(9,696,520)
Total Shareholders' Equity (deficiency)	658,789	163,551	(445,828)	(216,607)	(579,216)

U.S. GAAP

	(in Canadian Dollars)				
	Year ended Dec. 31 2004	Year ended Dec. 31 2003	Year ended Dec. 31 2002	Year ended Dec. 31 2001	Year Ended Dec 31 2000
CONSOLIDATED STATEMENTS OF OPERATIONS					
Net loss, Canadian basis	551,939	353,423	229,221	295,960	96,489
Adjustment for the write-down of resource properties and deferred exploration costs	247,040	245,407 -	-	-	-
Net loss, US basis	798,979	598,830	229,221	295,960	96,489
Loss per common share, US basis	0.03	0.02	0.01	0.01	0.01

(a) Under Canadian GAAP, the mineral properties are carried at cost and written off or written down if the properties are abandoned, sold or if management decides not to pursue the properties. Under the U.S. GAAP, since the economic feasibility of the resource properties has not been demonstrated and, as a result of applying the provisions of Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" amounts would be written off.

(b) For U.S. GAAP reporting purposes, unrealized foreign exchange translation gains and/or losses would be shown as Comprehensive Income, a separate component of shareholders' equity. No such amounts are reflected in the foregoing as the amounts are not material.

The Company has not declared or paid any dividends on its Common Shares since its inception. The Company does not expect to pay dividends for the foreseeable future.

Exchange Rates

The following table sets forth information as to the period end, average, the high and the low exchange rate for Canadian Dollars (CAD) and U.S. Dollars (U.S.)for the periods indicated based on the noon buying rate in New York City for cable transfers in Canadian Dollars as certified for customs purposes by the Federal Reserve Bank of New York (Canadian $/U.S. $)

The following table sets forth the high and low exchange rate for the past six months and for the last five years. As of June 7, 2005, the exchange rate was CAD$1.2471 for each U.S. $1.

Month	High	Low
December 2004	1.2401	1.1856
January 2005	1.2422	1.1982
February 2005	1.2562	1.2294
March 2005	1.2463	1.2017
April 2005	1.2568	1.2146
May 2005	1.2703	1.2373

Year Ended: December 31	Average
2000	1.4855
2001	1.5487
2002	1.5704
2003	1.4008
2004	1.3017

B. Capitalization and Indebtedness

Not Applicable.

C. Reasons for the Offer and Use of Proceeds

Not Applicable

D. Risk Factors

In addition to the other information presented in this Annual Report, the following should be considered carefully in evaluating the Company and its business. This Annual Report contains forward-looking statements that involve risk and uncertainties. The Company's actual results may differ materially from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed below and elsewhere in this Annual Report.

Notwithstanding the foregoing, the future success of the Company will be affected by many factors that are frequently associated with the development of a new business, which include, but are not limited to, the following:

We have incurred net losses since our inception and expect losses to continue. We have not been profitable since our inception. We have incurred losses and negative cash flow from operations since inception. For the fiscal year ended December 31, 2004, we had a net loss of CAD$551,939 and an accumulated deficit on December 31, 2004 of CAD$ 11,127,063. The Company has not generated revenues from operations since inception and does not expect to generate revenues from operations until one or more of its properties are placed in production. There is no assurance that any of the Company's properties will be placed in production or that the Company's operations will be profitable in the future. See Risk Factor entitled "If We Are Unable to Raise Funds None Of Our Properties Will Be Put Into Production" below. Since the Company is currently in the exploration stage, management expects the Company to continue to suffer net losses for a foreseeable future.

If we are unable to raise funds none of our properties will be put into production. The Company's projects are either at the early exploration stage or inactive and need future financing to continue development or begin mining operations. The exploration, development and production from the Company's properties, including the construction of mining facilities and commencement of mining operations, will require substantial additional financing. The Company is currently seeking equity and debt financing to fund further development and explorations of our properties. However, there can be no assurance that additional financing will be available in the future or, if available, that it will be available on acceptable terms or in sufficient amounts to meet the Company's capital requirements.

Failure to obtain such additional financing could result in the indefinite postponement of exploration, development or production and loss of or reduction in the Company's interest in certain properties. There is no assurance that additional capital or other types of financing will be available or that,

if available, the terms of such financing will be commercially favorable to the Company. Until further studies are completed, the Company is unable to assess the costs of any mining operation that might be undertaken on its properties.

Historically, the Company has had to seek capital for exploration of the mining property due to lack of revenues. The Company has obtained funds through the private placement of its Common Shares and its current loan facility with Epsom Investment Services, N.V.("Epsom"). The Company believes it can sustain the good standing of its mineral properties until December 31, 2005 utilizing the current loan facility. If the Company is unable to obtain additional debt or equity financing it will not be able to continue the current development programs being undertaken on its properties.

The mining industry is highly speculative and involves substantial risks. There is no assurance that any mining will ever be conducted on the Company's properties. In addition, even if mining is conducted on properties known to contain significant quantities of mineralization, it is generally accepted in the mining industry that most exploration projects do not result in the discovery of mineable deposits of ore in a commercially economical manner. There may be limited availability of water, which is essential to milling operations and interruptions may be caused by adverse weather conditions. Operations are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection controls. Mining activities are subject to substantial operating hazards, some of which are not insurable or may not be insured for economic reasons.

There are no assurances that we can produce minerals on a commercially viable basis. The Company's ability to generate revenues and profits is expected to occur through development of its existing properties as well as through acquisitions of interests in new properties. Substantial expenditures will be incurred in an attempt to establish the economic feasibility of mining operations by identifying mineral deposits and establishing ore reserves through drilling and other techniques, developing metallurgical processes to extract metals from ore, designing facilities and planning mining operations. The economic feasibility of a project depends on numerous factors, including the cost of mining and production facilities required to extract the desired minerals, the total mineral deposits that can be mined using a given facility, the proximity of the mineral deposits to a user of the minerals and the market price of the minerals at the time of sale. There is no assurance that existing or future exploration programs or acquisitions will result in the identification of deposits that can be mined profitably.

Mining operations and exploration activities are subject to various federal, state and local laws and regulations. Laws and regulation govern the development, mining, production, importing and exporting of minerals, taxes, labor standards, occupational health, waste disposal, protection of the environment, mine safety, toxic substances and other matters. In many cases, licenses and permits are required to conduct mining operations. No applications have yet been made for necessary permits (except as noted in Item 4), and there is no assurance that such required permits will be granted. Amendments to current laws and regulations governing operations and activities of mining companies or more stringent implementation thereof could have a substantial adverse impact on the Company. Applicable laws and regulations will require the Company to make certain capital and operating expenditures to initiate new operations. Under certain circumstances, the Company may be required to close an operation once it is started until a particular problem is remedied or to undertake other remedial actions.

The prices of natural resources and minerals are subject to wide market fluctuations beyond the control of the Company. Prices of certain minerals have fluctuated widely in recent years. Future mineral prices cannot be accurately predicted. A severe decline in the price of a mineral being produced or expected to be produced by the Company would have a material adverse effect on the Company. If certain mineral prices were to decrease significantly, the Company could determine that it is not economically feasible to

commence or continue production on one or more of its properties, the Company's initial investment in exploration would be lost. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors, including proximity and capacity of natural resource markets and processing equipment.

The Company operates in a highly competitive industry. The Company competes with other developmental resource companies which have similar operations, and many competitors have operations and financial resources and industry experience greater than those of the Company. The Company may encounter increasing competition from other mining companies in our efforts to acquire mineral properties and hire experienced resource industry professionals. Increased competition in our business could adversely affect our ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Penny stock rules may make it more difficult to trade the Company's common shares. The Securities and Exchange Commission has adopted regulations which generally define a "penny stock" to be any equity security that has a market price, as defined, less than U.S.$5.00 per share or an exercise price of less than U.S.$5.00 per share, subject to certain exceptions. Our securities may be covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors such as, institutions with assets in excess of U.S.$5,000,000 or an individual with net worth in excess of U.S.$1,000,000 or annual income exceeding U.S.$200,000 or U.S.$300,000 jointly with his or her spouse. For transactions covered by this rule, the broker-dealers must make a special suitability determination for the purchase and receive the purchaser's written agreement of the transaction prior to the sale. Consequently, the rule may affect the ability of broker-dealers to sell our securities and also affect the ability of our investors to sell their shares in the secondary market.

The Company may be subject to foreign currency fluctuations. The Company operates in more than one country and the Company's functional currency is the Canadian Dollar. The Company's mining exploration properties are located in United States and Quebec, and the Company's financial results are reported in Canadian Dollars. The Company's currency fluctuation exposure is primarily to the U.S. Dollar and the Canadian Dollar. The Company does not use derivative financial instruments for speculative trading purposes, nor does the Company hedge its foreign currency exposure to manage the Company's foreign currency fluctuation risk. Fluctuations in and the various currencies in which the Company operates could have a material effect on the Company's operations and its financial results.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

The Company was incorporated under the laws of the Province of British Columbia, Canada on October 16, 1978, under the name Coven Resources Ltd. On April 16, 1984, the name of the Company was changed to Gold Medal Resources Ltd and then to Rare Earth Resources on November 24, 1989. The Company changed to its current name on April 4, 1997. On December 2, 1994, pursuant to the authority granted at an extraordinary general meeting of shareholders of September 9, 1994, the Company applied, and received assent from the Minister of Finance of Bermuda to change its place of incorporation to Bermuda, under Bermuda's Companies Act, 1981, as amended.

The Company conducts its operations directly and through its two wholly owned U.S.A. subsidiaries: ORC, which was incorporated under the laws of Oregon on September 12, 1990, and Dynamex, incorporated under the laws of Wyoming on October 22, 2003. The Company also has majority control of Cadillac West Explorations Inc. ("CWE"), a company incorporated in British Columbia on June 8

2004. The Company's registered office is located at P. O. Box HM 1177, Par La Ville Place,14 Par La Ville Road, Hamilton HM EX, Bermuda and its administrative headquarters are located at 10, route de l'Aeroport, 1215 Geneva, Switzerland.

In this Annual Report, unless the context indicates otherwise, the term "Company" refers to Resource Finance & Investment Ltd., ORC and Dynamex. The consolidated financial statements and financial information set forth in this Annual Report includes accounts and operations of Resource Finance & Investment Ltd., ORC and Dynamex on a consolidated basis.

The Company is a development stage company and has had no revenues from operations. The Company continues to seek additional financing in order to provide working capital. Due to insufficient working capital necessary to put the projects into production on its own, the Company's activities from 1997 to 2004 had been reduced to maintaining the Company's properties and the Company's public reporting status and listing, while searching for future financing and strategic partners.

From inception to December 31, 2004, the Company has raised CAD$10,314,279 through the private placement of its Common Shares. In addition, the Company has also financed its activities through the use of a credit facility with Epsom. The current credit facility permits the Company to draw up U.S.$500,000. The maturity date for the credit facility is December 31, 2006. The Company intends to use its current working capital and the credit facility to maintain the projects in good standing.

B. Business Overview

The Company's historic business has been acquiring, exploring and, if deemed economically feasible, considering the development of natural resource properties. The Company's principal activities have been focused on the mining projects located on the following leased properties:

- Mineral sand deposits known to contain chromite, zircon and garnet found in Oregon (the " Oregon Mineral Sands Project").
- Properties in Kentucky containing zinc, as well as having diamond potential (the "Shawnee Project").
- 282 Mineral claims comprising 9450 hectares in Beauchastel and Dasserat Townships in Quebec known to contain gold reserves (the "Cadillac West Project")

The Oregon Mineral Sands Project

The Company, through its wholly owned subsidiary, ORC, holds interests in and has extensive exploration data on approximately 2,598 acres of terraced mineral sands properties near Coos Bay in southwest Oregon. The Company chose these properties based on government drill hole data and the Company's exploration program that included airborne geophysics, surface sampling and trenching. Certain portions of the properties leased were first mined in the mid -1800s for gold and in the mid-1900s for chromite.

These properties contain a proven plus probable resource of approximately 3,756,500 tons containing about 13% chromite, 4% garnet with additional values in zircon and other heavy minerals. It is estimated that geological resources comprise approximately 3 million additional tons. These deposits are amenable to environmentally safe surface mining methods with concurrent reclamation of the affected areas.

In 1991, ORC undertook a major drilling and sampling program consisting of the exploration and development drilling of 550 holes for a total of 16,000 feet with 3,995 samples collected and 2,603 samples assayed primarily for chromite and zircon.

In 1993, a 9-ton bulk sample was processed in a pilot plant test performed by The Mineral Sands Consultancy ("TMSC") of Brisbane, Australia. Results indicated that the principal mineral constituents could be efficiently recovered at marketable concentrates. A pre-feasibility study indicated that a 300,000 tons per annum operation producing mainly chromite and garnet could generate an acceptable financial return.

In April 1994, ORC obtained a Water Use Permit from the State of Oregon, and on October 31, 1994, ORC received a Conditional Use Permit from Coos County for its operations. As of June 21, 2005, the Conditional Use Permit had expired and the Company will need to reapply for a new Conditional Use Permit. In November 2002, the deadline for applying water to full beneficial use was extended by the State of Oregon to October 1, 2005. The Company is currently seeking a further extension to apply the water to full beneficial use.

In October 2004, the Company undertook additional metallurgical studies on a bulk sample to confirm and with current technology may improve on previous results. The Company is continuing to further test, analyze data, and develop markets utilizing the experience and expertise of Daryl F. Hoyt, of Foundry Sand Technology, who is a consultant to the Company.

The Company is currently undertaking market studies which are expected to reconfirm the market demand and pricing for product. To further develop the market, the Company is organizing a bulk sampling program which will provide a chromite sample for further product testing within the foundry sands industry. The Company is also undertaking further market studies on garnet, zircon and other heavy minerals contained in the property.

In May 2005 the Company purchased a 10 ton per hour wet concentrating plant. This plant will be utilized initially in the bulk sampling program to produce test product for the market, with later application in the fully commercial operation. The pilot plant is expected to be in operation by the fall of 2005.

The Company continues to seek capital for the ongoing development of the Oregon Mineral Sands Project. This ongoing development includes additional drilling to enhance the resource profile and longevity of the project, operational expenditure to establish and operate the pilot plant, contracting of dry plant and metallurgical services and selective distribution of processed material for marketing. These activities and the results therefrom will assist with the completion of a final feasibility study.

The Company will endeavor to develop this project independently, in stages, depending on the financial resources and working capital available. If the Company has available funds, it plans to perform ongoing market and metallurgical studies as well as a delineation drilling program to upgrade additional mineral reserves currently classified as probable, into the proven category. No efforts will be made unless the Company obtains additional funding. Assuming the Company completes the final feasibility study, an operating permit will then be applied for from the State of Oregon.

The Shawnee Project

The Shawnee project is located within an intracratonic rift system located at the boundary area between southern Illinois and northwestern Kentucky. During the period 1989 to 1992, the Company acquired a number of leases in the region hosting several diatremes. While the area was targeted initially by

the Company for rare earth elements, more recent work by the U.S. Geological Survey and others has demonstrated that the region is prospective for the discovery of diamonds and potentially economic zinc.

In 1992, the Company conducted a 7,000 kilometer airborne magnetic and radiometric geophysical survey over its properties and the surrounding area in the district. The Company regards this data as a significant advancement in the identification of base metal deposits. The survey was conducted, processed and interpreted using the latest techniques, and the survey results include a 100% correlation with the Company's existing knowledge of the diatremes in the district. The survey also provided insight into geological formations within the district and identified additional land positions that should be secured and explored by the Company.

The Company acquired a substantial database and mineral leases in the Kentucky area close to the Illinois border. This data, when compiled with the information extracted from the Company's airborne magnetic and radiometric survey, supported the Company's belief that the region has potential to contain lead, zinc and diamond deposits enriched in advanced metals and rare earths.

From May 31, 1993 to April 30, 1996, the Company had a joint venture with Kennecott Exploration Company ("Kennecott"), covering its Shawnee Project. During that time Kennecott conducted geological and geophysical surveys, which included drilling three holes as follows: Hole #1 was drilled vertically on the edge of the anomaly to 900 feet (310 metres) without intersecting kimberlite. Hole #2 was vertically drilled to a depth of 2,210 feet (700 metres). Hole #3, 500 metres from Hole #2, was drilled at a 45% angle from the horizontal to a depth of 1,158 feet (374 metres). Hole #2 was logged and small, token hand samples were taken for petrographic and chemical analysis. Hole #3 has not yet been logged and, with the exception of approximately ten boxes that were spot checked in 2002, the drill core boxes remain unopened. Additionally, geochemical stream sediment and soil samples taken on and near the Lollypop intrusive remain available in storage, still untested for diamond or diamond indicator minerals.

During 2002, Mr. Richard Boulay, a geologist and President of Marum Resources Inc. visited the Shawnee Project, took kimberlite outcrop samples and briefly inspected the available core, including random boxes of core throughout Hole #3. Hole #3 was found to contain kimberlitic breccias similar those in Hole #2. Mr. Boulay recommended a reactivation of the project based on its obvious positive geological features: the immediate availability of untested drill core, the availability of untested geochemical samples and the ease of taking bulk surface samples from outcropping kimberlite or saprolitic kimberlite soil up to 40 feet deep (13 metres).

Based on these findings, on May 27, 2003 the Board of Directors (the "Board") announced that diamond exploration would immediately recommence on the Shawnee Project. The main objective of the program was to establish the Lollypop kimberlite as a diamond-bearing host rock. Therefore the re-activation of this project focused on the evaluation of the diamond potential of the Lollypop kimberlitic intrusion in Crittenden County, Western Kentucky. This complex, multiple-phase intrusion is poorly explored both as to its internal structure and its diamond potential. The Lollypop-shaped kimberlitic complex is large, measuring 3.4Kms by 1.6Kms (1 mile by 2 miles) and having a surface area of approximately 500 hectares (1,235 acres).

The Lollypop kimberlite intrusion lies at the busy intersection of the Mississippi Embayment, the Illinois Basin, the Reelfoot Rift, the Rough Creek Graben, the Fluorspar Fault Swarm and the Wabash Valley Fault System. The area is one of the most structurally complex and seismically active areas in the United States. The geological credentials of the Shawnee diamond exploration project include a thick, underlying Precambrian shield that contains swarms of very deep, regional faults and rift fractures that have been active over long periods of geological time. These zones of crustal weakness allowed deep-seated, mantle-derived kimberlitic magmas to ascend into the overlying sedimentary rocks that form the

present surface. The kimberlite occurs in outcrop on hill sides and in streams, lays a few metres beneath a thin layer of soil, or actually forms a thick, yellow, saprolitic, kimberlitic soil. Petrographic, whole rock and microprobe analysis of samples from outcrop and drill core indicates that the kimberlites have a deep mantle origin and internal chemistries that positively define the Lollypop complex as a prospective diamond host. The kimberlites and their altered or weathered kimberlitic derivatives occur as kimberlite porphyries, kimberlitic diatreme breccias, carbonatized kimberlitic breccias and kimberlitic replacement zones peripheral to the enclosing limestones.

Specifically, Mr. Boulay recommended that all core should be re-logged, photographed and skeletonized with 10% of the core being retained for archive purposes. The resulting two to three tonnes (metric tons) of core would be subjected to a staged caustic dissolution program that could be converted to a mechanical recovery program depending on the results from the initial caustic dissolution batches. A new stream sampling program was also recommended to recover diamond grains.

The currently available data does not allow for an estimate of the volume of kimberlite and kimberlitic rocks contained in the Lollypop intrusive complex. However, the Hole #2 preliminary logs and spot examinations of core from Hole #3 suggest a tentative model for exploration planning purposes. Holes #2 and #3 both terminate in limestone. This indicates that these holes have not encountered the kimberlite feeder pipes but rather intercept a very large, deep and complex volcanic crater facies that was injected into a thick sequence of sedimentary rocks. In Hole #2, kimberlitic breccias and kimberlite porphyries occur together with minor layers or blocks of limestone from surface to 885 feet (285m). From 885 to 1,700 feet (285m to 548m) the core consists of thick alternating units of limestone, kimberlitic breccias, kimberlite porphyry and shale. From 1,700 to 1,850 feet (548m to 597m), kimberlitic breccia is again intersected. Limestone occurs from 1,850 to 2,210 feet (597m to 713m), the end of the hole. Current data supports the probable existence of a very large volume of kimberlitic rocks in the Lollypop intrusive complex.

On November 21, 2003, the Company announced the results of drill core samples submitted to two laboratories. The core rock samples were dissolved and screened and none of the samples contained diamond.

The Company continues to consider alternative exploration options in an area known to contain both zinc and fluorite exploration potential. This may involve the Company undergoing exploration activities within a joint venture arrangement or other partnership deals.

CWE Project

Cadillac West Explorations Inc. ("CWE") was incorporated in British Columbia in June 2004 and is extra-provincially registered in Quebec. CWE was established in 2004 pursuant to an agreement dated June 3, 2004 between the Company, Victor Erickson and Andre Audet (the "CWE Agreement"). The purpose of CWE was to pursue an exploration opportunity in Beauchastel and Dasserat Townships located in northwestern Quebec. Pursuant to the CWE agreement, CWE acquired (i) 282 mineral claims comprising of 9,450 hectares in the Beauchastel and Dasserat Townships from Victor Erickson and Andre Audet and (ii) a right to earn a 50% interest in 77 claims comprising of 2,185 hectares in the Beauchastel and Dasserat Townships pursuant to the assignment of the Norcoeur Option and the Lac Fortune Option ("collectively the Richmont Option") from Victor Erickson and Andre Audet. The sole shareholders of CWE are as follows: Resource Finance & Investment Ltd., Victor Erickson and Andre Audet. Under the CWE Agreement, the Company will own 70% of CWE with the remainder being owned by Victor Erickson and Andre Audet.

Since the organization of CWE, the Company has invested approximately $700,000. The funds have been expended primarily on geophysics, geochemistry and diamond drilling to demonstrate the validity of the exploration models proposed for the area by the project originators, two experienced

professional engineers. Its recent activities since 2004 include two surveys: Summer 2004 Survey and Winter 2004 Survey. The Summer 2004 survey was conducted to meet the Ministry of Natural Resources assessment work requirements and to provide the basis for further exploration, more specifically the identification of drill targets on the Cadillac Break. The purpose of the Winter 2004 survey on the Richmont Option was to commence preliminary drilling to test the proposed deposition models.

Subject to obtaining additional financing, the next stage of exploration on the CWE claims will comprise of core drilling. CWE anticipates that it will fund its exploration through equity financing.

Project Overview

A brief review of the historic mine production for western Quebec demonstrates the significance of the numerous long-lived gold and polymetallic mines in the region. Rouyn-Noranda itself is internationally recognized as home to several world-class VMS base metal deposits, which have also yielded an aggregate of about 14 million oz of gold. In addition, the camp has produced a further 4 million oz. from about 20 "gold-only" deposits.

The 200km-long Cadillac-Larder Lake Deformation Zone, which extends from Kirkland Lake in Ontario to well east of Val d'Or in Quebec, has been a major source of gold in this region since the 1920's. The structure is has yielded large new deposits in recent years and is currently the active focus of deep exploration drilling. The Kirkland Lake area mines (including Kerr Addison) produced an aggregate of 37 million oz from the Larder Lake segment of the fault zone, while in Quebec, the deposits situated along the structure, generally referred to as the Cadillac Break, have produced about 36 million oz gold according to government records. While many of the mines have been depleted and are closed, the Doyon and LaRonde deposits which currently produce at a combined rate of about 500,000 oz per year demonstrate the potential this type of gold deposit offers. In addition most of the Cadillac Break from Noranda to well east of Val d'Or is now under active exploration, many of the old mines are being explored anew for mineral potential at depth, and the Kirkland Lake mines are being re-examined with success.

A section of the Cadillac Break west of Noranda has never been explored because of technical obstacles presented by a locallized cover of Proterozoic Cobalt sediments and the perception that the depth of cover precluded effective exploration. This section contains syenite intrusions either within or immediately adjacent to the Cadillac Break that are partially to completely obscured by the cover. This environment resembles those of the Malartic and Kirkland Lake camps where the combined production from several deposits related to the Cadillac Break amounted to about 7 million and 24 million ounces of gold respectively. More than 24 km of this unexplored section of the Cadillac Break (in Beauchastel and Dasserat Townships) is held by CWE, and is the principal focus of the Cadillac West Project.

Potential for gold mineralization extends for several kilometers to the north of the 'Cadillac Break' as evidenced by the Francoeur, Arntfield and Wasamac deposits. These shear-hosted deposits occupy second and third order strucures related to the 'Cadillac Break' but are far enough away to be classed as distinct systems.

In addition to gold, the region is geologically prospective for base metal VMS mineralization. The nearby Aldermac copper-rich massive sulphide deposit occupies a favourable rhyolite unit that extends westward into central Dasserat Township and underlies a large portion of the CWE ground.

In order to diversify exploration opportunity and risk, management optioned a large claim block from Richmont Mines where past production and extensive exploration has established a high potential for economic gold mineralization.

C. Organizational structure

The Company has two wholly owned subsidiaries: ORC, an Oregon corporation which operates the Oregon Mineral Sands Project, and Dynamex, a Wyoming corporation which operates the Shawnee Project. The Company is also a seventy percent (70%) shareholder of CWE, a Quebec corporation which operates the Cadillac West Project.

D. Property, Plant, Equipment and Mineral Property Costs.

1. Oregon Mineral Sands Project

Oregon Sands Property

In the early 1990's the Company leased approximately 2,016 acres for the purposes of exploring for mineral sands deposits containing chromite, zircon, ilmenite, rutile, garnet and possibly gold in Coos County, Oregon. The lease covering 320 acres (Yoder-Miller Property), known as the Shepard Deposit was renegotiated in 2003. The lease of the mineral rights on 1,696 acres which is the subject of the Weyerhauser Lease is in legal review with in house counsel for Weyerhauser. Management is expecting the lease to be executed with terms that encourage the early development of the respective properties.

1. The Yoder-Miller Property

By a lease dated January 9, 2003, among ORC, Sarah Jane Yoder-Miller, Edwin A. Yoder and June Marie Yoder, the Company leased approximately 320 acres of property located approximately 12 miles southwest of Coos Bay, representing 20% of the proven reserves of the Oregon Mineral Sands Project ("Yoder-Miller Property"). The lease is for an initial term of five years and requires a lease payment of U.S.$6,400 per year. The owners of the Yoder-Miller Property are also entitled to a production royalty of U.S.$0.8751 per ton of ore mined and removed from any portion of the Yoder-Miller Property. The principal mineral deposit identified on the Yoder-Miller Property is known as the Shepard deposit. According to the United States Bureau of Mines, the Shepard deposit contains 257,500 metric tons of heavy mineral sands averaging 17.2% chromite. Also, according to the U.S. Bureau of Mines, the known extensions of the Shepard deposit total over 1.8 million metric tons of heavy mineral sands averaging 8.2% chromite.

2. The Weyerhauser Lease (formerly known as Bohemia/Williamette Industries)

By a mining lease made as of June 12, 1992 (the "Bohemia Lease") between Bohemia, Inc., as lessor ("Bohemia Inc.") and ORC and the Company, as lessee, ORC and the Company leased approximately 1,696 acres of property located approximately 10 miles southwest of Coos Bay, Oregon (the "Bohemia Property") for an initial term of ten years. The lease was allowed to expire in 2000. In 1992 Bohemia Inc. was acquired by Willamette Industries Inc. ("Willamette") and in its new corporate status sold the Bohemia Property to Rosboro Lumber Company while retaining all the mineral rights both on and below the surface. Thereafter, Weyerhauser Company acquired Willamette and became the current owner of the mineral rights on the Bohemia Property.

The principal mineral deposits identified on the Bohemia Property are known as the South Seven Devils Deposit and the North Seven Devils Deposit. According to the United States Bureau of Mines, the two Seven Devils deposits contain approximately 1.2 million metric tons of heavy mineral sands averaging 14.9% chromite. The deposit also contains zircon, garnet, ilmenite, and rutile. A portion of the South Seven Devils Deposit was mined for chromite during World War II.

Property Owned in Coos County, Oregon

The Company owns four undeveloped lots in the Sansaria subdivision totaling less than one acre located in Coos County, Oregon. This property was acquired in order to provide a buffer between the Oregon Mineral Sands Project and a certain gated community.

The Company owns one-half interest in the mineral, oil and gas rights on approximately 600 acres of property in Coos County, Oregon (the "Westbrook Property"), except (i) a 1/8 royalty on all oil, gas and associated hydrocarbons produced and sold from this property, (ii) a royalty of 5% on the gross proceeds received from the sale of minerals, except for gold and common varieties of: sand, clay and gravel, and (iii) a 10% royalty of the gross proceeds received from the sale of gold owned by International Paper Realty Corporation.

The principal mineral deposit identified on the Westbrook Property is known as the Section 4 deposit (which extends in part off the southeast corner of the Westbrook property onto the Bohemia property). According to exploration results of the United States Bureau of Mines and the Company, the Section 4 deposit contains approximately 600,000 metric tons of mineral sands.

Geology of Mineral Sands Placers

The Oregon Mineral Sands Project is located in the Cape Arago district. Exploration by the U.S. Bureau of Mines and the Company has identified heavy mineral deposits in the Cape Arago area of southwest coastal Oregon. Exploration data shows the existence of multiple minerals including chromite, garnet, zircon, ilmenite and magnetite in several ancient mineral sands deposits.

A defined mineral deposit is a mineralized body that has been physically delineated by drilling, excavations and other workings and has been found to contain mineralized material with sufficient tonnage and grade to warrant further evaluation. Such a mineralized body may not contain proven or probable ore reserves because sampling is not yet sufficiently detailed to reliably predict that the mineralized material can be economically and legally mined. Any statement of the quantity of minerals believed to be present in any mineral deposit should be regarded as a preliminary estimate of the total quantity of the minerals present in the mineralized body, subject to change after further exploration and development work, and may not indicate that the minerals can be economically extracted.

The mineral deposits identified as described above consists of mineral sands that occur on ancient beach terraces. Over several millennia, ocean wave action tends to carve a flat terrace at the base of a sea cliff. In southwestern Oregon, the earth's crust has lifted the coastline above sea level intermittently over the past several hundred thousand years. As a result, several distinct wave-cut beach terraces can now be found inland from the present coastline, elevated above sea level.

As beach terraces form, the waves erode the receding sea cliffs. Additional sediments are added from coastal streams. Heavy minerals are concentrated on the lower layers of sand covering the beach terrace. Mineral deposits consisting of loose rock fragments such as these beach sands are referred to as placers.

The mineral sands deposits occur along a number of ancient elevated beach terraces that range over a 240-square-kilometer coastal plain. Along the southwestern Oregon coast, eight known terraces formed during the last few million years occur at elevations ranging from 10 meters to 770 meters. Over 30 mineral sands placer occurrences are known.

Description of Individual Mineral Sands Deposits in the Cape Arago District

The Cape Arago district contains a substantial mineral sands deposit that has been mined historically and has been studied by the U.S. Bureau of Mines. These deposits total 8.1 million metric tons of heavy mineral sands which, according to the U.S. Bureau of Mines, contain on average approximately 12% by weight of the mineral chromite (or, expressed in terms of the pure chromium oxide contained in the chromite, approximately 4.8% chromium oxide by weight). The deposits are found on three lower beach terraces that stair-step up to the east from the present coastline. Most heavy mineral deposits occur in 1-15 meter thick layers that are normally concealed beneath a cover of dune sand.

Based on drilling, the U.S. Bureau of Mines suggests that at least 200 million metric tons of lower grade heavy mineral sands containing 2 million metric tons of chromium oxide (i.e., 1% Cr_2O_3 by weight) may exist on the raised beach terraces.

Compared to major world-class mineral sands deposits, the known higher-grade Cape Arago deposits are relatively small; however, they contain high concentrations of heavy minerals, including chromite, garnet and zircon. The larger but lower grade deposit of at least 200 million metric tons containing approximately 1% Cr_2O_3, indicated by the U.S. Bureau of Mines, is more typical of conventional world-class mineral sands deposits.

The Cape Arago deposits are unique in their unusual mineral association. The combination of chromite, zircon, gold, ilmenite, rutile, garnet and olivine is unusual. Most mineral sands deposits contain only zircon, rutile and ilmenite as valuable heavy minerals.

Historical Data, Mineral Exploration Program

Historically, gold was produced from the placer deposits at Whiskey Run Beach south of Cape Arago, Oregon beginning in the mid-1800s. Chromite was produced during World War II from within the Cape Arago area. 1.8 million metric tons, containing 9.7% chromite, was mined. The U.S. Bureau of Mines has sampled and prepared geological maps of certain of the mineral sands deposits, analyzed historical exploration and production records of several mining companies, and has drilled over 100 exploration holes during the 1970s. The Company has reviewed the Bureau of Mines reports on the mineral sands deposits. In addition, the Company has collected and reviewed several reports on the mineral sands deposits by the Oregon Department of Geology and Mineral Industries; A.B. Griggs; Peterson, Gleason and Wetzel; Peterson, Kulm, Komar and Mumford; R.J. Hunhausern; and John B. Huttl.

The Company has combined historical mining records, field geological studies, and drilling data to produce geologic maps of the ancient beach terraces and mineral sands deposits. Cross-sections of certain deposits are visible at historical mining locations and the valley walls of certain area streams. The historical information plus recent explorations have allowed the Company to estimate the extent of mineral sands deposits in several beach terrace deposits, discussed separately below.

The Company has conducted an exploration and property acquisition program in southwestern Oregon. The exploration program consisted of geological mapping, drilling, sampling and geophysical surveys. Additional drilling is expected to provide information on the extent and grade of known higher-grade mineral sands deposits and the presence of other buried deposits. As a result of the 1991 drilling program, the Company has established a proven resource of 2,111,000 tons with an average grade of 12.9% chromite and .8% zircon. In addition to the proven and probable deposits, probable reserves total approximately 7,000,000 tons. The Company's consultants in Australia processed and analyzed an 8.2 tons bulk sample of mineral sands from one of its deposits in May 1993. The results of this analysis and

processing provided additional information regarding the feasibility of producing chromite and garnet from the project.

The Company completed an airborne geophysical survey specifically designed to identify hidden mineral sands placer deposits and has completed regional mapping and sampling. The aerial survey shows several magnetic anomalies that the Company believes may indicate further high-grade mineral sands occurrences that have not yet been discovered through surface exploration. Detailed drilling will be required to confirm whether such high-grade deposits are present.

Mineral Commodities Obtained from Mineral Sands

The mineral sands of southwestern Oregon contain the minerals chromite (a mixed iron, magnesium, aluminum and chromium oxide), garnet (iron, magnesium and aluminum silicate). zircon (zirconium silicate), ilmenite and rutile (titanium oxides) The uses of these products are described in following paragraphs.

Chromite is used in the manufacture of stainless steel and chrome alloys. The United States currently has no supply from domestic chromite mines other than recycled material and imports its chromite from the Republic of South Africa, Turkey, Zimbabwe and the former Yugoslavia. Western industrialized nations are almost totally dependent on these foreign sources of chromite, some of which may be unreliable. Based on testing, the Oregon chromite is well suited as a foundry sand. Foundry sand is a higher value product vs. feed for the ferrochrome industry. The worldwide consumption of foundry sand chromite is close to ½ million tons with approximately 80,000 tons consumed in USA markets. Both Chromite and zircon are used extensively as foundry sands.

The Company believes that the demand for zircon has grown substantially during the past decade, resulting from zircon's expanding use in refractories, high-grade castings, advanced ceramics and light metals and from the diminishing quantities of zircon ore that can be mined at low cost.

Rutile and ilmenite are the world's principal source of titanium oxide used in the manufacture of non-toxic paints, plastics and paper products and are the only source of the strategic metal titanium

The main use of garnet on the West Coast of the United States is as silica-free material in the precision metal cutting and sand blasting industries. The garnet market is expanding because it is a silica-free abrasive. Silica, in the form of sands for sand blasting, can cause silicosis, a debilitating lung disease caused by fine silica particles becoming lodged in the lungs. Garnet is used in aqua-jet blasting. It is a good all round fine abrasive. Oregon garnet has been comparison tested and it has been determined to be suitable for the higher unit value product as a water jet abrasive feedstock. According to the President of Calypso Water Jet Cutting, Huston, Texas, which is the third largest in the water jet cutting industry, the estimated USA waterjet market consumes an estimated 60,000 tons per year of garnet.

Previous Exploration

The Cape Arago district contains a substantial mineral sands deposit that has been mined historically and studied by the United States Bureau of Mines. Chromite was produced during World War II from 1,800,000 metric tons of mineral sands. The United States Bureau of Mines has sampled and prepared geological maps of certain of the mineral sands deposits, analyzed historical exploration and production records of several mining companies and drilled over 100 exploration holes during the 1970's. The Company has completed an exploration program on the South Seven Devils, North Seven Devils, Shepard and Westbrook Deposits consisting of initial survey work, 500 drill holes comprising approximately 15,000

feet of drilling together with the collection of 4,000 samples. A fifth deposit, the West Bohemia Deposit, has been explored by the Company with 24 drill holes totaling approximately 400 feet and had 150 samples collected.

The Company has also taken an 8.2 ton bulk sample from the South Seven Devils deposit and sent the sample to Australia for assessment by TMSC. TMSC confirmed to the Company that the sample was amenable to separation using standard mineral sands industry techniques in a report to the Company dated November 1991.

Mineral Reserves

As a result of the Company's 1991 drilling program on the four deposits referred to above, the Company has established proven plus reserves of 2,100,000 short tons of ore. The Company retained TMSC to produce a report on the 1991 drilling program. TMSC provided a report dated November 1991, updated by a report dated August, 1993, which confirm the proven and probable reserve of 2,100,000 short tons of mineral sands. TMSC concluded that only the reserves on the South Seven Devils, North Seven Devils and Shepard deposits possessed mineable grades. Therefore, TMSC calculated aggregate proven reserves of 1,387,000 short tons at a grade of 14.9% chromite on those three deposits.

South Seven Devils

This deposit is the first and best explored of the four. In the past, much of the overburden above the ore has been removed giving an attractive present stripping ratio. The deposit has an estimated ore reserve of 603,000 short tons at 15.3% chromite and 1.2% zircon, using a calculated bulk density of 1.62 short tons per cubic yard. The surface area is 16.1 acres. The South Seven Devils deposit is a high-grade reserve of limited volume with an attractive stripping ratio. It should present few mining problems except perhaps against parts of the steep eastern wall.

North Seven Devils

This deposit is located in the same general area as South Seven Devils. It lies on a series of trending north- south "plateaus" separated by steep gullies, and hence consists of three separate pits. The three pits of the deposit have the reserves shown in the table below. A standard bulk density of 1.62 short tons per cubic yard, which is based on total deposit grades, has been used for all three pits.

	NW PIT	CENTRAL PIT	SE PIT	TOTAL
Ore (short tons)	106,000	286,000	98,000	490,000
Chromite (%)	11.7	15.2	19.1	15.2
Zircon Grade (%)	0.5	1.0	1.4	1.0
Area (acres)	3.0	10.0	3.0	16.0

Overall, North Seven Devils is a high grade reserve of similar quality to South Seven Devils but slightly smaller. However, because of the large overburden quantities and the complication of the three separate pits, it will pose more mining problems.

Shepard

This deposit lies south- west of, and at an elevation about 50 feet lower than, the Seven Devils deposits. It is topographically more complex with the eastern wall being very steep in some places and relatively gentle in others, and the western fall-off steeper and more irregular. Average thickness is 10 feet with an average overburden of 28 feet. The Shepard deposit has an estimated ore reserve of 289,000 short tons at 13.7% chromite and 0.8% zircon using a calculated bulk density of 1.61 short tons per cubic yard. Shepard is a small reserve with a still considerable grade although lower than that of the Seven Devils Deposits. Because of its higher stripping ratio and topographical complexity, it presents more mining problems than the bigger deposits.

Westbrook

This deposit lies to the north- west of the Seven Devils Deposits. It sits on a plateau bounded on all sides by a relatively gentle downward slope. Internally, there is a gentle upward slope to the southwest. Westbrook has an estimated ore reserve of 729,000 short tons at 9.0% chromite and 0.5% zircon using a calculated bulk density of 1.58 short tons per cubic yard.

Logistics

Logistically, the mineral sands deposits of southwestern Oregon are situated in a favorable setting. The known deposits are within ten miles of a deep-sea shipping port. The region has a well-qualified work force experienced with technical equipment related to processing and milling of forest products. Abundant heavy equipment and repair facilities are located in Coos Bay. Most deposits are located within one-half mile of all-weather paved roads and are accessible by all-weather gravel roads. The targeted lands are largely undeveloped timberlands (though most have been logged) and can, after mining, be reclaimed either to forestlands or alternative uses.

Conceptual Mine Plan

The heavy mineral sand operation's main components are excavation equipment, wet and dry mills, laboratory and storage facilities. Excavation will comprise rubber-tired front end loaders and trucks to extract and move the mineral sands material. The soil and overburden materials will be stockpiled adjacent to the working site which allows for ready access and retrieval during the ongoing backfill and reclamation program.

Processing Plants

In May 2005, the Company purchased a 10 ton per hour wet concentrating plant for U.S.$215,000. Initially, this plant will be used for obtaining product for testing in the market and thereafter be incorporated into the commercial operation.

The wet mill separation stage will reduce the bulk of the material being handled and produce a rough concentrate which contains the majority of the heavy minerals. The wet mill will screen and wash the sands. Gravity separation of minerals is accomplished by passing a water/sand slurry through a series of

spiral coils. As the sand slurry slides down the spiral ramps, more dense grains move to the lower, inside edge of the ramp and less dense grains move toward the higher outer edge, effecting their separation.

The dry separation of the minerals will be achieved by using a combination of both magnetic and electrostatic separation equipment. High-intensity magnets separate magnetic from nonmagnetic heavy mineral grains. The higher magnetic products, including magnetite and ilmenite, would be removed from the chromite and garnet fraction. High-iron garnets would be separated electrostatically from the magnetic chromite. The nonmagnetic zircon and rutile concentrate would be processed by gravity methods.

Processing would include additional magnetic and electrostatic separations to produce final products. The mineral products would then be sold to various processors or mineral users.

If the Oregon mineral sands project proceeds, the Company's market strategy will be to produce two products initially, followed by the later development of stockpiled byproduct minerals. Initial production will focus on chromite, garnet and may be followed by production of zircon, rutile, ilmenite, magnetite and possibly gold. The Company's market strategy may change from time to time in response to changing market conditions and new information about the mineral deposits available to the Company.

2. The Shawnee Project

The Company currently leases approximately 527 acres in Crittenden County, Kentucky for the purposes of exploring for base metals. All leases are now held in the Company's subsidiary Dynamex. The material terms of the mining leases and the principal mineral deposits located on the leased properties are as follows:

Stalion Lease No. 1

By a mining lease made as of July 27, 1992, and renegotiated on Jul 27, 1997 and 2002 (the "Stalion Lease No. 1"), between Daniel H. Stalion, as lessor, and Moodie Minerals Inc. ("Moodie") as lessee, as assigned to the Company, the Company leases approximately 90 acres in Crittenden County, Kentucky. The current lease agreement expires on July 27, 2007 and requires annual lease payments of U.S.$540 (paid to date) to keep this lease agreement in good standing. The Stalion Lease No. 1 contains an option to purchase mineral and mining rights for U.S.$55,000.

Millikan Lease

By a mining lease made as of May 26, 1992, and renegotiated on May 26, 1997 and 2002 (the "Millikan Lease"), between Douglas Millikan and Otis Millikan, as lessors, and Moodie, as lessee, as assigned to the Company, the Company leases approximately 84 acres in Crittenden County, Kentucky. The current lease agreement expires on May 26, 2007 and requires annual rental payments of U.S.$2,400 (paid to date) to keep the agreement in good standing. The lease contains an option to purchase mineral and mining rights for U.S.$150,000.

Stalion Lease No. 2

By a mining lease made as of May 8, 1992 and renegotiated on May 8, 1997 and 2002 (the "Stalion Lease No. 2"), between Royster and Mary Evelyn Stalion, as lessors, and Moodie, as lessee, as assigned to the Company, the Company leases approximately 52 acres in Crittenden County, Kentucky. The original holders of this lease are now deceased and a new lease has been entered into with the beneficiaries, Mary R Singleton, Neil and Carla C. Stalion and Barbara Jo Stalion. The new lease is for a term of five years

expiring on May 8, 2007, with annual rental payments of U.S$1,800 (paid to date) to keep the agreement in good standing. This lease agreement includes an option to purchase mineral and mining rights for U.S.$60,000.

Grimes Lease

By a mining lease made as of May 13, 1992 and renegotiated on May 13, 1997 and August 5, 2002 (the “Grimes Lease”), between T.R. and Joanna Grimes, as lessors, and Moodie, as lessee, as assigned to the Company, the Company leases approximately 149 acres in Crittenden County, Kentucky. The current lease agreement expires on August 5, 2007 and requires annual lease payments of U.S.$1,200 (paid to date) to keep the agreement in good standing. The Grimes Lease contains an option to purchase mineral and mining rights for U.S.$100,000.

Harold Croft Lease

By a mineral lease with purchase agreement made as of June 22, 1995, between Harold and Joyce Croft ("Croft"), as lessor, and Kennecott Exploration Company, as lessee, as assigned to the Company, the Company leases 95.5 acres for a term of 50 years. The following annual lease payments are required to keep the agreement in good standing (paid to date): for years 1995 to 1999 the payments are U.S.$500, for years 2000 to 2004 the payments are U.S.$1,000, for years 2005 to 2009 the payments are U.S.$1,500, and for years 2010 and subsequent the payments are U.S.$2,500. The Company shall pay a production royalty of 3.5% based on a net smelter return, in addition to annual rental plus compensation for surface use. The Company has an option to purchase the leased property within ninety (90) days of commencing the commercial operations at a purchase price equal to 1.5 times the Fair Market Value (“FMV”) of buildings and raw land, 2.0 times FMV of residence, and 1.0 FMV of growing crops.

Franklin Croft Lease

By a mineral lease agreement made as of August 2, 1995, between Franklin G. Croft, as lessor, and Kennecott Exploration Company, as lessee, as assigned to the Company, the Company leased 55.25 acres for a term of 50 years. The following annual lease payments are required to keep the agreement in good standing (paid to date): for years 1995 to 1999 the payments are U.S.$550, for years 2000 to 2004 the payments are U.S.$1,100, for years 2005 to 2009 the payments are U.S.$1,650, and for years 2010 and subsequent the annual payments are U.S.$2,750. Furthermore following cessation of Franklin Croft's right to use all or a portion of the surface of the premises, the Company shall pay, within a reasonable period of time, to Franklin Croft a) a one time payment of 1.5 times the Fair Market value (FMV) of such portion of the premises as compensation for his loss of the use of the affected portion of the premises; b)1.5 times the FMV of buildings and structures, except for his personal residence which shall be 2 times the FMV; c) FMV of timber or growing crops.

All calculations of acreage referred to above have been made by the Company based upon both public and private records made available to the Company as well as information provided to the Company by the other parties to the agreements.

The following leases representing approximately 913 acres have expired and are currently being renegotiated:

Holloway/Harris Lease

By a mining lease made as of May 26, 1992 and renegotiated on May 26, 1997 (the “Holloway/Harris Lease”), between Dorothy Holloway and Blondale Harris, as lessors, and Moodie, as

lessee, as assigned to the Company, the Company leased approximately 424 acres in Crittenden County, Kentucky. The lase payments were U.S.$3,600 per annum. The lease contained an option to purchase mineral and mining rights for U.S.$150,000. The lease agreement expired on May 26, 2002. Both Holloway and Harris are now deceased and this lease is currently being renegotiated with the beneficiaries.

K.K. Mining Lease

By a mining lease made as of May 28, 1992 (the "K.K. Mining Lease"), between K.K. Mining Company Inc., as lessor, and Moodie, as lessee, as assigned to the Company, the Company leased approximately 444 acres in Crittenden County, Kentucky for a term of five years with an automatic renewal for five years, for annual rental payments of U.S.$1,200 and a 10% gross proceeds royalty. The K.K. Lease contains an option to purchase mineral and mining rights for U.S.$100,000. This lease expired on May 20, 2002 and is presently subject to renegotiation with the holders.

Moxley Lease

By a mining lease made as of May 20, 1992 (the "Moxley Lease"), between Rosa L. Moxley, as lessor, and Moodie, as lessee, as assigned to the Company, the Company leased approximately 45 acres in Crittenden County, Kentucky for a term of ten years for annual rental payments of U.S.$360. The Moxley Lease contained an option to purchase mineral and mining rights for U.S.$15,000. Rosa Moxley is deceased. This lease expired on May 20, 2002 and is presently subject to renegotiation with the beneficiary Patsy Murphy.

Project Overview

The Company has leased and geologically mapped five of the eleven known diatremes in the district situated in southern Illinois and northern Kentucky. The leases cover five volcanic features known as diatremes, within which heated fluids have deposited anomalous concentrations of certain advanced metals. The results confirm the existence of geochemical anomalies. While no commercially exploitable deposits of advanced metals or any other deposits have been identified to date, the Company believes that these anomalies warrant the expenditure of further funds to explore the district for deposits of advanced metals.

Geology of Shawnee District Exploration Targets

The Shawnee District apparently formed within a rift in the otherwise stable crust of the central North American continent (an "intracratonic rift"). Virtually all mineralization, including fluorite and advanced metals, occurs along steep, rift-related faults, formed during the Cretaceous Period (approximately 135 million to 63 million years before the present). More particularly, the advanced metals mineralization appears to be localized in breccia pipes along the diatremes.

Diatremes are more or less cylindrical and vertical zones in the upper earth's crust in which the rocks are fragmented by the explosive actions of hot gases and fluids breaking through toward the surface from layers below the earth's crust known as the earth's mantle. The hot fluids carry dissolved metals from deep within the mantle. As the rising fluids cool, they tend to deposit contained metals in or on the rocks closer to the surface. Such deposition may be enhanced by the presence in the breccia of particularly reactive rocks such as limestone. Deposition of metals and other minerals such as fluorite, carbonate and silica within the breccia tends to re-cement the rock fragments together into solid rock, which includes metals and other minerals in the filled voids between rock fragments. Other known advanced metal deposits around the world are hosted in vertical breccia pipes or diatremes.

History and Exploration to Date

The Shawnee District has been known for its fluorite and lead occurrences for 150 years. The earliest mining activity in the Shawnee District began with the production of lead in 1842 and, later, fluorite in the 1870s. Advanced metal occurrences in the Shawnee district have received only limited attention since their initial discovery by St. Joseph Lead Company in 1952. In excess of 400 meters (1,300 feet) of fluorite-cemented breccia was intersected in a shallow oil well drilled at the center of Hicks Dome.

The Moodie Agreement

By an agreement dated April 21, 1992 between Moodie and the Company, Moodie and ORC agreed to combine their respective aeromagnetic data. Pursuant to a subsequent agreement dated January 18, 1993, between Moodie and the Company, Moodie assigned all of its rights, title and interest in and to the leases referred to in the table below to the Company in consideration of the payment, upon work performed, of professional consulting fees at the rate of U.S.$320 per day with a maximum fee of U.S.$6,400 per month plus reasonable expenses, the issuance of options to purchase up to 15,000 Common Shares of the Company, a 5% net profits royalty, 5% of the profit derived from the sale by the Company of any of the properties and a 5% finder's fee with respect to all financing activities on the Kentucky Property resulting from the introduction by Moodie. This agreement superseded the April 21, 1992 agreement between Moodie and the Company.

Mineral Ownership	Approximate Acreage
K.K Mining Company	444
Royster Stalion	40
Millikan/Miller	101
Holloway Harris	425
Rosa Moxley	50
T.R.Grimes	150
Wade Bunton	250
W.Brown	100
N.Travis	150
J.Champion	200
R.Hearell	143
Clement Heirs	113
D.Stalion	50
Ozark Mahoning Company	133
Alben Barkley	150
Croft	100
Total	2599 acres

On May 27, 1997 an addendum to the agreement of April 21,1992 was entered into, covering a Second Area of Interest, in the County of Crittenden, in the State of Kentucky. This Second Area of Interest covers the following areas of mineral ownership:

- An inherited interest in Salem Fluorspar Corporations mineral rights near Smithland, Livingston County, Kentucky (approximately 1,200 acres)

- Shouse Skelton mineral rights between Joy, Kentucky and Carrsville, Livingston County, Kentucky (approximately 1,000 acres)

- Inherited Fritz mineral rights, Crittenden County, Kentucky, near the Columbia Mine (approximately 60 acres)

- Junior mineral rights near Mary Belle mine, Crittenden County, Kentucky (approximately 40 acres)

Within this Second Area of Interest, Moodie have been granted a 10% interest in any income received from a third party in the event of a sale to a third party, and 10% of the net profit derived from the Second Area of Interest

On April 8, 1999, a further amendment was entered into to extend the Area of Interest to encompass in their entirety the Counties of Crittenden and Livingston in the State of Kentucky and the Counties of Hardin, Pope and Saline in the State of Illinois with the exception of certain properties acquired by Moodie through inheritance and personal acquisitions set forth in the table above.

Currently, Moodie's services are used on a limited basis by the Company, all outstanding fees and expenses have been paid to date and with the project at its current stage, there remains no outstanding liabilities on this agreement.

Previous Exploration - Kentucky

The Company has not undertaken any exploration or development activities on the Kentucky property. However the Company has acquired the previous exploration records of Moodie with respect to the Kentucky property. In 1993 the Company had a partnership with Kennecott Exploration Company and conducted aeromagnetic surveys, ground geophysics surveys, field mapping, stream sediment sampling and drilling holes. Upon withdrawal by Kennecott from the project, this information was turned over to the Company.

The Cadillac West Property

Pursuant to the CWE Agreement, the Cadillac West property was acquired by CWE. The Cadillac West property covers approximately 12,750 hectares in Beauchastel, Dasserat and Rouyn Townships, and lie immediately west of the mining center of Rouyn-Noranda, Quebec. CWE owns outright 306 claims covering 10,565 hectares; and holds an option to earn a 50% interest from Richmont Mines Inc. in a further 2185 hectares in 77 claims that surround the Francoeur mining concession (the "Richmont Option"). See Figures 1 and 5 for location. The Richmont Option was acquired by Andre Audet and Victor Erickson from the Richmont Mines Inc. of Rouyn-Noranda Quebec pursuant to a letter agreement dated April 30, 2004. Pursuant to the CWE Agreement, Andre Audet and Victor Erickson agreed to assign the Richmont Option to CWE. The majority of the CWE's claims were staked in 2002 at the end of the bear cycle in the gold market.

The Richmont Option was acquired by CWE early in 2004 to diversify the types and risk of the CWE's exploration targets. In November 22, 2005, the Option will be partitioned into two separate entities, namely Norcoeur and Lac Fortune. Either or both options may be terminated without penalty at any time by CWE should results or circumstances warrant.

The Norcoeur Option is comprised primarily of the Arntfield and Arncoeur properties which represent respectively eastern and western extensions of the Francoeur Shear. The southern half of the Arntfield property produced 530,000 tons at 0.12 oz/ton, mostly prior to World War II.

The Lac Fortune Option hosts the oldest known deposit in the region, dating to 1907. Underground exploration under the direction of Richmont has defined a currently uneconomic resource of 250,000 tons grading 0.16 oz/ton. The southern limit of this option also covers about five kilometers of the Cadillac Break.

General Geology & Exploration

The Cadillac West Project is located within the Noranda volcanic complex, which is part of the Archean Abitibi Greenstone Belt. This complex is bounded to the north by the Porcupine-Destor Fault and on the south by the Cadillac-Larder Lake Fault. It is comprised of the geochemically distinct Stoughton-Roquemaure mafic to ultramafic units, Kinojévis tholeiitic units, and the Blake River calc-alkaline group. Together, the sequences form a volcanic pile twenty-five kilometers thick.

Gold mineralization in the region is controlled primarily by major crustal sutures that mark the traces of Archean subduction zones. The Cadillac Break, also referred to as the 'Cadillac – Larder Lake, Malartic – Larder Lake Deformation Zone and Cadillac Tectonic Zone , traces the boundary between an Archean volcanic land mass on the north and an oceanic plate to the south. The southern plate comprised of 'Pontiac Sediments' was driven beneath the volcanic terrains to the north at about 2700 ma. Volcanism related to the waning stage of this activity introduced granitic bodies (syenites and tonalities) along the trace of the Cadillac Break and along parallel second-order shears for up to several kilometers north of the parent structure. These volcanic centers, now marked by deeply eroded stocks, dykes and plugs, are scattered along the entire length of the Cadillac Break.

The mineralizing events spanned several million years, beginning during the late stages of felsic volcanism and continued through a period of crustal adjustment that created fracture systems to accommodate fluid migration. Gold deposits are found mainly in second- and third-order structures in the volcanics within a few kilometers north of the Cadillac Break. Typical gold deposits, including the Sigma, Lamaque, Camflo and Kiena Mines, which tend to be medium-sized, individually produced between one to four million ounces. Large complex deposits found directly in or very near the Cadillac Break include the Malartic, Kerr Addison, Kirkland Lake and Doyon – Bousquet – LaRonde Mines, each producing in excess of 7 million ounces. With few exceptions, gold deposits are intimately associated with felsic intrusives that mark the centers of late-stage volcanic events.

The only section of the Cadillac Break that has not been extensively explored lies west of Noranda where a 35-km section is covered by a layer of early Proterozoic sediments preserved by down-faulting. It extends eastward from the 11+ million-ounce Kerr Addison Mine at Virginiatown, Ontario, to the western boundaries of the Noranda camp, which itself has produced roughly 18 million ounces of gold. The covering sediments occupy a depression of undetermined but possibly modest depth and form a ridge of prominent hills rising 150 to 200 meters above the Archean plateau. The total depth of cover is clearly variable since a three-kilometer long Archean outcropping that includes the Guinard syenite stock occupies an "island" in Cobalt sediments directly on the projection of the Cadillac Break. Also, while Cobalt cover is known to extend to depths of several hundred meters near the Ontario border and the nearby Milky Creek Fault, CWE drilling north of the Guinard target encountered only 37m (vertical thickness) of the cover.

The Archean basement located in the Francoeur Mine region is influenced by both the Guinard syenite to the south and the Aldermac Intrusive to the north. The area is host to synvolcanic rhyolite-hosted VMS base metal deposits and to shear-hosted gold mineralization. The Aldermac Mine produced 34,000 tons of copper from 2.1 million tons of ore, while the combined past production, reserves and resources for gold deposits situated along the 10 km corridor related to the Francoeur and Wasamac

structures amounts to 1.5 million ounces. Gold mines occupy second-order structures that are nearly certain to tap the Cadillac Break at depth. The timing of mineralization and its relationship to nearby last stage syenitic plutons has not been studied. However, the idealized north-south section drawn from the Cadillac Break to the Francoeur Mine demonstrates the possible relationship between the deep-seated Cadillac Break and second-order mineralized structures in the region.

The southern half of the Arntfield property, in addition to limited historical gold production, has seen semi-methodical (mainly tax-shelter) drilling for well documented north-dipping shear-hosted mineralization. However, the potential for economically attractive steeply south-dipping vein mineralization remains largely unexplored, as is the northern half of these claims.

Modern exploration on the Lac Fortune property as described above has focused primarily on developing the modest resource identified in the 1980's in a series of moderately dipping mineralized shears. However investigations have stopped short of the search for feeder systems.

Cadillac West Exploration

Summer 2004

During the summer of 2004 Cadillac West conducted a $380,000 exploration program on its 100%-owned claims to meet Ministry of Natural Resources assessment work requirements, and to provide the basis for further exploration, particularly to define drill targets on the Cadillac Break.

In summary the program comprised:

- a helicopter-borne magnetic survey by McPhar Geosurveys Ltd. covering all of the property including the Richmont Option;
- a time-domain helicopter-borne electromagnetic (THEM) survey performed by McPhar over the Dasserat North, Gan and the northernmost Kekeko claims;
- a lithogeochemical outcrop sampling program in the relic Proterozoic Cobalt sediments on the Kekeko and Kanasuta claim groups overlying both traces of the duplexed Cadillac Break;
- a satellite image and airphoto structural analysis by Meridian Mapping covering primarily the smaller, scattered claim groups in central and eastern Beauchastel Township; and
- prospecting and mapping of the Kekeko and Dasserat North claim groups.

High Resolution Magnetic Survey

The magnetic survey provided a pseudo-lithology map which has enhanced the understanding of the geological and structural features of Archean strata north of the Cadillac Break, but more importantly yielded information on the unexplored basement geology obscured by the Proterozoic Cobalt sediments along the Cadillac Break. Preliminary Interpretation of survey data by a McPhar geophysicist identifies a number of syenitic intrusive centres along the southern branch of the duplexed Cadillac Break. These are inferred from anomalies that extend from the Dasserat Township boundary easterly, through the Guinard intrusive, to south-central Beauchastel Township. The magnetic survey also shows several groups of cross-cutting fault systems linking the two branches of the Cadillac Break.

Lithogeochemical Survey

The Summer 2004 lithogeochemical program sampled 2233 Cobalt sediment outcrops on the Kekeko and Kanasuta claim blocks with the objective of identifying leakage of late-stage mineralization from the underlying Archean basement. All samples, at least 1 kg in size, were trimmed with a diamond saw to remove any surface contamination, shipped to Vancouver, and were analyzed for gold, silver and related trace elements at Acme Laboratories. While values were generally low (as anticipated) several multi-element anomalies stand out. These are located either directly over or in close proximity to intrusive centres previously identified or implied by the magnetic profiles, particularly in association with the Guinard, and other suspected intrusions to the east.

Late in 2004 an additional 276 rock samples were taken on the Richmont claims located immediately west of CWE ground, from the Guinard intrusive and its western extension. Preliminary evaluation shows a zone of elevated gold, barium and tungsten values extending eastward from the trace of DDH RO-01 for roughly 600 meters to the boundary of 100% CWE claims, and continuing for an additional 1600m eastward as a multi-element anomaly

Electomagnetic Survey

The deep-penetrating helicopter-borne E-M survey was conducted on limited portions of the property where geological conditions were favourable for VMS deposits. Results show a number of weak to moderately strong conductors. These will be fully assessed and interpreted following a complete compilation of historical data for the areas.

Winter 2004

The Winter 2004 drilling program on the Richmont Option was conducted to meet two principal objectives:

- commence preliminary drilling to test the proposed deposition models, that is: explore for structure and mineralization related to the Guinard syenitic intrusive , but obscured by Proterozoic sediments along the Cadillac Break test for feeder systems related to the Lac Fortune deposit;

- test for south-dipping vein- or other shear-hosted mineralization in the Arntfield and Arncoeur areas; and

- commence fulfillment of the $500,000 exploration commitment made in respect of the Richmont Option.

A total of 2496 meters of BQ calibre core was recovered from seven holes, details of which are tabulated below. All of the proposed Richmont targets were tested except for the Arncoeur, with promising results, as discussed below under the respective headings.

Winter 2004 Drill Hole Summary

Hole	UTM Coordinates		Dip	Length	Direction	Purpose
RO-	East	North		(Meters)	Azimuth	
01	628008	5338017	-50	732.00	180 deg	Guinard Intrusive and Cadillac Break
02	627013	5338805	-51	459.00	330 deg	Test below Lac Fortune vein system;
03	627007	5338823	-45	152.00	150 deg	Hole southward, under Lac Renaud
04	628540	5340690	-52	400.30	360 deg	Arntfield structure, near Francoeur boundary
05	628540	5340590	-50	437.00	360 deg	Arntfield structure, near Francoeur boundary
06	629619	5340369	-50	116.00	180 deg	Arntfield structure, about 1000m east of #4.
07	629619	5340469	-50	200.00	180 deg	Arntfield structure, about 1000m east of #4.

Exploration Targets & Drilling Results

Targets that have been selected for further exploration cover the full spectrum of geological potential. Those located directly on or immediately adjacent to the Cadillac Break are obscured by overlying Cobalt sediments. Current focus is on the Kanasuta and Kekeko regions where magnetic and coincident geochemical anomalies imply a potential for syentite-hosted gold mineralization. The southwestern section of the Richmont Option located along the Cadillac Break is similarly prospective and will be examined in due course.

Shear-hosted systems mined at the Francoeur and Arntfield deposits are also of particular interest at the present time. These follow shears striking either or slightly northeast or northwest and, prior to 1990 gold was found only along 35 and 50 deg. north-dipping shears. These are historically reported to be controlled in part by stratigraphy; and marked by very fine-grained brick-red alteration containing fine pyrite grains with very little quartz. Accordingly, virtually all surface drilling has been directed north to south, usually at 50 deg. off the horizontal, with the exception of a limited number of vertical holes.

In the early 1990's, Richmont Mines Inc., exploring from underground, discovered a structurally controlled south-dipping gold system with mineralogical features similar or identical to those seen in the north-dipping structure. This discovery was significant to the economics of Richmont's operations at the Francoeur Mine. The presence of mineralized south-dipping structures presents the possibility that similar systems will be found on strike from the mine area and on parallel structures in the region generally. The geometric relationship between the two shear systems suggests the possibility that moderately north-dipping zones form as ladder shears structurally bound and controlled by steeply south-dipping faults plumbing the system from depth. Extending this concept east and west to the Arncoeur and Arntfield sectors respectively, and south to the Lac Fortune deposit offers exploration potential not considered by earlier workers. Targets on the Francoeur-Arntfield shear system will demand far less initial exploration commitment than those on the Cadillac Break, and if successful, will benefit from extensive mining infrastructure already in place.

Other less-developed targets on the Company's claims include a strong but poorly explored shear zone on the Gan claims and under-explored base potential on the North Dasserat ground.

Three of the eight principal exploration targets discussed below, were developed as a result of the acquisition of the 50% option on the Richmont Mines Inc. claims. Target #1A straddles the boundary between 100%-owned CWE claims and the Richmont Option, and was developed in part from analysis of Richmont data and geology, augmented by results of the aeromagnetic and lithogeochemistry surveys described above.

Target #1 – Cadillac Break:

#1A - Guinard

This target was briefly explored prior to 1940 by shallow drilling, surface trenching, and a 65 ft shaft. Quartz stringers carrying pyrite, chalcopyrite and minor gold were reported from a syenite porphyry plug and a related dyke. The plug is exposed in sub-cropping over an area about 800m in diameter on an "island" of Archean strata that protrudes through Proterozoic sediments on the southernmost claims optioned from Richmont. However, the magnetic data shows it forms an irregular massive body at depth that extends at least a km east and west from the outcropping. To the east, the intrusive extends well onto 100% CWE ground where results from rock geochemistry show a well-defined multi-element anomaly. This section of the Cadillac Break is unexplored except for a small amount of near-surface drilling conducted in the distant past.

This is a particularly compelling target because felsic intrusives within the Cadillac Break are always mineralized to some degree. Gold mineralization in the Malartic camp is closely associated with syenitic stocks and dykes over a strike length of 10 kilometers. The East Sullivan stock near Val d'Or carries a large number of strong gold showings and hosts the East Sullivan VMS deposit.

DDH RO-01 was drilled in February 2005 near the southern limit of the Richmont claims on the south shore of Lac Renault to test a section of the Cadillac Break where it forms a broad shear-zone that incorporates the Guinard syenite intrusive. It was collared in Proterozoic sediments in line with the geometric center of outcropping syenite to the south. From the collar location, it was estimated that a 700-meter long hole would cut about half the stock if it proved to dip vertically, and that it would effectively cut the entire body if it followed regional stratigraphic trends seen in Archean strata to the north.

Archean basement was intersected at a depth of 57 meters, beneath which syenite and feldspar porphyry intrusives alternate with mafic volcanic rocks and metasediments for the remainder of the hole (732 meters). The core shows strong to intense pyritic mineralization and silicification over more than 300m in all country rocks. Shearing ranges from moderate to strong as a pervasive foliation, with a few locally intensely sheared structures.

Syenites display strong to moderate reddish hematite alteration similar to that seen in Kirkland Lake mines to the west. Pyrite increases with hematite alteration but gold values remained low even where elevated pyrite was encountered over significant intervals. Elevated pyrite is seen in silicified volcanics and in the sediments as well. However none of these carry significant gold values except for a few short intersections. It is evident that these rocks were subjected to strong hydrothermal alteration over a true width of at least 300 meters.

In light of the broad zone of strong hydrothermal alteration encountered, the low gold values are disappointing. However, the size and strength of the alteration zone is impressive. This system has not been tested previously and remains open westward along a linear magnetic anomaly and eastward where anomalous gold values are seen in the geochemical survey conducted late last year. Consequently, several additional deep tests are warranted.

#1B – West Kekeko

This very prominent target in the Kekeko block is completely underlain by Cobalt sediments. It is located on the north flank of a magnetically inferred intrusive on the south trace of the Cadillac Break,

where basement magnetic response suggests a convergence of inferred faulting from the northwest and a linear cross-structure from the northeast. The 2004 lithogeochemical survey shows a well defined multi-element anomaly at this location that is best explained as leakage from a mineralized center in the underlying Archean strata.

#1C –Central Kekeko

This target is completely covered by Cobalt sediments where differential erosion has left a broad ridge terminated to the north and south by abrupt cliffs, and lies south of the long exploratory hole drilled by Globex in 2001 that bottomed about 500m north of the CWE boundary. Results of the Globex hole were significant in that it detected elevated gold values in altered syenite near the bottom of the hole. The target is centered on a multi-element geochemical anomaly measuring about 1.5km in diameter that coincides with a disrupted magnetic anomaly.

#1D - Kanasuta

The Kanasuta target is situated on the margins of a major volcanic center marked by a syenite stock known to host broad gold-bearing alteration zones, and lies on the projected trace of the Cadillac Break where the covering Cobalt sediments have been exceptionally resistant to erosion. The area is dominated by Mt. Kanasuta which probably lies above a major hydrothermal center that remained active while the early Proterozoic sediments were deposited. These claims are near the south margin of a large syenite intrusive located in Ranges 4 and 5 that is likely to extend beneath the sediments underlying at least part of the property.

A cross-structure indicated by stratigraphy and a well defined ridge extending to the southwest serves to focus a relatively small area as a primary target. Details of the cross-structure are obscured by the Cobalt cover. However, the strong north-east striking embayment of the sediments immediately to the north suggests faulting parallel to the Milky Creek Fault (situated to the west and possibly associated with the Kerr Addison deposit), and to the adjacent well defined gabbro sill that also extends northeasterly. It is likely that preferential erosion of the Archean basement along a broad zone of fault-controlled hydrothermal alteration preserved the Cobalt sediments in this location.

Recent drilling near the southwest margins of the syenite stock produced a large number of economic to sub-economic gold intersections, including 110m at 1.0 g/t. Drilling extended beneath the Cobalt cover and intersected significant copper and zinc values over 3m in acid volcanic rocks near the north boundary of the target area.

Further interpretation of the magnetic and lithogeochemical survey results is required prior to spotting of drill locations.

Target #2 – Lac Fortune

Mineralization is related to a broad shear zone striking roughly east-west on the north side of Lac Renault and extending westward under Lac Fortune. Discovery of a mineralized shear zone dates to 1907, one of the earliest discoveries in the region. In 1934, a shaft was sunk to explore a 6-12 ft wide shear zone carrying narrow quartz veins associated with carbonate alteration. Drilling identified mineralization over 500 ft of strike with an average width of 3.6 ft between the 300 and 500 ft levels, at an estimated grade of 0.513 oz/ton. Underground drifting exposed discontinuous veins carrying spectacular free gold.

Richmont Mines drove a decline to a vertical depth of 100m in 1987-88, delineating a sub-economic resource of about 250,000 tons at 0.16 oz/ton. A 10,000-ton bulk sample taken in 1997 yielded only 0.10 oz/ton from quartz mineralization containing coarse free gold. Geologic sections prepared by Richmont Mines based largely on its drilling show a series of stacked, gently dipping quartz veins over a maximum width of about 50 meters.

Exploration of this target will focus on expanding the existing resource by investigating controls to the host structure. It is notable that, as is the case at the Francoeur, virtually none of the previous surface drilling has been oriented from south to north, thereby minimizing the likelihood of intersecting any undetected south-dipping mineralization. Further, it is speculated that bounding or controlling sub-vertical structures limit the known system to the north and south. If confirmed, this will suggest a model with depth potential on a system of stacked parallel zones.

As an initial test of this model, DDH RO-02 was drilled northward from the north edge of Lac Renault to test strata underlying the Lac Fortune vein system for controlling sub-vertical structures. Strongly anomalous gold values were obtained from semi-continuous sampling over more than 300m in a north-dipping mylonitic shear intersected at a shallow angle below the defined resources. This structure is moderately to well-mineralized with both concordant and discordant narrow carbonate dominant stringers that are relatively rich in pyrite. A section intersected between 124.65m and 131.30m averages 7.0g/t Au over 6.65m, including a high-grade zone of 17.5g/t over 2.35m. Notably, this intercept differs markedly from the quartz vein-hosted coarse gold environment seen in the Lac Fortune resource. This, and the absence of a visible alteration envelope suggest a possible transition to a different style of mineralization at depth.

Near the collar, DDH RO-02 intersected the up-dip section of the lowermost vein of the Lac Fortune system (Road vein) at a core angle of 15 degrees over roughly 10 meters. The unit displays strong distinctive yellow sericite, is dominantly quartz-rich and is well pyritized locally where 4.9m graded 1.39 g/t.

A short hole, DDH RO-03 was collared a few meters north of RO-02 and drilled southward under Lac Renault in order to complete the section. The area is underlain by uniform but moderately carbonate-altered basaltic volcanic strata in which a significant assay of 6.4 g/t was obtained from a narrow steeply dipping shear at 105 meters.

Neither of these holes intersected sub-vertical structures likely to have influenced or controlled the low-angle gold structures forming the Lac Fortune deposit. If sub-vertical feeder structures exist, they would lie beyond the area examined by these drill holes.
Future drilling will focus on testing for mineralizing structures controlling the known resource and, in conjunction with this, test for favourable changes to the character of gold mineralization at depth.

Target #3 –Arntfield

The Arntfield Mine operated between 1935 and 1942, producing 530,000 tons of ore at an average grade of about 0.12 oz/ton from three shafts, one of them to a depth of 1000 ft. Closure was partially due to problems caused by WW2, but attempts to restart operations in 1945 failed. Target #3 covers a group of claims that had been the core of the original Arntfield property, and is now part of the claim group held by Richmont Mines as the “Norex Property”.

The Arntfield-Francoeur mineralized zone consists of a semi-continuous shear system that strikes roughly east-west and dips 45 degrees north. The structure divides into at least two sets of sub-splays and extends onto the CWE 100% claims on the southeast. Mineralization is confined mainly to mylonitic

schists containing little to no traditional quartz veining. The host 'schists' (shear zones) attain widths of up to 100 ft. Shearing tends to follow stratigraphy along brittle rhyolites on the Arntfield property while a similar relationship exists on the eastern part of the Francoeur property. Historical records dating to the late 1930's show that gold mineralization is intimately related to alteration confined to this shear and associated splays. A characteristic red hematite-rich quartz-carbonate-pyrite gangue is common to all gold mineralization in this system. Though the dominant mineralizing event appears related to the north-dipping system described above, early work on the Francoeur Mine showed that significant mineralization was sometimes associated with a steeply south-dipping set of shear zones. However, these were not recognized as significant at the time and nearly all historical drilling focused on mineralization controlled by the north-dipping structures. It is significant that the productive south-dipping Zones 7-8 and Sud-Sud recently mined at the Francoeur were not recognized prior to 1993, and no work has been done on the Arntfield property subsequent to those discoveries.

It is noteworthy that, with a single possible exception, none of the historical drilling on the Arntfield Property was directed south to north. Drilling conducted in the 1980's by Noranda Mines was oriented vertically. However, the strong foliation in this strata tends to redirect vertical holes, often with radical deviations. The down-hole survey method employed at that time sought to avoid problems related to magnetic compass-based systems by using a novel technique that has since been proven flawed. Consequently, the true position of intersections shown on section 628540E may differ significantly from their plotted location. The section shows upper and lower "Noranda" zones corresponding to intercept locations as plotted.

The previously unrecognized south-dipping structure was the primary focus of the 2005 pilot program which comprised a two-hole, north-south section drilled 75m east of the Francoeur property boundary. Holes RO-04 and 05 were drilled northward to test for south-dipping structures that would likely have been missed or misinterpreted from earlier southward and vertically directed drilling programs.

RO-04 intersected significant mineralization corresponding with the upper "Noranda" zone. However, strong mineralization intersected below this zone does not correspond with any previously known structure, and lies well to the north of the earlier Noranda drilling. This zone displays evidence of a sub-vertical component which suggests the possibility that two orthogonal structures intersect at this point (as indicated by red lines). The zone includes a section of strongly anomalous mineralization over more than 35 meters with a high-grade core zone grading 18.51g/t over 3.30 meters. This is well in excess of grades seen in previous drilling, while the intersection width is also very significant.

This strong zone of mineralization, encountered at about 320 meters down-hole in RO-04, lies roughly on strike with the projection of the Francoeur #8 Zone, which dips steeply south. The intersection lies north of earlier work completed by Noranda Mines in the 1980's and does not correlate well with historical data as it is presently interpreted. Consequently, it is possible that the intercept represents either a new zone of mineralization related to the sub-vertical #8 Zone, or it could be an off-set branch of the north-dipping system mined in the past at the neighbouring Francoeur and Arntfield Mines. Additional drilling is needed to determine the structural geometry and true widths, and the potential for economic mineralization down-dip and along strike. Both directions are open and have not been explored in the past.

RO-05 followed the mineralized zone (mylonitic shear) down-dip for about 100 meters from 115 meters down-hole. Intensity of mineralization in this zone is weak, and assays were correspondingly low. This part of the structure represents the down-dip extension of the old Arntfield workings but nothing was observed in core to explain the transition to sub-economic mineralization.

DDH RO-06 and 07 were drilled southward to test shallow mineralization intersected in a 1936 drill hole located a short distance east of mined-out workings in the Arntfield #3 shaft area. This zone lies some 1000 meters east of Holes 04 and 05 but occupies the same stratigraphically- controlled north-dipping shear system.

Mineralization encountered in RO-06 displays strong hematite alteration similar to that which produced high gold values in RO-04 on two parallel zones. However, neither of these returned significant gold assays with the exception of a poorly recovered sheared quartz vein encountered near the top of the hole. This structure, which does not appear to correspond with results of 1936 drilling, gave 2.36 g/t over a core length of 2.5 meters. It is possible that collar locations for historical drilling are not correctly positioned on available maps.

Hole RO-07 shows strong mineralization over much of its length but analytical results indicate that gold mineralization is selective. A well defined shear zone at about 60m down-hole gave an average grade of 1.69g/t over 5.5m. This zone may correspond with similar results seen in R0-06.

The immediate area has not been explored except for a few shallow holes from the 1930's and widely spaced drilling by Noranda in the 1980's. Mineralization in the two CWE holes is extensive and confirms the need to continue exploration on strike to the east and at depth. In addition, a broad zone of strongly carbonated sericite schist seen in both RO-06 and 07 is of interest as a potential host to Aldermac-related massive sulphides.

Target #4 - Arncoeur

The Arncoeur zone lies on the western extension of the Francoeur shear where it locally follows a rhyolite – andesite contact and is reported to contain quartz veins with visible gold. Early work showed surface assays of between 0.36 and 1.68 oz/ton over widths of one to three feet. Drill holes intersected grades of 0.10 to 0.17 oz/ton over lengths of 5 to 20 ft. There has been no recent work of consequence done in this area.

The target shear extends over a strike length of more than two kilometers from the Francoeur property boundary and appears to divide into two distinct branches at a northwesterly trending cross fault. The Quebec Ministry compilation shows that all historical drilling was directed from north to south and consequently, it is unlikely that earlier workers will have intersected or recognized evidence of important south-dipping structures as host the "# 7" and "Sud-Sud" zones discovered at the Francoeur mine in the 1990's.

A complete compilation of historical work, which is nearing completion, will be reviewed in conjunction with an analysis of the 2004 magnetic survey. A modest drilling program will assess priority targets and verify the geological model.

Target #5 – Gan

The Gan target is situated on the Gan fault where it crosses the offset lobe of a linear township-scale gabbro sill. The western edge of the property lies at the intersection of the Gan and an unnamed northwesterly striking cross-fault that trends through to the Aldermac mine in Beauchastel Township.

The Provencher showings on Lots 2 to 4 of Range 7 reportedly show strong silicification in a broad carbonate-altered zone related to a small syenitic stock located on the projected trace of the Gan Fault. Recent drilling by Maude Lake Resources on the western edge of the stock intersected weak gold mineralization in strong alteration over 56 meters. There has been no drilling done along the fault trace to

the east of the stock where the structure cuts the chemically favourable gabbro over nearly a kilometer. It is notable that the Francoeur gold structure was particularly productive in the gabbroic host strata, as was the New Senator deposit near Noranda.

Target #6 – Dasserat North

The Dasserat North target in Ranges 6 and 7 focuses on a broad band of rhyolites with VMS base metal potential that strikes north to north-northwest. This stratigraphic unit forms a continuous horizon that can be traced across Dasserat and Beauchastel Townships to the Noranda mining district, and correlates well with the rhyolite host of the Aldermac VMS deposit in Beauchastel Twp. This band of acid volcanics has never been tested in Dasserat Twp. because conductive overburden masks all responses to electro-magnetic geophysical techniques. The high-resolution magnetic survey shows a strong anomaly on the north branch rhyolite located near the northeast corner of the claim block. This coincides with significant sulphide mineralization in nearby acid rock exposures and a weak coincident EM anomaly.

Additional Non-Assessed Targets

Wasa North and Wasa South:

These blocks, comprising a total of 20 claims, are underlain by a complex of felsic and mafic volcanic rocks intruded by long, linear and steeply dipping gabbroic sheets. The associated synvolcanic faulting suggests a period of extensional tectonics that tends to explain the presence of pyrite-rich cherty horizons. While these structures show a relatively low base metal content, very little drilling was done to test their potential at depth. The potential for uncovering massive sulphide deposits on a series of favourable trends, including one hosting the former Aldermac mine is significant. Globex reported that at least five such horizons have been identified.
The Wasa North and South blocks lie to the north and south of the major north-dipping shear zone that hosts the Francoeur and Wasamac gold deposits as discussed above. Richmont Mines recently released drilling results from the Wasamac Mine showing unusually high gold values over exceptional widths at depths of roughly 450 metres. There are several similar magnetically prominent lineaments in the area that have not been adequately investigated.

Beauchastel East:

This area is underlain mainly by acid to intermediate flows associated with felsic intrusions. These 13 claims are on strike with interesting gold and copper mineralization situated roughly a mile to the east, including the Abbeville and Pelletier Lake gold prospects in Rouyn Township.

Magnetic patterns are consistent with the ENE regional stratigraphic fabric, however they are interrupted locally by a set of NW sub-linear features thought to be cross-faults expressed as magnetic lows. These are also evident as lineaments on the Landsat image for the area.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

A. Operating Results

This discussion and analysis of the operating results and financial position of the Company for the years ended December 31, 2004, 2003 and 2002 should be read in conjunction with the Consolidated Financial Statements and the related notes thereto.

General

Since its inception, the Company has been primarily engaged in the exploration of industrial minerals, metals and precious metals. The Company is currently in the development stage, for financial reporting purposes, and has had no revenue from operations. The Company has incurred, and for the foreseeable future expects to continue to incur, operating losses. These operating losses have resulted in an accumulated deficit, which will continue to increase until profitable operations are achieved. The capital necessary to fund the Company's activities and short-term capital requirements has been raised through the sale of its Common Shares and debt financing.

Operating Results

December 31, 2004 compared to December 31, 2003

Revenue. The Company had no operating revenue for the fiscal years ended December 31, 2004 or December 31, 2003.

Expenses: Total expenditure in 2004 was CAD$573,968 against CAD$431,711 in 2003.The increase was the result of increased exploration expenditure on CWE's claims in Rouyn Noranda in order to identify and quantify levels of gold at these sites. Stock based compensation was recorded as an expense at CAD$247,759, compared with CAD$149,566 in the 2003.

Net Loss: The net loss in fiscal year 2004 increased to CAD$551,939 from CAD$353,423 in 2003 reflecting the increased expenditure on exploration and the impact of the stock option plan.

December 31, 2003 compared to December 31, 2002

Revenue. The Company had no operating revenue for the fiscal years ended December 31, 2003 or December 31, 2002.

Expenses: Total expenditure in 2003 was CAD$431,711 against CAD$201,824 in 2002.The increase was primarily due to additional consulting incurred and the recording of the stock-based compensation expense on stock options awarded to directors and officers during 2003. Consulting expenses increased to CAD$110,247 from CAD$30,451, following the decision in May 2003 to reactivate the Shawnee project as a diamond appraisal. Stock based compensation was recorded as an expense at CAD$149,566, compared with CAD$Nil in the 2002.

*Net Loss:*The net loss in fiscal year 2003 increased to CAD$353,423 from CAD$229,221 in 2002 reflecting the increased expenditure on consulting services and the impact of the stock option plan.

Foreign Currency Exchange Rates

A significant portion of the Company’s business is conducted in the United States dollar. However, the Company prepares its financial statements and reports in Canadian dollars. As a result, the Company is subject to exposure from movements in foreign currency exchange rates. The Company does not currently engage in hedging transactions designed to manage currency fluctuation risks. *See Notes to Consolidated Financial Statement – Note 2. Foreign Currency Translation.*

Inflation

Historically, inflation has not affected the Company's business in the current locations where it is doing business and the Company does not expect it will in the future.

Interest Rate Sensitivity

The Company is not currently subject to adverse movement in interest rates because the Company's credit facilities are fixed at an interest rate of 8.0%. The credit facility agreement requires repayment of the entire loan balance on December 31, 2006. The Company does not currently engage in hedging transactions designed to manage interest rate fluctuation risks.

B. Liquidity and Capital Resources

As of December 31, 2004, the Company had a working capital deficiency of CAD$ 79,732, an increase from a deficiency in working capital of CAD$72,936 in 2003. The Company has relied on the credit facility from Epsom and equity financing to support its operations. As of December 31, 2002, the Company had a working capital deficiency of CAD$445,828.

Currently, none of the Company's properties are producing revenues and no revenues are anticipated in the near future. To provide working capital for its operations and project development, the Company needs to raise new funds. Traditionally, the Company has raised capital through the issuance of Common Shares. It is contemplated that it will continue to raise capital primarily in private placements through investors. No assurance, however, can be given that the Company's future capital requirements can be obtained. The Company's access to capital is always dependent upon future financial market conditions, especially those pertaining to venture capital situations such as mining exploration companies. There can be no guarantee that the Company will be successful in obtaining future financing, when necessary, on economically acceptable terms.

For the year ended December 31, 2005, the Company believes that it will need approximately CAD$250,000 of cash to cover administrative costs and CAD$25,940 for payment of lease properties. In addition, the Company will need CAD$500,000 to begin the exploration and production of its properties. No assurance can be given that the Company will make the anticipated exploration expenditures on the Oregon and Kentucky properties which will depend, in part, on actual results of exploration. The Company anticipates that it will pay for its 2005 administrative and exploration costs from existing working capital and from its credit facility.

The particulars of all capital raising transactions since 1997 are detailed as follows:

Financing activities over the past few years have reflected the investing activities expenditures. The majority of funds raised by the Company have consisted of the issue of Common Shares. Management expects that equity financing will continue to provide the majority of funds available to the Company for the ensuing twelve months. Although it is the Company's intention to fund as much of the exploration program for the Oregon and Shawnee projects by way of joint venture, the Company also expects to raise additional capital by the issue of Common Shares. Except as expressly described in this Annual Report, the Company has no financing commitments from any third party and there is no assurance that the financing necessary to achieve the business objectives described herein will be available to the Company, or if available, that such financing will be on terms favorable to the current shareholders.

On October 31, 1998, the Company completed a private placement with European investors and received cash in the amount of CAD$500,000 representing subscriptions received for the future issuance

of 2,500,000 units. Each unit consisted of one common share and one common share purchase warrant entitling the holder to acquire an additional common share at CAD$0.25 until October 31, 2000 or CAD$0.30 up to and including October 31, 2001. These shares were issued on June 6, 2001.

On March 12, 2001, the Company completed a private placement of 12,000,000 Common Shares for a total of U.S.$450,000.On August 3,2004, the Company completed a further private placement of U.S.$648,000 with the issue of 3,600,000 shares and a share purchase warrant entitling the holder to purchase one share at U.S.$0.30 cents for a period of one year.

The Company also arranged a line of credit with a current maximum credit limit of U.S.$500,000, expiring on December 31, 2006 and bearing interest at 8% per annum. The collateral provided for this facility includes the shares held in the Company subsidiaries. At December 31, 2003 the Company was able to convert U.S.$ 500,000 of the outstanding debt into 3,094,060 shares. As at December 31, 2004 borrowing on this line of credit was U.S.$147,176. As of May 2005, all outstanding balance had been paid and the borrowing on this line of credit was U.S.$500,000.

In August 2004, the Company completed a private placement with units with European investors and received cash in the amount of U.S.$648,000. Each unit consisted of one common share and one common share purchase warrant entitling the holder to acquire an additional common share at U.S.$0.30 for a period of one year. The funds raised were used for the first phase exploration of the Cadillac West ("CWE") Project and development of the Oregon Mineral Sands Project.

Additional equity or debt financing will be required to enable the Company to complete the exploration and production of its properties, which includes investment in joint ventures and or further financing. No assurances can be given that the Company will be able to raise cash from additional financing efforts. If the Company is unable to obtain sufficient funds from future financing, or unable to complete its short-term financing, the Company may not be able to become profitable.

C. Research and Development, Patents and License, etc.

In the fiscal years 2004, 2003, and 2002, the Company did not have any research, development or patent expenses.

D. Trend Information

The Company must pay annual lease payments of approximately U.S.$25,940 to maintain its current leases, and is committed to the finance of ongoing exploration expenditure on the Cadillac West Project. The Company is required to raise additional working capital through debt or equity, in order to be able to put its properties into production.

Subsequent Events.

On May 19, 2005, the Company closed a private placement of units with European investors which provided gross proceeds of U.S.$1,056,000. The placement of restricted shares was at a price of U.S.$0.22 and each share included one common share purchase warrant ("the warrants). The warrants are exercisable for two years and each two warrants entitle the holder to purchase one common share at U.S.$0.30. The funds raised were primarily utilized for the second stage exploration of the Cadillac West Project, the purchase of a 10 Ton per hour wet separation pilot plant for the ongoing development of the Oregon Mineral Sands Project and the repayment of the outstanding balance on the credit facility with Epsom.

In May 2005, the Company paid outstanding balance on the credit facility with Epsom.

E. Off Balance Sheet Arrangements

None.

F. Tabular Disclosure of Contractual Obligations

None.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following is a list of the Company's directors and officers and a brief description of their experience. There are no family relationships between any officers and directors.

Name	Age	Positions Held	Period
Michael Brickell	64	Director and President	1995-Present
Cheryl Wilson	61	Director and Vice President	2003-Present
Philip Garratt	54	Chief Executive Officer	2004-Present
Isaac Moss	52	Director	1991-Present
Nick Plumbridge	43	Director and Officer	2004-Present

Michael Brickell,President and Director. Michael Brickell has been the President and a Director of the Company since 1995. He is a chartered accountant by profession. He has a background in retail merchandising and marketing. He is a former Vice Chairman and Chief Executive Officer of a national Canadian specialty retail chain and currently serves as Chairman of Cotswold Collections Limited, the Cheltenham, UK based retailer.

Philip Garratt, Chief Executive Officer. Philip Garratt has been the Chief Executive Officer of the Company since May 2004. He is a business development consultant and is providing his services as a consultant to the Company until July 2006. He was President and Chief Executive Officer of the Company from 1988 to 1993. During his tenure the Company acquired and developed the Oregon Mineral Sands Project and the Kentucky rare earth and zinc project. He has abroad international experience in the areas of business development and project finance.

Cheryl Wilson, Vice President and Director. Cheryl Wilson has been the Vice President and Director of the Company since September 2003. Cheryl Wilson has over fourteen years experience in the mineral resource industry and a wide range of management experience in banking, law, marketing and corporate development. Cheryl is President of the Company's subsidiary, ORC, and has vast experience on the Oregon Mineral Sands Project where she has been responsible for the overall management and has been a senior officer of ORC since 1990.

Isaac Moss, Director. Isaac Moss has been the director of the Company since 1991. He has a Bachelor of Social Science and Masters of Public Administration from the University of Cape Town, and a post-graduate business qualification. Isaac Moss has over twenty-five years of diverse business experience. Over the past nine years, he has focused on venture capital funding for small and medium

capitalized, emerging growth companies in the entertainment, technology, telecommunications, resource, chemical and hospitality industries.

Nicholas Plumbridge, Director and Officer. Nicholas Plumbridge has been a director of the Company since September 2003. Nicholas Plumbridge has a Bachelor of Arts degree in Business Management and is an Affiliate member of the London Stock Exchange. He has nearly twenty years experience in the financial services industry, primarily in Investment Management and has been successful in raising equity finance for emerging companies in the UK, Europe and North America. He is responsible for ensuring that the ongoing expansion of the Company is communicated to financial institutions, particularly in London.

B. Compensation

During the Company's fiscal year ended December 31, 2004, the Company paid an aggregate of CAD$87,494 in compensation to its directors and officers as a group for services in all capacities for the Company, and CAD$15,581 of office rent expense was paid to one of the directors and officers. An aggregate amount of CAD$Nil was accrued or set aside for pension or retirement plans for officers and directors.

In addition, Philip Garratt, the Chief Executive Officer of the Company, received $119,800, and an option to purchase 1,500,000 Common Shares at an exercise price of U.S.$0.19 until June 2, 2006, as payment for the services rendered to the Company in fiscal year 2004.

Furthermore, Michaell Brickell received a option to purchase 150,000 Common Shares at an exercise price of U.S.$018 until August 2009.

Directors' Compensation

Cheryl Wilson receives CAD$87,494 per annum and expenses of CAD$15,581 in office rent as Vice President of the Company and President of the Company's operating subsidiaries ORC and Dynamex. Michael Brickell received a option to purchase 150,000 Common Shares at an exercise price of U.S.$018 until August 2, 2009.

Isaac Moss and Nicholas Plumbridge did not receive compensation in fiscal year ended December 31, 2004.

Executive Compensation

The following table sets forth the aggregate cash compensation paid for the past fiscal year.

SUMMARY COMPENSATION TABLE

				Long Term Compensation			
		Annual Compensation		Awards		Payouts	
Name and Principal position	Fiscal Year	Cash compensation (CAD$)	Other Annual Compensation (CAD$)	Restricted Stock Award(s)	Securities Underlying Options (#) (Note E)	LTIP Payouts (CAD$)	All Other Compensation (CAD$)
Michael Brickell, Director and President	2004		-	-	400,000	-	-
Cheryl Wilson, Director and Vice President	2004	$87,494			250,000		
Philip Garratt, Chief Executive Officer	2004	$119,800			1,500,000		
Isaac Moss, Director	2004	-			150,000		
Nicholas Plumbridge, Director and Officer	2004	-			250,000		

C. Board Practices

The Directors of the Company serve a one-year term and are elected at the Annual General Meeting of shareholders. At the last Annual General Meeting, held on January 30 2004, the shareholders re-elected Michael Brickell, Cheryl Wilson, Isaac Moss and Nicholas Plumbridge as Directors. The officers of the Company elected by the Board serve at the pleasure of the Board. The Company has no contracts with any of its Directors that provide for payments upon termination. The Company has a separate audit and compensation committee. Isaac Moss and Michael Brickell are members of the compensation committee. Isaac Moss is the sole member of the audit committee.

D. Employees

The Company has two full-time and no part-time employees. One employee of the Company, being also a director and officer, is employed in Oregon by the Company's subsidiaries, ORC and Dynamex. The other employee is an officer of the Company and is employed by the Company pursuant to the terms of a certain service agreement.

E. Share Ownership

As of June 7, 2005, Philip Garratt, the Chief Executive Officer of the Company, owned directly 250,000 Common Shares and indirectly 489,700 Common Shares. No other officers or directors of the Company owned any shares of the Company as of June 7, 2005.

Outstanding Options

On September 1, 2003 the Board awarded Michael Brickell, Cheryl Wilson and Nicholas Plumbridge 250,000 share purchase options each, and Isaac Moss 150,000 options. These options are exercisable into ordinary shares of the Company at a price of U.S.$0.17 at any time until August 30, 2008.

On June 28, 2004, Philip Garratt was awarded 1,500,000 options exercisable at an exercise price of U.S.$0.19 until June 2, 2006.

On August 3, 2004, Michael Brickell was awarded a further 150,000 options exercisable at an exercise price of U.S.$0.18 until August 2, 2009.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

As of May 4, 2005, RAB Special Situations (Master) Fund Limited ("RAB") beneficially owned an aggregate of 4,500,000 Common Shares, consisting of 3,000,000 Common Shares and warrants to acquire an additional 1,500,000 Common Shares. Based on the number of Common Shares issued and outstanding as of December 31, 2004, RAB beneficially owned 14.44% of the Common Shares.

As of June 7, 2005, there were 75 record holders of the Company, of which less than 5% were record holders of the United States and its territories.

B. Related Party Transactions

The Company paid CAD$87,494 in remuneration to Cheryl Wilson as well as CAD$15,581 in office rent.

Philip Garratt, the Chief Executive Officer of the Company, received $119,800, and an option to purchase 1,500,00 Common Shares at an exercise price of U.S.$0.19 from the Company until June 2006.

Michaell Brickell received a option to purchase 150,000 Common Shares at an exercise price of U.S.$018 until August 2009, from the Company.

The transactions were approved by disinterested directors.

C. Interest of Expert and Counsel.

Not Applicable.

ITEM 8. FINANCIAL STATEMENTS

A. Consolidated Statements and Other Financial Information

The following financial information of the Company is attached to this Annual Report:

- Auditors' Report
- Consolidated Balance Sheets as at December 31, 2004 and 2003
- Consolidated Statements of Operations for the years ended December 31, 2004, 2003 and 2002, and cumulative for the period from October 16, 1978 (inception) to December 31, 2004

- Consolidated Statements of Shareholders' Equity (Deficiency) deficit for the years ended December 31, 2004, 2003 and 2002

- Consolidated Statements of cash flows for the years ended December 31, 2004, 2003 and 2002, and cumulative for the period from October 16, 1978 (inception) to December 31, 2004

- Consolidated Schedule of Mineral Property Costs for the years ended December 31, 2004 and 2003

- Notes to Consolidated Financial Statements

Dividend Policy

The Company has never paid any dividends and does not intend to in the near future.

B. Significant Changes

On May 19, 2005, the Company closed a private placement of units with European investors which provided gross proceeds of U.S.$1,056,000. The placement of restricted shares was at a price of U.S.$0.22 and each share included one common share purchase warrant ("the warrants). The warrants are exercisable for two years and each two warrants entitle the holder to purchase one common share at U.S.$0.30.

In addition, as of June 2, 2005, the outstanding balance on the credit facility with Epsom was U.S.$0.0. Proceeds from the private placement conducted in May 2005 were used to pay the outstanding balance on the credit facility.

ITEM 9. THE OFFERING AND LISTING

A. Price History of Shares

The Company's Common Shares are listed in the United States on the National Association of Securities Dealers OTC Bulletin Board, under the symbol RFIVF.

The Company's Common Shares were previously traded on the TSX Venture Exchange, formerly the Vancouver Stock Exchange ("VSE"),in British Columbia, Canada. Due to the high cost of re-listing and the ongoing maintenance cost on this exchange as well as the significant decrease in the VSE index and lack of liquidity, management decided to voluntarily delist from the VSE and concentrate on developing the Company's new listing on the OTC bulletin board. On January 6, 1999, the Company voluntarily delisted from the VSE exchange following approval of the NASD in December 1998 for the Company's shares to be traded on the NASD OTC Bulletin Board under the symbol "RFIVF". Prior to delisting from the VSE trading in the Company's shares was halted following a cease trade order placed on the Company on May 6, 1998 by the British Columbia Securities Commission (BCSC) following the late filing of the audited annual statements for October 1997. This order was later revoked by the BCSC on July 10, 1998. However, the Company was unable to remove the trading halt on the shares on the VSE as it did not meet the new minimum filing requirements. Although the Company no longer has a listing in Canada, the British Columbia Securities Commission still required the Company to meet its filing requirements which the Company did not initially comply with resulting in a cease trade order in that jurisdiction. The Company had a partial lifting of the cease trade order to allow it to satisfy the filing requirements to apply for Non Reporting Issuer status in this jurisdiction. On August 15, 2001, the British Columbia Securities

Commission granted orders deeming the Company to have ceased to be a reporting issuer and removing the cease trade order.

The high and low prices expressed in United States dollars quoted on the OTC Bulletin Board for the last six months, each quarter for the last two fiscal years and annually for the last five years are as follows:

	OTC Bulletin Board (United States Dollars)	
Period		
	High	Low
May 2005	0.33	0.27
April 2005	0.35	0.24
March 2005	0.25	0.23
February 2005	0.27	0.22
January 2005	0.26	0.21
December 2004	0.24	0.16

2004	High	Low
Fourth Quarter ended December 31, 2004	0.35	0.16
Third Quarter ended September 30, 2004	0.24	0.15
Second Quarter ended June 30, 2004	0.20	0.13
First Quarter ended March 31, 2004	0.26	0.16

2003	High	Low
Fourth Quarter ended December 31, 2003	0.37	0.20
Third Quarter ended September 30, 2003	0.36	0.10
Second Quarter ended June 30, 2003	0.18	0.04
First Quarter ended March 31, 2003	0.10	0.05

	OTC Bulletin Board (United States Dollars)	
	High	Low
2004 Annual	0.35	0.13
2003 Annual	0.37	0.04
2002 Annual	0.16	0.03
2001 Annual	0.09	0.03
2000 Annual	0.04	0.02

B. Plan of Distribution

Not Applicable.

C. Markets

The Company's Common Shares are listed in the United States on the National Association of Securities Dealers OTC Bulletin Board, under the symbol RFIVF.

D. Selling Shareholders

Not Applicable.

E. Dilution

Not Applicable.

F. Expenses of the Issue.

Not Applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not Applicable.

B. Memorandum and Articles of Association

On October 16, 1978, the Company filed a memorandum of continuance to reincorporate from British Colombia, Canada to Bermuda. On April 4, 1997 the Company amended it Articles to change it name to Resource Finance & Investments Ltd.

Common Shares

All issued and outstanding Common Shares are fully paid and non-assessable. Each holder of record of Common Shares is entitled to one vote for each common share so held on all matters requiring a vote of shareholders, including the election of directors. Shareholders are not entitled to cumulative voting for directors. The holders of Common Shares will be entitled to dividends on a pro-rata basis, if and when as declared by the board of directors. There are no preferences, conversion rights, preemptive rights, subscription rights, or restrictions or transfers attached to the Common Shares. In the event of liquidation, dissolution, or winding up of the Company, the holders of Common Shares are entitled to participate in the assets of the Company available for distribution after satisfaction of the claims of creditors.

Powers and Duties of Directors

The directors shall manage or supervise the management of the affairs and business of the Company and shall have authority to exercise all such powers of the Company as are not, by the Company Act, Articles or Bye-laws, required to be exercised by the shareholder in a general meeting or prohibited by law.

Directors serve for one year, until the next annual meeting of shareholders. In general, a director who is, in any way, directly or indirectly interested in an existing or proposed contract or transaction with the Company whereby a duty or interest might be created to conflict with his or her duty or interest director, shall declare the nature and extent of his or her interest in such contract or transaction or the conflict or potential conflict with his or her duty and interest as a director. Such director shall not vote in respect of any such contract or transaction with the Company, if the Chairman disqualifies him or her, and if he or she shall vote, his or her vote shall note be counted, but he or she shall be counted in the quorum present at the meeting at which such vote is taken. The shareholders at the general meeting shall determine the remuneration of the directors. However, notwithstanding the foregoing, directors shall be paid all expenses incurred in attending meetings or conducting business on behalf of the Company.

The directors may from time to time on behalf of the Company; (a) borrow money in such manner and amount from such sources and upon such terms and conditions as they think fit; (b) issue bonds, debentures and other debt obligations; or (c) mortgage, charge or give other security on the whole or any part of the property and assets of the Company.

The directors of the Company are not required to be residents of Bermuda. There is no age limitation, or minimum share ownership, for the Company's directors.

Shareholders

An annual general meeting is to be held once in every year at such time and place as may be determined by the directors. Notice of the meeting must be given not less than twenty-one days, nor more than fifty. A quorum at an annual general meeting and special meeting shall be two shareholders. There is no limitation imposed by the laws of Bermuda or by the charter or other constituent documents of the Company on the right of a non-resident to hold or vote the Common Shares.

In accordance with Bye-laws, directors shall be elected by an "ordinary resolution" which means (a) a resolution passed by the shareholders of the Company in general meeting by a simple majority of the votes cast in person or by proxy, or (b) a resolution that has been submitted to the shareholders of the Company who would have been entitled to vote on it in person or by proxy at a general meeting of the Company and that has been consented to in writing by all shareholders of the Company entitled to be cast on it.

The Bermuda law and Company's Articles and Bye-laws do not contain provisions that would prevent or delay a change in control of the Company.

C. Material Contracts

The Company entered into an asset purchase agreement with Mineral Recovery Systems, Inc., dated May 19, 2005, to purchase the Camden pilot plant for production for mineral concentrate from Oregon heavy mineral sands. The purchase price for the pilot plant was U.S.$215,000.

The Company entered into an agreement (the "CWE Agreement") with Victor Erickson and Andre Audet ("Erickson and Audet") on June 3, 2004 to take assignment of 282 mineral claims comprising of approximately 9,450 hectares in Beauchastel and Dasserat Townships in the province of Quebec. Erickson and Audet have also signed an agreement with Richmont Mines Inc. of Rouyn-Noranda, Quebec pursuant to which Erickson and Audet, or their assignee, has a right to earn a 50% interest in two separate options in 77 claims covering approximately 2,185 hectares in Beauchastel and Dasserat Townships (the "Richmont Agreement"). Under the CWE Agreement with Erickson and Audet, the Erickson and Audet claims and the Richmont Agreement will be transferred to a newly incorporated

company in the province of British Columbia called Cadillac West Explorations, Inc. As consideration for the assignment, Erikson and Audet will receive up to a total of 4,000,000 Common Shares of CWE, in addition to a royalty on production from any of the Erickson and Audet claims. The Company agreed to fund up to U.S.$1,000,000 to CWE. The CWE Agreement was subsequently amended on February 7, 2005 to extend the term of the CWE Agreement until March 31, 2005. The CWE Agreement was further amended on June 8, 2005 (the "Amendment") to include a right of first refusal on additional claims acquired by the Company, Erickson or Audet. In addition, the Amendment clarified the rights of the parties under the CWE Agreement.

The Company entered into an addendum to credit facility agreement with Epsom Investment Services N.V., a company whose director is also an officer of the Company dated April 4, 2005. The addendum extended the maturity date of a line of credit to December 31, 2006 and increased the line of credit from U.S.$250,000 to U.S.$500,000. The line of credit bears interest at 8% per annum and is secured by the shares of the Company's subsidiaries.

The Company entered into a service agreement with Philip Garratt dated May 17, 2004, pursuant to which the Company retained Philip Garratt as the Chief Executive Officer of the Company until May 17, 2005. The service contract is renewable after twelve months and Philip Garratt is paid a basic fee for the contract period of U.S.$ 100,000. In addition, Philip Garratt was granted options to purchase 1,500,000 Common Shares at U.S.$0.19 per share which are exercisable after two years from the date of the service agreement.

D. Exchange Controls

Control over foreign currency has existed in Bermuda since 1940 and is now governed by the Exchange Control Act of 1972, (the "Exchange Control Act") and regulations promulgated thereunder and are administered by the Bermuda Monetary Authority (Foreign Exchange Control). The Exchange Control Act regulates foreign currency transactions between a resident of Bermuda and a non-resident of Bermuda. However, exempted companies, like the Company, are designated as "non-resident" for purposes of the Exchange Control Act, and as such, are entitled to maintain foreign currency bank accounts and to freely convert the balances in such accounts into currencies of other countries. Because exempted companies are designated as "non-resident" under the Exchange Control Act, consent from Foreign Exchange Control is required prior to incorporation. Prior consent of Foreign Exchange Control is also required to issue or transfer any share, debenture, or other security of an exempted Company. General permission may be given to issue or transfer shares, or other securities, in connection with a public issue, which are to be freely transferable. The Company received Bermuda's permission to transfer its shares, which may be traded on the OTC Bulletin Board.

E. Taxation.

There are no income, profits, capital gains, sale of goods, death, or inheritance taxes in Bermuda. Exempted companies, such as our Company, pay annual fees to the Bermuda government, which are determined by the amount of its share capital. Although the United States and the United Kingdom of Great Britain and Northern Ireland (on behalf of Bermuda) signed a mutual assistance and insurance tax agreement on July 11, 1986, the agreement does not provide for the withholding of taxes on the distribution of dividends to United States taxpayers. While the convention provides for the sharing of information, it primarily deals with the taxation of insurance premiums paid by United States residents to insurance companies domiciled in Bermuda.

Certain United States Federal Income Tax Considerations

The following is a summary of United States federal income tax considerations material to a holder of Common Shares who is a United States citizen or resident or a United States domestic corporation who owns the Common Shares as a capital asset ("United States Investor"). The summary is of a general nature only and is not exhaustive of all possible income tax consequences applicable to United States Investors and does not address the tax consequences of United States Investors subject to special provisions of federal income tax law such as tax exempt organizations, trusts and significant shareholders. Prospective investors are advised to consult their own tax advisors with respect to their particular circumstances and with respect to the effects of state, local or foreign tax laws to which they may be subject.

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations, court decisions and current administrative rulings and pronouncements of the United States Internal Revenue Service ("IRS") that are currently applicable, all of which are subject to change, possibly with retroactive effect. There can be no assurance that future changes in applicable law or administrative and judicial interpretations thereof will not adversely affect the tax consequences discussed herein. Potential investors are advised to consult their own tax advisors regarding the tax consequences of acquiring, holding or disposing of the Common Shares in light of their particular circumstances.

Basis. A United States Investor will have a basis in the Common Shares equal to his or her purchase price for United States federal tax purposes.

Dividends. Cash dividends paid out of the Company's current and accumulated earnings and profits to a holder of Common Shares who is a United States Investor will be taxed as ordinary income for United States federal income tax purposes. Cash distributions in excess of the current and accumulated earnings and profits of the Company will first be treated, for United States federal income tax purposes, as a nontaxable return on capital to the extent of the United States Investor's basis in the Common Shares and then as gain from the sale or exchange of a capital asset.

Such dividends generally will also be subject to foreign withholding tax. The deduction for dividends received which is usually available to corporate shareholders is generally not available for dividends paid from a foreign corporation such as the Company. Pursuant to Sections 164 and 901 of the Code, a United States Investor may generally elect, for U.S. federal income tax purposes, to claim either a deduction from gross income for foreign withholding taxes or a credit against its United States federal income taxes with respect to such foreign taxes. The choice of taking a deduction or claiming a credit is up to the taxpayer.

In general, a United States Investor, other than a shareholder owning 10% or more of the voting power of the Company, will be entitled to claim a foreign tax credit only for taxes, if any, imposed on dividends paid to such United States Investor (such as withholding taxes) and not for taxes, if any, imposed on the Company or on any entity in which the Company has made an investment. The amount of the foreign tax credit that may be claimed is limited to that proportion of the tax against which the credit is taken that the holder 's taxable income from non-United States sources bears to the holder's entire taxable income for that taxable year. The foreign tax credit limitation is applied separately to different categories of income. Generally, for purposes of applying such foreign tax credit limitations, dividends are included in the passive income category.

Dispositions of Common Shares. Subject to the discussion below of the consequences of the Company being treated as a Passive Foreign Investment Company or a Foreign Investment Company,

gain or loss realized by a United States Investor (other than a 10-percent shareholder of the Company) on the sale or other disposition of Common Shares will be subject to United States federal income tax as capital gain or loss in an amount equal to the difference between such United States Investor's basis in the Common Shares and the amount realized on the disposition. In general, such capital gain or loss will be long-term capital gain or loss if the United States Investor has held the Common Shares for more than one year at the time of the sale or exchange. In general, gain from a sale, exchange or other disposition of the Common Shares by a United States Investor will be treated as U.S. source income.

Special United States Federal Income Tax Considerations

*Passive Foreign Investment Company***.** The Company has not been a passive foreign investment company ("PFIC") for United States federal income tax purposes for prior taxable years and management believes that it will not be treated as a PFIC for the current and future taxable years, but this conclusion is a factual determination made annually and thus subject to change. The Company will be a PFIC with respect to a United States Investor if, for any taxable year in which such United States Investor held the Company's shares, either (i) at least 75% of the gross income of the Company for the taxable year is passive income, or (ii) at least 50% of the Company's assets are attributable to assets that produce or are held for the production of passive income. In each case, the Company must take into account a pro rata share of the income and the assets of any company in which the Company owns, directly or indirectly, 25% or more of the stock by value (the "look-through" rules). Passive income generally includes dividends, interest, royalties, rents (other than rents and royalties derived from the active conduct of a trade or business and not derived from a related person), annuities, and gains from assets that produce passive income. Because the Company is not publicly traded as defined under the statute and regulations governing PFICs, and is not a controlled foreign corporation ("CFC"), the Company would apply the 50% asset test based on fair market values unless the Company elects to use the adjusted tax bases of its assets.

If the Company were to be treated as a PFIC, then, unless a United States Investor who owns shares in the Company elects (a section 1295 election) to have the Company treated as a "qualified electing fund" (a "QEF") (described below), the following rules apply:

1. Distributions made by the Company during a taxable year to a United States Investor who owns shares in the Company that are an "excess distribution" (defined generally as the excess of the amount received with respect to the shares in any taxable year over 125% of the average received in the shorter of either the three previous years or such United States Investor's holding period before the taxable year) must be allocated ratably to each day of such shareholder's holding period. The amount allocated to the current taxable year and to years when the corporation was not a PFIC must be included as ordinary income in the shareholder's gross income for the year of distribution. The remainder is not included in gross income but the shareholder must pay a deferred tax on that portion. The deferred tax amount, in general, is the amount of tax that would have been owed if the allocated amount had been included in income in the earlier year, plus interest. The interest charge is at the rate applicable to deficiencies in income taxes.

2. The entire amount of any gain realized upon the sale or other disposition of the shares will be treated as an excess distribution made in the year of sale or other disposition and as a consequence will be treated as ordinary income and, to the extent allocated to years prior to the year of sale or disposition, will be subject to the interest charge described above.

A shareholder that makes a section 1295 election will be currently taxable on his or her pro rata share of the Company' s ordinary earnings and net capital gain (at ordinary income and capital gains rates, respectively) for each taxable year of the Company, regardless of whether or not distributions were received. The shareholder's basis in his or her shares will be increased to reflect taxed but undistributed

income. Distributions of income that had previously been taxed will result in a corresponding reduction of basis in the shares and will not be taxed again as a distribution to the shareholder.

A shareholder may make a section 1295 election with respect to a PFIC for any taxable year of the shareholder (shareholder's election year). A section 1295 election is effective for the shareholder's election year and all subsequent taxable years of the shareholder. Procedures exist for both retroactive elections and protective statements. Once a section 1295 election is made it remains in effect, although not applicable, during those years that the Company is not a PFIC. Once a shareholder makes a section 1295 election, the shareholder may revoke the election only with the consent of the Commissioner.

If the shareholder makes the section 1295 election for the first tax year of the Company as a PFIC that is included in the shareholder's holding period, the PFIC qualifies as a pedigreed QEF with respect to the shareholder. If a QEF is an unpedigreed QEF with respect to the shareholder, the shareholder is subject to both the non-QEF and QEF regimes. Certain elections are available which enable shareholders to convert an unpedigreed QEF into a pedigreed QEF thereby avoiding such dual application.

A shareholder making the section 1295 election must make the election on or before the due date, as extended, for filing the shareholder's income tax return for the first taxable year to which the election will apply. A shareholder must make a section 1295 election by completing Form 8621; attaching said Form to its federal income tax return; and reflecting in the Form the information provided in the PFIC Annual Information Statement or if the shareholder calculated the financial information, a statement to that effect. The PFIC Annual Information Statement must include the shareholder's pro rata shares of the ordinary earnings and net capital gain of the PFIC for the PFIC's taxable year or information that will enable the shareholder to calculate its pro rata shares. In addition, the PFIC Annual Information Statement must contain information about distributions to shareholders and a statement that the PFIC will permit the shareholder to inspect and copy its permanent books of account, records, and other documents of the PFIC necessary to determine that the ordinary earnings and net capital gain of the PFIC have been calculated according to federal income tax accounting principles. A shareholder may also obtain the books, records and other documents of the foreign corporation necessary for the shareholder to determine the correct earnings and profits and net capital gain of the PFIC according to federal income tax principles and calculate the shareholder's pro rata shares of the PFIC's ordinary earnings and net capital gain. In that case, the PFIC must include a statement in its PFIC Annual Information Statement that it has permitted the shareholder to examine the PFIC's books of account, records, and other documents necessary for the shareholder to calculate the amounts of ordinary earnings and net capital gain. A shareholder that makes a Section 1295 election with respect to a PFIC held directly or indirectly, for each taxable year to which the Section 1295 election applies, must comply with the foregoing submissions.

Special rules apply with respect to the calculation of the amount of the foreign tax credit with respect to excess distributions by a PFIC or inclusions under a QEF.

*Controlled Foreign Corporations***.** Sections 951 through 964 and Section 1248 of the Code relate to controlled foreign corporations ("CFCs"). A foreign corporation that qualifies as a CFC will not be treated as a PFIC with respect to a shareholder during the portion of the shareholder's holding period after December 31, 1997, during which the shareholder is a 10% United States shareholder and the corporation is a CFC. The PFIC provisions continue to apply in the case of PFIC that is also a CFC with respect to shareholders that are less than 10% United States shareholders.

The 10% United States shareholders of a CFC are subject to current U.S. tax on their pro rata shares of certain income of the CFC and their pro rata shares of the CFC's earnings invested in certain U.S. property. The effect is that the CFC provisions may impute some portion of such a corporation's

undistributed income to certain shareholders on a current basis and convert into dividend income some portion of gains on dispositions of stock which would otherwise qualify for capital gains treatment.

The Company does not believe that it will be a CFC. Even if the Company were classified as a CFC in a future year, however, the CFC rules referred to above would apply only with respect to 10% shareholders.

Personal Holding Company/Foreign Personal Holding Company/Foreign Investment Company. A corporation will be classified as a personal holding company (a "PHC") if at any time during the last half of a tax year (i) five or fewer individuals (without regard to their citizenship or residence) directly or indirectly or by attribution own more than 50% in value of the corporation's stock and (ii) at least 60% of its ordinary gross income, as specially adjusted, consists of personal holding company income (defined generally to include dividends, interest, royalties, rents and certain other types of passive income). A PHC is subject to a United States federal income tax of 39.6% on its undistributed personal holding company income (generally limited, in the case of a foreign corporation, to United States source income).

A corporation will be classified as a foreign personal holding company (an "FPHC") and not a PHC if at any time during a tax year (i) five or fewer individual United States citizens or residents directly or indirectly or by attribution own more than 50% of the total combined voting power or value of the corporation's stock and (ii) at least 60% of its gross income consists of foreign personal holding company income (defined generally to include dividends, interest, royalties, rents and certain other types of passive income). Each United States shareholder in a FPHC is required to include in gross income, as a dividend, an allocable share of the FPHC's undistributed foreign personal holding company income (generally the taxable income of the FPHC, as specially adjusted).

A corporation will be classified as a foreign investment company (an "FIC") if for any taxable year it (i) is registered under the Investment Company Act of 1940, as amended, as a management company or share investment trust or is engaged primarily in the business of investing or trading in securities or commodities (or any interest therein) and (ii) 50% or more of the value or the total combined voting power of all the corporation's stock is owned directly or indirectly (including stock owned through the application of attribution rules) by United States persons. In general, unless an FIC elects to distribute 90% or more of its taxable income (determined under United States tax principles as specially adjusted) to its shareholders, gain on the sale or exchange of FIC stock is treated as ordinary income (rather than capital gain) to the extent of such shareholder's ratable share of the corporation's earnings and profits for the period during which such stock was held.

The Company's management believes that it is not and will not be a PHC, FPHC or FIC. However, no assurance can be given as to the Company's future status.

U.S. Information Reporting and Backup Withholding. Dividends are generally subject to the information reporting requirements of the Code. Dividends may be subject to backup withholding at the rate of 31% unless the holder provides a taxpayer identification number on a properly completed Form W-9 or otherwise establishes an exemption.

The amount of any backup withholding will not constitute additional tax and will be allowed as a credit against the United States Investor's federal income tax liability.

Filing of Information Returns. Under a number of circumstances, a United States Investor acquiring shares of the Company may be required to file an information return. In particular, any United States Investor who becomes the owner, directly or indirectly, of 10% or more of the shares of the

Company will be required to file such a return. Other filing requirements may apply, and United States Investors should consult their own tax advisors concerning these requirements.

F. Expenses of the Issue

Not Applicable.

G. Dividends and Paying Agents

Not Applicable.

H. Documents on Display

The Company files Annual Reports and other information with the Securities and Exchange Commission. These accounts are filed electronically at the SEC Edgar website. You may read and copy any document that we file at the Commission's Public Reference Room at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549 or by accessing the SEC's website (http://www.sec.gov). Please call the Securities and Exchange Commission at 1-800-SEC-0330 for more information about the Public Reference Rooms.

The Company's Common Shares are listed on the Over-The-Counter Bulletin Board and similar information can be inspected and copied at the offices of the National Association of Securities Dealers, Inc., 1735 K Street, N.W., Washington, D.C. 20006. Copies of the Company's material contracts are kept in the Company's administrative headquarters.

I. Subsidiary Information

Not Applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

A. Transaction Risk and Currency Risk Management

The Company's operations do not employ financial instruments or derivatives which are market sensitive and the Company does not have financial market risks.

B. Exchange Rate Sensitivity

The Company is exposed to market risk, primarily related to foreign exchange. The Company uses the Canadian dollar as its reporting currency and is, therefore, exposed to foreign exchange movements in the U.S. and Canada where the Company has property interests and in Switzerland where the Company maintains its headquarters.

The following table sets forth the percentage of the Company's administrative expense by currency for the years ended December 31, 2004 and 2003.

By Currency

	2003	2004
Canadian Dollar	44.3%	72.6%
U.S. Dollar	42.21%	19.1%
Euro	3.40%	1.82%
Swiss Franc	10.09%	6.48%
Total	100%	100%

Such administrative expense by currency may change from time to time. Further, the Company incurred consulting and administrative costs of CAD$187,161 and CAD$555,800 for the years ended December 31, 2003 and 2004, respectively, all of which were paid in various currencies as indicated above.

The Company has not entered into any material foreign exchange contracts to minimize or mitigate the effects of foreign exchange fluctuations on the Company's operations. The Company holds it cash balances in U.S. dollars and exchanges to either Canadian dollars or Swiss Francs to cover its administration expenses. Based on prior years, the Company does not believe that it is subject to material foreign exchange fluctuations. However, no assurance can be given that this will not occur in the future.

Interest Rate Risk

The Company is not currently subject to adverse movement in interest rates because the Company's credit facilities are fixed at an interest rate of 8.0%. The Epsom Credit Facility requires repayment on December 31, 2006. The Company does not currently engage in hedging transactions designed to manage interest rate fluctuation risks.

Commodity Price Risk

Presently, the Company is an exploration state company and does not have any operating mines. Therefore, it does not have any hedging or other commodity based risks respecting its operations.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not Applicable

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

Part II

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. DISCLOSURE CONTROLS AND PROCEDURES

As of the end of our fiscal year ended December 31, 2004, an evaluation of the effectiveness of our "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) was carried out by our principal executive officer and principal financial officer. Based upon that evaluation, our principal executive officer and principal financial officer have concluded that as of the end of that fiscal year, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

It should be noted that while our management believes that our disclosure controls and procedures provide a reasonable level of assurance, they do not expect that our disclosure controls and procedures or internal financial controls will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Changes in Internal Control Over Financial Reporting:

During the fiscal year ended December 31, 2004, there were no changes in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL REPORT

There is currently one members on the Audit Committee. Isaac Moss is the sole member of the Audit Committee. There is no independent director on the Audit Committee. Due to the size of the Audit Committee, the Board has not determined that a member of the Audit Committee is qualified as an Audit Committee Financial Expert.

ITEM 16B. CODE OF ETHICS

We have adopted a "code of ethics" (as that term is defined in Form 20-F) (the "Code of Ethics") that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions.

Since the adoption of the Code of Ethics, there have not been any amendments to the Code of Ethics or waivers, including implicit waivers, from any provision of the Code of Ethics.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The independent auditor for the last two fiscal years was Staley, Okada & Partners.

Audit Fees

The aggregate fees billed by Staley, Okada & Partners for professional services rendered for the audit of the Company's annual financial statements on Form 20-F for the fiscal year ended December 31, 2003 was CAD$11,972 and December 31, 2004 was CAD$23,896.50.

Audit-Related Fees

The aggregate fees billed for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the Company's financial statements for the year ended January 31, 2003 were nil and January 31, 2004 was nil.

Tax Fees

The aggregate fees billed for tax compliance, tax advice and tax planning rendered by our independent auditors for the fiscal year ended December 31, 2004 was nil and December 31, 2004 was nil.

All Other Fees

The aggregate fees billed for all other professional services rendered by the Company's independent auditors for the fiscal year ended December 31, 2003 was nil and December 31, 2004 was nil.

The Audit Committee does not have any pre-approval policies or procedures. The percentage of hours expended on the principal accountant's engagement to audit the Company's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was 0%.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

PART III

ITEM 17. FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles and are expressed in Canadian dollars. All year-end financial statements have been reconciled to U.S. Generally Accepted Accounting Principles. *See Consolidated Financial Statements attached.*

The following Financial Statements pertaining to the Company are filed as part of this Annual Report:

Auditors' Report

Consolidated Balance Sheets as at December 31, 2004 and 2003

Consolidated Statements of Operations for the years ended December 31, 2004, 2003 and 2002, and cumulative for the period from October 16, 1978 (inception) to December 31, 2004

Consolidated Statements of Shareholders' Equity (Deficiency) deficit for the years ended December 31, 2004, 2003 and 2002

Consolidated Statements of cash flows for the years ended December 31, 2004, 2003 and 2002, and cumulative for the period from October 16, 1978 (inception) to December 31, 2004.

Consolidated Schedule of Mineral Property Costs for the years ended December 31, 2004 and 2003.

Notes to Consolidated Financial Statements

ITEM 18. FINANCIAL STATEMENTS

See Item 17.

ITEM 19. EXHIBITS

Exhibit Number	Name
1.1	Memorandum of Continuance Resource Finance & Investment Ltd*
1.2	Articles of Resource Finance & Investment Ltd.*
4.1	Credit Facility Agreement between Epsom Investments Services N.V. and Resource Finance & Investment Ltd. dated October 30, 1998[1]
4.2	Addendum to Credit Facility Agreement between Epsom Investment Services N.V. and Resource Finance & Investment Ltd. dated December 12, 2002[1]
4.3	Addendum to Credit Facility Agreement between Epsom Investment Services N.V. and Resource Finance & Investment Ltd. dated April 16, 2004 [2]
4.4	Addendum to Credit Facility Agreement between Epsom Investment Services N.V. and Resource Finance & Investment Ltd. dated April 4, 2005*
4.5	Asset Purchase Agreement between Oregon Resources Corporation and Mineral Recovery Systems, Inc. dated May 19, 2005*
4.6	Service Agreement between Philip Garratt and Resource Finance & Investment Ltd. dated June 28, 2004*

* Filed herewith

[1] Incorporated by reference from the Company's Annual Report on Form 20-F filed on June 24, 2003 (File No. 000-19385)

[2] Incorporated by reference from the Company's Annual Report on Form 20-F filed on May 28, 2004(File No. 000-19385)

4.7 Agreement among Andre Audet, Victor Erickson and Resource Finance & Investment Ltd. dated June 3, 2004*

4.8 Cadillac West Agreement Extension among Andre Audet, Victor Erickson and Resource Finance & Investment Ltd. dated February 7, 2005*

4.9 Cadillac West Project Agreement among Andre Audet, Victor Erickson and Resource Finance & Investment Ltd. dated June 8, 2005*

11.1 Code of Business and Ethics[2]

11.2 Certificate of Ethics For the Chief Executive Officer and the Chief Financial Officer*

12.1 Certification of the Principal Executive Officer under the Sarbanes-Oxley Act*

12.2 Certification of the Principal Financial Officer under the Sarbanes-Oxley Act*

13.1 Certificate under Section 906*

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on Form 20-F for fiscal year ended December 31, 2004 on its behalf.

Dated: June __, 2005 **RESOURCE FINANCE & INVESTMENT LTD**

By: _____
Michael Brickell, President