

**GOLDEN TAG RESOURCES LTD.**

(the “Company”)

**ANNUAL INFORMATION FORM**

**FOR THE YEAR END DECEMBER 31, 2001**

**Filing Date: June 3, 2002**

## TABLE OF CONTENTS

	Page
<b>ITEM 1 CORPORATE STRUCTURE.....</b>	<b>1</b>
NAME AND INCORPORATION.....	1
INTERCORPORATE RELATIONSHIPS.....	1
<b>ITEM 2 GENERAL DEVELOPMENT OF THE BUSINESS.....</b>	<b>1</b>
GLOSSARY.....	2
CURRENCY AND MEASUREMENT.....	2
<b>ITEM 3 DESCRIPTION OF BUSINESS.....</b>	<b>2</b>
THE MCCUAIG RED LAKE PROPERTY, DOME TOWNSHIP , RED LAKE, ONTARIO.....	3
THE MCKENZIE RED LAKE MINE.....	7
THE COCHENOUR-WILLANS MINE.....	7
RECOMMENDED WORK PROGRAM.....	13
FINANCING.....	14
RISK FACTORS.....	15
LEGAL PROCEEDINGS.....	16
<b>ITEM 4 SELECTED CONSOLIDATED FINANCIAL INFORMATION.....</b>	<b>16</b>
THREE-YEAR REVIEW.....	16
<b>ITEM 5 MANAGEMENT'S DISCUSSION AND ANALYSIS.....</b>	<b>16</b>
OVERVIEW.....	16
OPERATING RESULTS – FISCAL 2001 COMPARED WITH FISCAL 2000.....	17
OPERATING RESULTS – FISCAL 2000 COMPARED WITH FISCAL 1999.....	18
LIQUIDITY AND CAPITAL RESOURCES.....	18
RESEARCH EXPENDITURES.....	19
TREND INFORMATION.....	19
<b>ITEM 6 MARKET FOR SECURITIES.....</b>	<b>19</b>
<b>ITEM 7 DIRECTORS AND OFFICERS.....</b>	<b>19</b>
RELATED PARTY TRANSACTIONS.....	20
<b>ITEM 8 ADDITIONAL INFORMATION.....</b>	<b>21</b>

## ITEM 1 CORPORATE STRUCTURE

### Name and Incorporation

Golden Tag Resources Ltd. (“Golden Tag”) was incorporated on September 22, 1980, pursuant to the *Company Act* (British Columbia), Canada, by registration of its memorandum and articles. On July 11, 1995 the Company was continued under the *Canada Business Corporations Act*.

The shares of Golden Tag have traded in Canada on the TSX Venture since April 26, 1984 (symbol-GOG).

**Golden Tag does not have any resource properties on which commercial mining operations exist, nor has the mineralization contained in Golden Tag’s properties been determined to be commercially mineable ore.**

### Intercorporate Relationships

The head office of Golden Tag is located at Suite 114 – 186 Sutton Place, Beaconsfield, Quebec, H9W 5S3, Canada, telephone (514) 426-8542, facsimile (514) 426-8543 and the registered office is in care of its solicitors Lang Michener, Barristers & Solicitors, at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada V6E 4N7, telephone (604) 689-9111, facsimile (604) 685-7084.

In this Annual Information Form, the “Company” refers to Golden Tag Resources Ltd. Certain terms used herein are defined in the text and others are included in the glossary of this Annual Information Form.

Documents incorporated by reference in the AIF include all audited and interim financial statements, proxy circulars, news releases and other continuous disclosure documents filed by Golden Tag, copies of which are available on request from the offices of Golden Tag or on the SEDAR web site ([www.SEDAR.com](http://www.SEDAR.com)). (See Item 8).

## ITEM 2 GENERAL DEVELOPMENT OF THE BUSINESS

Golden Tag has been in the natural resource exploration business since its incorporation. The principal business events in Golden Tag’s 22-year history are (most important and recent matters first):

- (a) the acquisition of the McCuaig Property, a precious metals property, located in Dome Township, Red Lake, Ontario; and
- (b) the acquisition of the 44 mineral claims in Verneuil Township, Quebec.

Golden Tag does not have any operating revenue although historically it has had annual interest revenue as a consequence of investing surplus funds pending the completion of exploration programs. The resource extraction business has historically been cyclical and the prices received for copper and gold have been volatile and, in the case of gold affected by factors and sentiments outside of the cost of production. The mining business operates in a world-wide market and prices are derived from relatively pure market forces so competition to sell any metals or concentrates produced is not an issue if metals prices warrant production.

Golden Tag owns its mining Projects outright but mining operations are nevertheless subject to extensive government regulation.

**Golden Tag does not have any resource properties on which commercial mining operations exist, nor has the mineralization contained in Golden Tag's properties been determined to be commercially mineable ore.**

## Glossary

In this Annual Information Form, the following terms have the meanings set forth herein:

Intercalated	Having layers of different composition.
Komatiite	Mantle-derived rocks with a high content of magnesium, particularly magnesium oxide.
Mineral Symbols	Au – Gold; Cu – Copper; Pb – Lead; Ag – Silver; Zn – Zinc; Mo – Molybdenum.
Ore	A mineral or aggregate of minerals more or less mixed with gangue (non-valuable metalliferous minerals), which can be profitably mined given economic circumstances at the time (see discussion of mineral resource classification below). Golden Tag does not hold any interest in properties where the mineralization has been determined to currently be ore.
Ppm, ppb	Parts per million; parts per billion. 1 ppm = 1 gram per tonne.
Supracrustal	Rocks that overlie basement rocks.
Tholeiitic	Said of basalts composed principally of plagioclase, pyroxene, and iron oxide minerals present as phenocrysts in a glassy groundmass.

## Currency and Measurement

All currency amounts in this AIF are stated in Canadian dollars unless otherwise indicated.

Conversion of metric units into imperial equivalents is as follows:

<u>Metric Units</u>	<u>Multiply by</u>	<u>Imperial Units</u>
hectares	2.471	= acres
meters	3.281	= feet
kilometers	0.621	= miles (5,280 feet)
grams	0.032	= ounces (troy)
tonnes	1.102	= tons (short) (2,000 lbs)
grams/tonne	0.029	= ounces (troy)/ton

## ITEM 3 DESCRIPTION OF BUSINESS

Golden Tag is engaged in the business of exploring, acquiring and developing natural resource properties. Golden Tag's principal Property is its "McCuaig Red Lake Property" located in Dome Township, Red Lake, Ontario (the "McCuaig Property"). Golden Tag holds a 40% interest in the McCuaig Property located at the junction of two major structures, namely the Cochenour-Gullrock Lake and Post Narrows

deformation zones. The neighbouring Cochenour (1.2 million ounces), Campbell (7.5 million ounces) and the Goldcorp (3.5 million ounces) mines are all located along trend to the southeast within the Cochenour-Gullrock lake zone. To date, mines situated on this trend have cumulatively produced over 12 million ounces of gold.

Pursuant to an option agreement dated August 11, 1995, as amended December 7, 1998, between Golden Tag and Ewan S. Downie and Perry English (the "Optionors"), Golden Tag was granted an option to acquire a 100% interest in three mining claims in Dome Township, Ontario (the "McCuaig Property"). Under the terms of the Option, Golden Tag paid aggregate consideration to the Optionors in the amount of \$52,000 and incurred aggregate exploration expenditure of \$100,000 on the McCuaig Property. The Option also includes a commitment by Golden Tag to pay to the Optionors an advance royalty of \$12,000 per year from commercial production from the property beginning five years from the date of final option payment (August, 11, 1998). The Optionors retained a 2% net smelter royalty (NSR). One-half of the NSR can be purchased by Golden Tag at any time for \$200,000 and Golden Tag retained the right of first refusal to purchase the balance of the NSR at a price to be negotiated.

By letter agreement dated December 15, 1997, as amended September 19, 2000, Golden Tag granted an option to acquire a 50% undivided interest in the McCuaig Property to Rubicon Minerals Corporation ("Rubicon"). Under the terms of the Rubicon option, Rubicon paid to Golden Tag \$5,000 on execution of the letter agreement and agreed to make aggregate cash payments of \$25,000 and incur an aggregate of \$450,000 of exploration expenditure on or before April 15, 2001. If Rubicon exercised the option, the parties agreed to form a joint venture to conduct further exploration on the property.

In February and March of 2001, Rubicon completed 1,825 meters of drilling in 6 holes on the McCuaig Property. Rubicon reports that, "hole MC-01-02 intersected a newly recognized major structure on the property" and yielded several anomalous assays, the best of which were 13.11 g/t Au (grams gold per tonne) over 0.30 meters and 7.45 g/t Au over 0.25 meters.

Golden Tag has been advised that the target structure is considered by Rubicon and its consultants to be the continuation of the 'Mine Trend', which hosts >M oz past gold production and which hosts the world class Campbell (Placer Dome CLA Ltd.) and New Red Lake (Goldcorp Inc.) mines.

Rubicon exercised the option on April 15, 2001 and completed its exploration commitment. By agreement dated March 16, 2001, Golden Tag and Rubicon entered into a joint venture to complete further exploration on the McCuaig Property. Rubicon is the operator on the McCuaig Property, and each party contributes to an annual exploration budget based on their proportionate interest in the McCuaig Property. Under the joint venture agreement, Rubicon has the option to earn an additional 10% interest in the McCuaig Property by spending an additional \$575,000 on diamond drilling and related costs. Rubicon exercised this option on May 15, 2002 and now holds a 60% interest in the McCuaig Property.

### **The McCuaig Red Lake Property, Dome Township, Red Lake, Ontario**

#### ***Technical Summary***

The McCuaig Property is the subject of "Report on the 2002 Winter Drill Program McCuaig Red Lake Joint Venture Property", an independent geological report dated May 12, 2002 prepared for Rubicon by John J. Watkins, P.Geo., an independent Qualified Person (the "Watkins Report"). The following technical summary of the McCuaig Property has been extracted, with consent, from the Watkins Report. A copy of the Watkins Report is available for inspection at the offices of the Company during regular business hours.

### ***Location and Access***

The 125 hectare McCuaig Property is located in the northwest Dome Township within the Administrative District of Kenora, Ontario, seven kilometers north-northwest of the Town of Red Lake. The property consists of three contiguous mineral claims totalling ten claim units. The property encompasses shore line and northwest end of McKenzie Island, all of McCuaig Island, most of Lower Dull Island, the western three-quarters of Lower Gentles Island, the Southern edge of Gentles Island and the surrounding waters of Red Lake.

Table 1. Mining claims summary, McCuaig Property.

<b>Claim No.</b>	<b>Recorded Holder</b>	<b>Recording Date</b>	<b>Due Date</b>
KRL 1209692	Golden Tag Resources Ltd.	Aug. 11, 1995	Aug. 11, 2003
KRL 1209693	Golden Tag Resources Ltd.	Aug. 11, 1995	Aug. 11, 2003
KRL 1209694	Golden Tag Resources Ltd.	Aug. 11, 1995	Aug. 11, 2003

- Claim KRL 1209692 consists of three units, claim KRL 1209693 consists of five units, and claim KRL 1209694 consists of two units for a total size of ten, contiguous claim units.

The McCuaig Property covers islands and water at the east end of Red Lake. The mine-site communities of Cochenour and Balmertown are located two and seven kilometers east-southeast of the property, respectively. The Red Lake airport, with daily flights to Winnipeg, MB and Thunder Bay, ON, is located immediately east of Cochenour. Red Lake is connected to the Trans-Canada Highway 200 kilometers to the south by a paved all-season highway. Supplies and labour suitable for the support of exploration and a mining operation are available in the district.

In the late spring, summer and fall it is accessible via boat from vehicle-accessible points on Red Lake. The closest boat launch to the McCuaig Property is at Cochenour with a ten minute trip across Bruce Channel to the property on McKenzie Island. During the winter, access is normally allowed on the ice of Red Lake. For the 2002 drill program a winter road was maintained starting from the north side of Cochenour and passing through the narrows between the north end of McKenzie and Lower Gentles islands.

Topography is gentle with low hills rising from shorelines and a few steep rocky ridges. Outcrop is common along island shorelines. The islands are covered by thick second growth of poplar and pine with locally much deadfall. No commercial timber is present on the property. The area is a popular recreation destination for sport fisherman, boaters and snow-machine enthusiasts. Summers tend to be hot and dry; winters generally dry, cold and windy.

### ***History***

The Howey gold deposit was discovered and developed into the Red Lake area's first gold mine in 1930. Over the ensuing years a total of fourteen gold deposits have been developed and brought to production, and numerous other prospects located. From 1930 to the end of 2000 a total of 19.2 million ounces of gold has been produced from 48.8 million short tons milled for an average grade of 0.39 ounces of gold per ton of rock (Lichtblau et al, 2001). Today two mines are currently in production: the Placer Dome North America - Campbell mine which has been in continuous production since 1949; and the Goldcorp

Inc. - Red Lake mine. At the Red Lake mine the first quarter of 2002 produced 124,883 ounces at a cash cost of \$65 per ounce sold (Goldcorp Inc. news release, May 2, 2002).

The first substantial report on the area is by H.C. Horwood (1940). The property was then held by McCuaig Red Lake Mines, Limited incorporated in 1934 who acquired the property from Coniagas Mines, Limited. These original eight claims cover the present day McCuaig Property. Up to 1937, fifty-five pits and trenches totalling more than 6,100 feet in length were put in place and 27 diamond drill holes totalling about 6,000 feet tested the most promising showings. Highlights of this early work are:

- The No. 1 vein that outcrops as a zone in carbonate altered basalt ranges from 8 to 15 feet wide followed for about 530 feet. The vein contains lenses and stringers of quartz to 6 inches in width, some tourmaline and small amounts of pyrite. Horwood (1940) states that samples over a length of 250 feet returned assays that ranged from 0.04 to 0.13 ounces of gold per ton (opt). Several holes tested the zone and with one exception, yielded only low gold values. One hole gave 1.0 opt Au across 5 feet and 0.69 opt Au across 17.5 feet. Holes drilled to the east and west failed to establish any continuity to the gold mineralization.
- A narrow 18 inch shear in greywacke in the southeast corner of claim #1209692 with quartz lenses to 6 inches returned values in gold as high as 0.57 opt Au. Four drill holes returned sections as high as 0.10 opt Au.
- A drill hole located about half way across the portage near the south end of claim #120692 is reported to have intersected 27 feet of quartz that averaged 0.10 opt Au.

No other work is reported on the original patented claims. The ownership of the original claims reverted to the Crown and were staked in August of 1995. In 1995 the Company granted Freewest Resources Canada Inc. ("Freewest") an option to earn 50% interest in the property. This work failed to identify any significant gold mineralization on the property, and the agreement with Freewest terminated in August, 1997.

The Freewest work (Freewest,1997) included:

- 22 line kilometers of grid cut, picketed in two directions.
- Ground geophysics; a time-domain spectral induced polarization and resistivity survey, and a combined VLF-EM and magnetometer survey.
- Soil geochemistry survey; 327 samples analyzed for gold only.
- Prospecting and hand trenching that included the mucking out and sampling of a number of old trenches. A total of 315 grab samples collected and assayed for gold.
- Mechanical stripping of two areas with a high-pressure water pump and selected areas channel sampled.
- Nine NQ size diamond drill core holes totalling 3,380 feet. Eight holes were drilled on McKenzie Island and one hole drilled on Lower Gentles Island. Six of the holes tested strong northeast-trending IP anomalies thought to coincide with mineralization trends continuing from the nearby McKenzie Red Lake gold mine. Three of the holes were directed at areas where earlier holes reported gold mineralization (Horwood, 1940).

## ***Area Geology***

Gold deposits of the Red Lake area occur in an enclave of Archean volcanic and sedimentary rocks, the Red Lake greenstone belt comprised of six supracrustal assemblages deposited over a span of about 300 million years. It has been affected by regional polyphase deformation, multiple metamorphic events with three episodes of granitoid emplacement (Parker, 2000, Sanborne-Barrie et al, 2000). The greenstone belt is dominated by at least four Mesoarchean metavolcanic and metasedimentary assemblages: Balmer, Ball, Trout Lake and Bruce Channel assemblages and possibly clastic sediments of the Slate Bay assemblage. The Neoarchean metavolcanic and metasedimentary rocks of the Confederation assemblage lie unconformably on the Mesoarchean rocks. Two main stages of regional, penetrative, ductile deformation are recognized in the greenstone belt. The earliest is a north-striking foliation that is axial planar to folds. The second foliation is an easterly-striking foliation that is axial planar to a second fold set that overprints the earlier foliation, and has refolded the earlier folds. Metamorphic grade increases from greenschist facies in the middle of the greenstone belt to amphibolite facies at the margin of the belt.

Primary lithologies underlying the McCuaig Red Lake Joint Venture property include greenschist metamorphic facies rocks of the Confederation, Balmer and Bruce Channel assemblages. Confederation assemblage rocks, predominately thick intervals of felsic crystal tuff with intercalated beds of chert-rich iron formation, underlie the western part of the property. The Confederation assemblage rocks were deposited unconformably onto folded Balmer rocks. The unconformity marking the contact between the two assemblages is traced across the property and outlines the nose and hinge zone of the Pamell Islands syncline, the axis of which trends east-northeast and plunges at a shallow to moderate angle to the west-southwest. Balmer assemblage rocks outcrop over most of the east half of the property except for an area at the south side of the property where bedded greywacke of the Bruce Channel assemblage is exposed and lies with a disconformable contact on Balmer rocks. Near the south boundary of the property granodiorite of the McKenzie Island stock outcrops in contact with Bruce Channel rocks.

On the property Balmer assemblage rocks appear to trend north-northwest and include: serpentinitized peridotite, variolitic and pillowed tholeiitic basalt flows, basaltic komatiite flows, sulphide and magnetite banded chert-rich iron formation, mafic and lesser felsic dykes. The Balmer rocks have been subjected to at least two periods of deformation with a probable complex intersecting structural pattern. Primary Balmer lithologies have been locally modified to large zones of hydrothermally altered rock; quartz and carbonate replacement and veining. Further complicating relationships are a number of steeply dipping, west-northwest, west and west-southwest striking faults that have segmented the Balmer rocks into fault bound panels and blocks.

The geological setting of the McCuaig Red Lake Joint Venture property is not unlike the geological setting at the Campbell and Red Lake gold mines where fold and fault disrupted auriferous silica replacement zones, hosted in altered ultramafic rock and located near the contact with basalt, are usually on strike with major vein-hosted ore-bodies in basalt.

## ***Deposit Types***

The majority of big and rich gold deposits of the Red Lake area occur within the Balmer assemblage rocks; pillowed, tholeiitic basalt flows, basaltic komatiite flows intercalated with minor clastic metasedimentary rocks and chert-magnetite-sulphide iron formation, intruded by late peridotite and lesser gabbro bodies. Zoned alteration facies envelope the gold deposits; moderate to intense belt-scale calcite carbonatization, chloritization and weak potassic alteration. Proximal alteration to gold deposits is less extensive and are characterized by intense ferroan-dolomite and potassic alteration. Multiple periods of silicification and gold mineralization overprint and replace earlier features.

At the Campbell and Red Lake mines faults are developed within a carbonate-rich corridor that coincides spatially with most of the ore zones. The 'Red Lake mine trend' is defined by flattened folds with highly strained limbs, southeast-trending faults, and an associated corridor of alteration and mineralization. The mine trend is traced from the GoldCorp Red Lake deposit to the Cochenour mine and projected a further two kilometers northwest to include the McCuaig Property gold mineralization discussed in this report.

Two past gold producing properties lie close to the McCuaig Property. The McKenzie Red Lake mine property lies contiguous to the southern boundary of the McCuaig Property and the Cochenour-Willans mine is located 1.6 km southeast of the property. Rubicon recently completed a 6,200 metre drill program on their Red Lake Property with partner AngloGold (Canada) Exploration Company on ground contiguous to and to the northwest of the McCuaig Property.

### **The McKenzie Red Lake Mine**

The McKenzie Red Lake mine produced 651,158 ounces of gold from 2.35 million short tons milled for an average grade of 0.277 opt Au (Lichtblau, et al 2001) from 1935 to 1966. Mined McKenzie Red Lake ore lies within 300 meters from the south boundary of the McCuaig Property. At the McKenzie Red Lake mine (Durocher, et al, 1987) most of the gold was won from the "Main Shear" located in the eastern part of the composite McKenzie Island diorite-grandiorite stock. The "Main Shear" is a zone of shearing located along a contact between granodiorite and augite diorite. It is crescent shaped, in the northern and central parts striking N5°E, and the southern part curving to the southeast. The average dip in the central part of the shear zone is 35° west. The width of the shear zone varies from 0.6 to 9 meters. The orebodies consist of quartz lenses of limited lateral and vertical extent. They are located in bulges in the width of the shear zone, and where there are variations in its strike and dip.

### **The Cochenour-Willans Mine**

The Cochenour-Willans mine produced 1,244,279 ounces of gold from 2.31 million short tons milled for an average grade of 0.538 opt Au (Lichtblau, et al, 2001) from 1939 to 1971. Mined Cochenour-Willans ore lies 1.6 kilometers from the southeast corner of the McCuaig Property. The mine property (Durocher, et al, 1987) is underlain primarily by altered mafic metavolcanic flows, with minor interflow chemical and clastic sedimentary rocks. The mine rocks lie along the south limb of the Cochenour anticline with axis trending at 250° to 270°, and the hinge line plunging west at 65°. The south limb trends approximately 270°, while the north limb trends 250° and both limbs dipping steeply south at 70° to 90°. Three structural trends are related to Cochenour-Willans ore (Hopson, 1994):

- The Cochenour shear zone strikes 290°, dips 90° to 70° south and extends along the south limb and into the fold closure of the Cochenour anticline. It has been followed from surface to 700 m depth in the mine, and to 1300 m depth by diamond drilling.
- The "320° structures" are a series of narrow shears within the Cochenour shear zone striking 300° to 320° and dipping 60° to 75° southwest.
- The north-south structures are tension-dilatant zones which trend 340° to 360°. They cut across stratigraphy and displace it as much as 30 meters, are quartz-carbonate vein filled and taper out into black line faults extending into less deformed rocks to the north.

The Cochenour shear zone is the primary structure along which gold mineralization is localized. The largest and most prolific ore bodies are associated with the "320° structures", banded carbonate veins with crack-seal fabric and cocks-comb texture. Although intrinsically barren, the carbonate veins act as structural sites for gold mineralization, with gold concentrated in zones of silica replacement of carbonate,

in cross-cutting quartz veins, and in silicified carbonate breccia (Sanborn, 1977). Abundant sulphide phases are concentrated where gold mineralization is present. Arsenopyrite is very fine and acicular, pyrrhotite is disseminated throughout the adjacent host rock; and pyrite is disseminated along fractures and foliation. Chalcopyrite may occur in minor amounts.

Rubicon holds an interest in over 300 square kilometers of claims in the Red Lake area and recently completed a 6,200 metre drill hole program on the Red Lake Joint Venture (RLJV) property with partner AngloGold (Canada) Explorations Company (Rubicon press release, May 2, 2002). AngloGold is earning up to 70% interest in the RLJV by spending a total of C\$5.4 million on exploration by 2005. Three targets drill tested returned gold mineralization. The B target, located 450 meters north of the McCuaig property and tested in three drill holes, returned a best intersection of 10.27 g/t Au over 0.6 meters and also intersected a wide section of biotite alteration common near rich ores in the Red Lake mine. The C target, located 200 meters northwest of the McCuaig boundary and tested with four holes, returned a best intersection of 8.83 g/t Au in a quartz-carbonate vein zone hosted in intrusive rock. The E target located 900 meters northwest of the property and is part of a 1500 metre long northeast trending structure that has returned a drill hole intersection by earlier operators of 15.8 g/t Au over 1.10 meters. Two holes tested the structure with a best drill hole intersection of 2.38 g/t Au over 0.30 meters.

### ***Property Geology***

On the McCuaig Property significant gold mineralization has been noted in diamond drill core drilled from the ice of Red Lake and centered at UTM coordinates 5660650N and 441900E. This gold mineralized zone is referred to as the 1900 zone.

The 1900 zone is spatially associated with a snakeshaped body of massive silica, hosted in altered and sheared serpentinite, and has been traced and projected east-west along trend for greater than 600 meters across the north end of the McCuaig property. At the 1900 zone the silica replaced body is kidney shaped in cross section with the dimensions of 40 meters in the horizontal direction and 100 meters in the vertical direction (Figure 4) Elevated gold (defined as greater than 100 ppb Au) and anomalous arsenic (defined as greater than 100 ppm As) concentrations that includes mine-grade gold intersections (Table 3), define a 30-meter wide zone tested along trend for 60 meters (Figure 6). The best gold values lie close to the north edge of the massive silica body. Here, better grade gold mineralization is probably related to structures lying along the margin of the silica-rich body where greater permeability, induced by the marked difference in competency between the soft and ductile serpentinite, and the rigid silica-rich body allowed the passage of larger amounts of the gold mineralizing fluids.

The style of gold mineralization in the 1900 zone varies. It is commonly associated with very fine grained magnetite and very fine, difficult to see, arsenopyrite. The anomalous arsenic values that commonly range between 100 to 500 ppm probably reflects the presence of the fine arsenopyrite through the 1900 zone. Fine disseminated pyrrhotite is commonly seen with elevated gold values. Pyrite, locally very coarse grained, is minor. Chalcopyrite is present in minor amounts. The best gold intersection in the 1900 zone was in drill hole MC-02-32 and averaged 22.83 g/t Au over 3.10 meters. This intersection lies within weak silica-chlorite altered and veined serpentinite located about four meters from the massive silica body. The gold mineralization is hosted in a pyritic magnetite-rich section with up to 25% magnetite and broken carbonate and quartz veins. Fine visible free gold was seen. In hole MC-02-15 weaker gold mineralization came from an intersection within the silica replaced body. Here massive and veined ankerite hosts disseminated and massive pyrrhotite-rich seams which grades into pervasive silica altered rock.

Additional studies and drilling are needed to provide a more adequate explanation of the geological controls on the gold mineralization in the 1900 zone.

### ***Recent Exploration***

Rubicon's work is summarized in the History section of this report. The exploration approach taken by Rubicon on the McCuaig Red Lake Joint Venture property has been multi-disciplinary and computer assisted. Both historic and new data are processed using GIS (Geographic Information Systems) technology. Over the past five years, as new information is gathered and the data-base expanded, Rubicon has gained an understanding of the property geology and mine potential. Since 1998 Rubicon has collected and carried out gold and multi-element analysis on 388 surface rock samples, 1621 soil samples analyzed for gold and multi-elements, 34 cored drill holes totalling 8,817 meters and detailed ground and airborne magnetometer surveys on the McCuaig Red Lake Joint Venture Property.

Since December 1997 Rubicon has been conducting an exploration program on the McCuaig Property, initially under the option agreement and currently under the March 2001 joint venture agreement. To date Rubicon has collected and carried out gold and multi-element analysis on 388 surface rock samples, 1621 soil samples analyzed for gold and multi-elements, 34 cored drill holes totalling 8,817 meters, and ground and airborne magnetometer surveys.

#### 1998 work by Rubicon:

- Two NQ core size holes cored, RL98-09 and -10, totalling 575 meters collared on Lower Gentles Island. Drilled from the island because of poor winter ice conditions.
- Shore line geology focusing on the structural framework for the geology of the area lead by Dr. Tom Calon, Memorial University.
- Geological mapping, compilation and map by J.J. Watkins (Q.P.).

#### 1999 work by Rubicon:

- Freewest grid re-cut on the islands only.
- Stripping and geological mapping.
- Ground magnetometer survey on the islands contracted to Brent Mckay Enterprises.

#### 2000 work by Rubicon:

- Geological mapping by J.J. - Watkins (Q.P.).
- Mechanical stripping, geological mapping, channel sampling in the central part of claim #1209692.

#### 2001 work by Rubicon:

- Six drill holes, MCO1-01 to -06, totalling 1,825 meters. Hole MO01-01 was drilled in the southeast corner of claim #1209692. Five holes, MCO1-02 to -06, were drilled near the east side of claim #1209692. Hole MC-01-02 logged by J.J. - Watkins (Q.P.)
- Airborne spectrum magnetometer survey flown at 50 metre line spacing contracted to Scintrex Survey and Exploration Technologies.
- Test seismic survey contracted to Frontier Geoscience Inc.

#### 2002 work by Rubicon:

- Twenty-six (26) cored drill holes totalling 6,417 meters drilled near the east side of claim #1209692 and in the northeast corner of claim #1209693. Most of the holes spotted and logged by J.J. Watkins (Q.P.).
- Ten by ten meter ground magnetometer survey on the ice of Red Lake covering part of the north half of claim #1209692 and the northeast corner of claim #1209693 contracted to JVX Ltd.

**2002 Program (To Date)**

On the McCuaig Property the 2002 drill hole program cored twenty-six holes: MCO2-07 to MC02-32, NQ and NQ2 size drill holes for a total length of 6,417 meters. In 2001 six NQ size drill holes were drilled totalling 1,825 meters and in 1998 two NQ size drill holes totalling 575 meters drilled. To date Rubicon has cored 34 drill holes for a total length of 8,817 meters (Table 2, Figure 5).

Table 2. Rubicon drill holes, location summary, McCuaig Property.

HOLE I.D.	UTM COORDINATES		ELEVATION (meters)	AZIMUTH	DIP	LENGTH (meters)
	(meters north)	(meters east)				
RL-98-10	5560728.0	442152.0	363	240.50°	-48°	374
RL-98-11	5660729.0	442154.0	363	025.50°	-48°	201
MC-01-01	5659854.0	442130.0	378	060°	-65°	264
MC-01-02	5660439.0	441893.0	358	001°	-45°	296
MC-01-03	5660439.0	441893.0	358	002°	-70°	317
MC-01-04	5660427.0	441931.0	358	005°	-65°	290
MC-01-05	5660430.0	441866.0	358	004°	-65°	320
MC-01-06	5660488.0	441887.0	358	002°	-65°	338
MC-02-07	5660647.0	441962.0	358	225°	-69.5°	328
MC-02-08	5660643.4	441965.2	358	180°	-70°	256
MC-02-09	5660644.0	442014.0	358	187.5°	-70°	275
MC-02-10	5660639.5	442063.1	358	180°	-70°	309
MC-02-11	5660650.4	442123.9	358	176.5°	-65°	413
MC-02-12	5660733.2	441948.8	358	350.8°	-65°	199
MC-02-13	5660664.1	442173.8	358	172.5°	-65°	329
MC-02-14	5660519.8	442122.8	358	172.1°	-50°	542
MC-02-15	5660542.5	441920.7	358	358.5°	-65°	295
MC-02-16	5660542.4	441920.7	358	358.5°	-70°	250
MC-02-17	5660559.6	441940.5	358	176°	-70°	176
MC-02-18	5660559.6	441940.5	358	350°	-75°	218
MC-02-19	5680577.0	441869.5	358	043.5°	-65°	207
MC-02-20	5660559.7	441940.5	358	360°	-65°	188
MC-02-21	5660553.5	441903.0	358	359.5°	-70°	179
MC-02-22	5660658.4	441906.2	358	151°	-70°	204
MC-02-23	5660547.6	441878.1	358	360°	-70°	180
MC-02-24	5660553.6	441903.0	358	359.5°	-65°	214
MC-02-25	5660547.6	441878.1	358	360°	-77°	240
MC-02-26	5660545.0	441801.7	358	359°	-65°	182

HOLE I.D.	UTM COORDINATES		ELEVATION (meters)	AZIMUTH	DIP	LENGTH (meters)
	(meters north)	(meters east)				
MC-02-27	5660658.6	441954.4	358	181°	-65°	222
MC-02-28	5660522.9	441802.1	358	359°	-65°	221
MC-02-29	5660522.6	441750.4	358	360°	-77°	206
MC-02-30	5660645.0	441926.6	358	181°	-65°	177
MC-02-31	5660552.0	441890.0	358	360°	-66°	200
MC-02-32	5660665.8	441919.9	358	180°	-70°	207

All of the 2002 holes were drilled from the frozen surface of Red Lake. The minimum ice thickness to support the drill rig and equipment was 24 inches. Before the drill was moved onto the site the hole collar position was located and marked with a labelled picket stuck into the lake ice. Two fore-sight pickets were placed on azimuth and in line with the drill hole collar picket. The first fore-sight picket was placed approximately 25 meters from the collar picket and the second was placed a further 25 meters from the first. The two fore-sight picket positions were located using a GPS (Global Positioning System) receiver. After the drill rig was moved onto the picketed collar position and aligned with the two fore-sight pickets for hole azimuth, the distance from the first fore-sight picket to the drill hole collar was measured to determine the survey position of the drill hole collar. A GPS was used to survey all drill hole collars related positions to sub-millimetre accuracy. A base receiver was positioned over a known control point, a 60 cm long aluminum rod secured in bed rock on the north end of McKenzie Island. All points surveyed are in three-dimensional space relative to the base receiver position. Drill hole collar elevations were arbitrarily picked at 358 meters, lake level.

The position of the drill hole stems were determined using a Reflex EZ-Shot survey tool, a totally self contained electronic solid-state single-shot tool that gives a digital readout of seven parameters including azimuth ( $\pm 50$ ) and dip ( $\pm 0.20$ ), and magnetic field strength. The EZ-Shot measures the azimuth relative to the earth's magnetic field and the magnetic field strength is used to check for magnetic interference.

The first hole of the 2002 program, MC02-07, tested for gold mineralization near last year's discovery hole, MC01-02. Subsequent drill holes, MC02-08, -09-10, -11 and -13 were step-outs to the east from the gold discovery area and followed the primary host lithology for 1900 zone mineralization along strike, to the east for, 275 meters Drill hole MC02-12 was drilled to the north away from the gold discovery area and drill hole MC02-14 was a long hole drilled south under McKenzie Island. Holes MC02-15, -16, -17, -18, -19, -20, -21, -22, -23, -24, -25, -27, -30, -31 and -32 tested the gold discovery area. Holes MC02-26, -28 and -29 explored for the continuation of the favoured geology to the west.

### ***Sampling Method and Approach***

A total of 2586 core samples were collected representing 1700 meters of split drill core and all samples were subjected to a quality control procedure that ensured a best practice in the handling, sampling, analysis and storage of the drill core.

A geologist logged and labelled all drill core submitted for gold assay. The core samples were cut, as marked by the geologist along the long axis of the core using a 16 inch diamond saw. One-half of the core was placed in a labelled heavy-gauge plastic bag along with a sample identification tag. The remaining core was saved for future reference by placing it in its original position in the core tray along with a sample identification tag. Core trays are stored in racks in a secured Red Lake site.

Individual samples selected for gold assay did not exceed one-meter in core length. Individual veins were included within a sample length usually not less than 0.2 meters in length. Wide intervals of altered rock seen in all the drill holes were sampled and analyzed for gold and trace elements.

### ***Sample Preparation, Analysis and Security***

The handling and sampling of drill core were carried out in a secure Rubicon facility in Red Lake. Following sample collection individual samples bags were tied securely, placed in large tamper-proof bags and shipped in large batches by a contract trucker to Thunder Bay for preparation at ALS Chemex Lab's facility. The entire sample was crushed to 6 mm, split and 250 grams pulverized to >85% 75µm.

The assay was carried out in ALS Chemex Labs laboratory in North Vancouver, B.C. Assays using standard fire assay or metallic screen fire assay techniques. Sample batches include blank and independent gold standards in each analytical batch. All samples were assayed for gold using fire assay fusion with atomic absorption spectrography (FA-AA) procedure with detection limits 5ppb to 10ppm and ultra-trace level multi-element with 'near total' digestion ICP-AES. If visible gold or if free gold is suspected of being in the sample a metallic assay was carried out on a 1000 gram sample.

### ***Data Verification***

In addition to the ALS Chemex Lab's internal checks for accuracy and precision, Rubicon submits its own standards and blanks for the analysis of accuracy of results. Two gold-ore reference standards certified by a Licensed Assayer of British Columbia and one blank sample drawn from bagged commercial patio stone were used throughout the drill program. One reference standard sample and one blank sample were introduced at every twenty-fifth site in the sampling sequence.

The nugget effect, resulting from the erratic distribution of free gold in a sample is a characteristic problem of Red Lake area ores. A metallic screen procedure was carried out on individual samples when visible gold was identified in drill core or when the presence of free gold was suspected. Of the 2586 samples submitted for analysis, the gold content in 127 samples was determined by metallic screen. In this procedure, the final prepared pulp is passed through a 150 mesh (100 micron) screen to test its homogeneity. Any +150 mesh material remaining on the screen is retained and analyzed in its entirety. The -150 mesh fraction is homogenized and a 30 gram subsample is analyzed by standard fire assay procedure. The gold values for both +150 and -150 mesh fractions are reported together with weight of each fraction as well as the calculated total gold content of the sample. The magnitude of the coarse gold effect is demonstrated by the levels of the + 150 mesh material.

### ***Estimates of Mineralization***

#### ***The zone of gold mineralization is open along plung.***

In the 1900 zone the best gold results found in the drill core analyses lie spatially distributed, more or less, close to the 240 meter elevation (Figure 6). A common structural feature seen in drill core and on surface in bedded rocks are fairly tight, nearly upright, folds that have flat to moderate west-southwest plunges. This shallow to moderate dipping plunge direction to the west-southwest may be a primary control on gold mineralization in the 1900 zone.

To the east from the 1900 zone, the silica-rich body appears to maintain a fairly persistent 090° trend. However, to the west of the 1900 zone, the silica-rich body was not intersected in drill holes MC02-26, -28 and -29. A marked break, or jog in the contoured magnetometer survey data from the projected 270° trend changes to a 240° trend in this area and seems to correlate with the 1900 zone. The 1900 gold zone

sits on the break and is interpreted to plunge at a shallow to moderate angle to the west-southwest. This plunge direction is the same direction of plunge for the Purnell Islands syncline (Figure 3).

***A better understanding of the geology.***

The property contains a previously unrecognized, extensively altered ultramafic body that is host to gold mineralization. The geological setting at the north end of the McCuaig property is not unlike the geological setting at the Campbell and Red Lake gold mines where fold and fault disrupted auriferous silica replacement zones, hosted in altered ultramafic rock and located near the contact with basalt, are usually on strike with major vein-hosted orebodies in basalt.

**Recommended Work Program**

The Joint Venture Management Committee comprised of representatives from Rubicon and Golden Tag must approve all programs on the McCuaig Property. The Watkins Report recommends a summer program of diamond drilling, geology and seismic surveys to explore for the continuation of and search for ore bodies in the 1900 gold zone at a cost of \$C385,000. Approval of the recommended work program is expected to be obtained at the Joint Venture Management Committee to be held in late May 2002.

The interpreted along-plunge projection of the gold bearing 1900 zone lies near the east end of Lower Dull Island. Watkins has proposed a series of drill holes, totalling 3000 meters, to be collared from Lower Dull Island (Figure 7). The objective of the proposed drill holes will be to test for, locate and follow the down plunge projection of gold mineralization in the 1900 zone.

The topography of the bedrock surface lying around the 1900 zone needs to be known to plan for detailed drilling, if recommended in the future, from a barge. Also, if the silica replacement body sub-crops then it should be expressed as a topographic high or ridge. These factors are to be evaluated by the proposed seismic survey; the survey will allow for the mapping of the bedrock surface at the bottom of the lake.

Lower Dull Island lies relatively close to the 1900 zone. The geology of the island should be exposed, mapped and sampled. Little is known of the surface geology of McCuaig Island where the possibility exists that the intrusive body exposed on McCuaig Island is the faulted extension of the McKenzie Island stock. McKenzie Red Lake mine ore may continue north onto the McCuaig property. A program of mapping led by a geologist who is armed with a team of three labourers to strip, sample and map the geology of Lower Dull and McCuaig Islands is also recommended.

Petrography of selected mineralized samples collected from 2002 drilling is recommended.

***Cost Summary***

Diamond drilling: 3000 m, NQ size core @ \$100/.	\$300,000
Seismic survey	\$ 10,000
30 days surface geology @ \$1200/day	\$ 36,000
Petrography	\$ 4,000
Subtotal	<u>\$350,000</u>
Contingency (10%)	\$ 35,000
<b>Total</b>	<b>\$385,000</b>

## Financing

On May 23, 2002 Golden Tag announced that it had entered into an agency agreement with Haywood Securities Inc. (“Haywood”) for a brokered private placement of 1,300,000 shares (the “Offering”), of which 650,000 shares will be flow-through shares. Purchasers of the remaining 650,000 non-flow-through shares will receive a total of 325,000 share purchase warrants exercisable to purchase an additional Golden Tag share for a two year period at a price of \$0.50 in the first year and \$0.60 in the second year.

Haywood will receive a cash commission of 7% of the gross proceeds of the Offering and 130,000 Agents’ Warrants exercisable to acquire a Golden Tag share at a price of \$0.40 for a two year period.

At the date of this AIF, the Offering is subject to regulatory acceptance. The following table shows the outstanding and fully diluted share capital of Golden Tag at the date of this AIF and following closing of the Offering.

A summary of the Issuer’s diluted share capital as follows:

Share Capital before the Offering		
(a)	Issued as of May 27, 2002	9,417,625
(b)	Options granted <sup>(1)</sup>	<u>1,468,525</u>
	Fully diluted before the Offering	<u>10,886,150</u>
Share Capital after the Offering		
(a)	Issued as of May 27, 2002	9,417,625
(b)	Offering shares	1,300,000
(c)	Options granted	1,468,525
(d)	Offering warrants <sup>(2)</sup>	<u>455,000</u>
	Fully diluted after the Offering	<u>12,641,150</u>

Notes:

1. Includes 989,000 options granted May 27, 2002 which are subject to shareholders’ approval of Golden Tag’s option plan at Golden Tag’s annual general meeting to be held June 27, 2002.
2. Includes 130,000 Agents’ Warrants issued to Haywood Securities Inc. pursuant to the Offering. Each Agents’ Warrants are exercisable to acquire one Golden Tag share at a price of \$0.40 for a two year period.

## Other Properties

### Verneuil Township, Quebec

The Company holds a 30% interest in 44 claims in Verneuil Township pursuant to a joint venture with Freewest Resources Canada Inc. (50%) and Consolidated Gold Hawk Resources (20%). An extensive amount of surface exploration work followed by diamond drilling has been completed on the claim group. The main property block contains the Toussaint Zone which according to Freewest Resources Canada

Inc. contains a “calculated geologic reserve” of 187,700 tons averaging 0.21 opt Au (ounces gold per ton) for contained gold over 43,000 ounces. There is no current activity on the property.

### **Risk Factors**

**Further Funding Needed.** Currently, Golden Tag’s only means of generating funds is through equity offerings of its securities, and there can be no assurance that such financings will generate any or sufficient amounts to allow Golden Tag to adequately develop the McCuaig Property.

**No Ore.** Golden Tag’s main project is the McCuaig Property, Ontario, on which the primary target is a potentially high-grade gold deposit. Golden Tag also owns a 30% in the Verneuil Township Property located in Quebec, on which a large tonnage low grade copper-gold deposit with a measured mineral resource has been outlined. None of these properties contains mineralization that can be considered “mineral reserves” or “ore” at this time.

**Uncertain Project Realization Values.** Golden Tag defers (capitalizes) acquisition and exploration costs incurred in connection with its Projects. Although Golden Tag believes these costs (of approximately \$345,861 respecting the Verneuil Property and \$20,000 respecting the McCuaig Property) are realizable, notwithstanding the mineral resources that are estimated for each property. There can be no assurance that Golden Tag could dispose of the Projects for their financial statement carrying values, which would mean a diminution in the book value shareholder equity.

**Golden Tag Has No History of Earnings and No Foreseeable Earnings.** Golden Tag has a 22-year history of losses and there can be no assurance that Golden Tag will ever be profitable. Golden Tag has paid no dividends on its shares since incorporation and does not anticipate paying in the foreseeable future.

**General Mining Risks.** Factors beyond the control of Golden Tag will affect the marketability of any substances discovered. Metal prices, in particular gold and copper prices, have fluctuated widely in recent years. Government regulations relating to price, royalties, allowable production and importing and exporting of minerals can adversely affect Golden Tag. There can be no certainty that Golden Tag will be able to obtain all necessary licences and permits that may be required to carry out exploration, development and operations at its Projects and environmental concerns about mining in general continue to be a significant challenge for Golden Tag as they are for all mining companies.

**Golden Tag’s Share Price has historically been Volatile.** The market price of a publicly traded stock, especially a junior resource issuer like Golden Tag, is affected by many variables not directly related to the exploration success of Golden Tag, including the market for junior resource stocks, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of the common shares on the TSX Venture Exchange suggests Golden Tag’s shares will continue to be volatile. Golden Tag shares have ranged between approximately Cdn\$0.10 and Cdn\$0.64 in the last 3 years.

**Significant Potential Equity Dilution.** Golden Tag had 479,525 options in-the-money as at May 29, 2002. Golden Tag has a significant number of share purchase options and warrants which will likely act as an upside damper on the trading range of Golden Tag’s shares. As a consequence of the passage of time since the date of their original sale and issuance, no shares of Golden Tag remain subject to any hold period restrictions in Canada or the United States as of May 29, 2002. The unrestricted resale of outstanding shares from the exercise of dilutive securities, may have a depressing effect on the market for Golden Tag’s shares. Dilutive securities represent approximately 6.2% of Golden Tag’s currently issued shares.

## Legal Proceedings

Golden Tag is not a party to any legal proceedings at the date of this AIF, nor, to the knowledge of Golden Tag's management, are any such proceedings contemplated.

## ITEM 4 SELECTED CONSOLIDATED FINANCIAL INFORMATION

Golden Tag's consolidated financial statements are stated in Canadian dollars and are prepared in accordance with Canadian generally accepted accounting principles. The information set forth below should be read in conjunction with the disclosure under "Management's Discussion and Analysis", Golden Tag's consolidated financial statements and related notes, and other financial information included elsewhere in this document.

### Three-Year Review

The following selected consolidated financial information for each of the three years in the period ended December 31 is derived from Golden Tag's audited Financial Statements (all in Cdn\$ except per share amounts and number of outstanding shares):

	December 31		
Operating	2001	2000	1999
Investment and other income	213	37	395
General and administrative expenditures	82,759	84,789	79,399
Exploration expense		6,010	
Write down of mineral property interests		224,070	89,050
Loss from continuing operations	(82,546)	(308,822)	(168,054)
Loss from continuing operations per common share	(0.01)	(0.04)	(0.02)
Period End Balances	2001	2000	1999
Working capital	(11,292)	22,299	23,588
Total assets	471,624	501,306	713,300
Mineral property interests	465,764	465,764	683,297
Total liabilities	17,152	13,243	6,415
Shareholders' equity	454,472	488,063	706,885
Share capital	2,552,386	2,503,431	2,413,431
Deficit	(2,100,574)	(2,018,028)	(1,709,106)
Number of outstanding shares (000's)	8,647,625	8,247,625	7,647,625

## ITEM 5 MANAGEMENT'S DISCUSSION AND ANALYSIS

### Overview

Golden Tag is currently an expenditure-based organization whose business strategy is to acquire, explore and conduct detailed engineering and economic analysis of mineral deposits which have large tonnage and multi-year operation potential. None of Golden Tag's currently held or to be acquired mineral deposits currently hosts a mineral resource that can be said to be economic at current metals prices.

Exploration expenses incurred prior to determination of the feasibility of mining operations, periodic option payments and administrative expenditures are expensed as incurred. Mineral property acquisition

costs and exploration and development expenditures incurred subsequent to the determination of the feasibility of mining operations are deferred until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Mineral property acquisition costs include the cash consideration and the fair market value of common shares, based on the trading price of the shares, issued for mineral property interests, pursuant to the terms of the agreement. These costs will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned or when an impairment of value has occurred.

As an expenditure-based company Golden Tag's results of operations are often evaluated on an "event driven" basis. Results of operations are difficult to quantify given that the product of these expenditures relates to the nature, extent and statistical confidence (primarily from diamond drill exploration programs) in a deposit size and continuity. It is difficult to evaluate the success of operations in a fiscal year by reference to the financial statements given that results are more appropriately measured by an evaluation of the minerals discovered and/or confirmed. Golden Tag's operating activities do not occur on a regular or periodic basis and are subject to the economic realities of metals prices and equity financing conditions for natural resource exploration issuers. Accordingly, it may not be meaningful to seek observable trends in financial operating statistics. Although Golden Tag calculates an annual loss per share (which has varied over a range of \$0.01 to \$0.04 over the last three fiscal years), Golden Tag is of the view that its share price does not vary in accordance with the loss per share statistic but rather Golden Tag share prices vary more with the price of the underlying market for copper and gold and the outlook for these metals and Golden Tag exploration results.

Golden Tag's financial statements are prepared on the basis that it will continue as a going concern. Given that Golden Tag has no source of significant revenue this assumption is always subject to the further assumption that there will continue to be investment interest in funding exploration for high-grade and/or large tonnage deposits that are not known to be economic in the current environment. Golden Tag can give no assurance that it will continue to be able to raise sufficient funds and should it be unable to continue to do so, may be unable to realize on the carrying value of its resource project and the net realizable value could be materially less than Golden Tag's liabilities with a potential for total loss to Golden Tag shareholders.

Golden Tag does not believe that it is significantly impacted by the effects of inflation and the Canadian dollar has fluctuated in a relatively narrow band to the United States dollar (US\$1.00: Cdn\$1.58 to \$1.41) during these three years. Golden Tag has not been significantly affected by government economic, fiscal, monetary or political policies, and the outlook for Golden Tag's assets primarily relate to the outlook for gold and copper. For information relating to the historical prices for copper and gold, see "Trend Information" below.

### **Operating Results – Fiscal 2001 compared with Fiscal 2000**

The loss for the year is \$82,546, comprised of \$82,759 in expenses incurred during the year. This is compared to a loss of \$308,859 in fiscal 2000, comprised of a \$224,070 writedown of the Souart and Beschefer Township properties and \$84,789 in expenses incurred during the year.

Revenue for the 2001 fiscal year was \$213, an increase from \$37 in 2000. Interest revenue during the fourth quarter increased to \$213 from \$Nil in the previous quarter. Increases are due to higher cash balances on deposit.

Overall expenses have decreased in fiscal 2001 from fiscal 2000 (2001 - \$82,759; 2000 - \$308,859 (inclusive of property writedowns), mainly related to \$224,070 property writedown. Administrative expenses (excluding interest income) have also decreased in 2001 from the prior year (2001 - \$82,759;

2000 - \$84,789), but have increased in the fourth quarter over the third quarter (Dec 31 2001 – \$36,315; Sept 30, 2001 - \$14,078).

Golden Tag incurred no exploration expense during fiscal 2001. All exploration on the McCuaig Property was conducted by Rubicon. (See Item 3).

In terms of administration, the main differences were a decrease in the cost of office services, rent and sundry, from \$31,050 in 2000 to \$13,120 in 2001; management and consulting fees, from \$32,500 in 2000 to \$28,000 in 2001; and printing, promotion and shareholder information and travel, from \$3,823 in 2000 to \$6,700 in 2001. Professional and consulting expenses increased from \$8,925 in 2000 to \$25,823 in 2001, and are related to negotiation of the agreements with Rubicon.

### **Operating Results – Fiscal 2000 compared with Fiscal 1999**

Golden Tag's operating loss of \$308,859 for the fiscal year 2000 is greater than the loss incurred in 1999 of \$168,499 due to the increase in mineral property writedowns (2000 - \$224,070; 1999 - \$ 89,050). Professional fees increased from \$6,772 in 1999 to \$8,925 in 2000 reflecting increased activity in the capital market. Office services, rent and sundry expenses and management and consulting fees were comparable on a year over year basis. Printing, promotion and shareholder information and travel expenses decreased in 2000 by approximately 42% (2000: \$3,823; 1999: \$6,597) due to market constraints on spending.

Exploration costs for fiscal 2000 of \$6,010 represent a significant increase over the 1999 level of \$Nil. Costs incurred in 2000 on a portion of the Souart claims property for geophysical surveys \$4,320 and line cutting \$1,690 reflected the major costs.

### **Liquidity and Capital Resources**

#### ***Overview***

Historically Golden Tag's sole source of funding was the sale of equity securities for cash primarily through private placement financings. Golden Tag also issued common share capital in each of these three years pursuant to the exercise of stock options. Golden Tag has no assurance of continued access to significant equity funding.

#### ***Fiscal 2001 Compared with Fiscal 2000***

In fiscal 2001 Golden Tag received \$48,955 pursuant to the exercise of stock options.

At December 31, 2001, Golden Tag has a working capital deficit of \$11,262. Subsequent to year end Golden Tag announced a \$520,000 private placement of 1,300,000 shares at \$0.40 per share. Proceeds from the financing will be used to fund Golden Tag's portion of the McCuaig Property Joint Venture (see Item 3). Golden Tag is debt free. At the end of fiscal 2001, 8,647,625 common shares of Golden Tag were issued and outstanding.

#### ***Fiscal 2000 Compared with Fiscal 1999***

Golden Tag ended its fiscal year 2000 with working capital of approximately \$22,299 compared with working capital of approximately \$23,588 at the end of the previous year. Cash and equivalents were \$29,477 in 2000 and \$27,943 in 1999.

In fiscal 2000 Golden Tag raised \$90,000 through the issuance of common shares pursuant to the exercise of stock options compared with \$30,000 in the previous year.

### ***Financial Instruments***

Golden Tag keeps its financial instruments denominated in Canadian dollars and does not engage in any hedging operations with respect to currency or in-situ minerals. Funds which are currently excess to Golden Tag's needs are invested in government of Canada or like debt obligations and other short term near cash investments pending the need for the funds.

Golden Tag does not have any material commitments for capital expenditures and accordingly can remain relatively flexible in gearing its activities to the availability of funds. As of the fiscal 2001 year end Golden Tag estimates that the cost of maintaining its corporate administrative activities at approximately \$7,000 per month. Accordingly, Golden Tag's management estimate that a minimum of \$175,000 will be needed to maintain its corporate status and assets over the ensuing two-year period and Golden Tag has current working capital reserves (May 2002) of \$30,000 which will not be adequate to ensure continued viability over this period of time. Accordingly, Golden Tag will need to secure additional financing to maintain its operations over the next two years.

### **Research Expenditures**

Golden Tag is a resource expenditure based corporation and accordingly does not have a program of intellectual property development or patenting or licensing issues.

### **Trend Information**

As a natural resource exploration company, Golden Tag's activities are somewhat cyclical as metals prices have traditionally been cyclical in nature.

Gold prices in 2002 averaged US\$270 per ounce, down from an average price of US\$275 per ounce in the prior year. By year-end, analysts were forecasting improving gold prices in 2002; some suggested that gold could trade as high as US\$335 per ounce in the ensuing months. By early May, gold had been trading at more than US\$300 per ounce for several weeks, and support was developing for prices around US\$310 per ounce.

Due to the economic slowdown in the United States and elsewhere in 2001, and the additional economic uncertainties created by the terrorist events in September, copper prices dropped throughout the year. In 2002, economic copper market conditions are beginning to improve. Prices of US\$0.95/lb to US\$1.00/lb are forecast for the period of 2003-2005.

## **ITEM 6 MARKET FOR SECURITIES**

The shares of Golden Tag have traded in Canada on the TSX Venture Exchange (formerly the Canadian Venture Exchange and successor to the Vancouver Stock Exchange) since April 26, 1984 (symbol-GOG).

## **ITEM 7 DIRECTORS AND OFFICERS**

The names and municipalities of residence of the directors and officers of Golden Tag, their principal occupations during the past five years and the period of time they have served as directors or officers of Golden Tag, are as noted below. Except where indicated, each director and senior officer of Golden Tag

has held the same or similar principal occupation with the organization indicated or a predecessor thereof for the last five years.

As at May 13, 2002, the directors and officers of Golden Tag and their affiliate(s) held as an aggregate of individuals, directly and indirectly, 1,358,700 common shares (14.6%) and hold 579,525 options and nil warrants to acquire an additional common shares. To the knowledge of the directors and officers of Golden Tag, as at such date, there were no persons exclusive of directors and officers holding more than 10% of the issued common shares.

<b>Name, Position and Place of Residence</b>	<b>Period a Director of Golden Tag</b>
Marc A. Carrier President and Director Beaconsfield, Quebec, Canada	Since 1990
James Tilsley Director Aurora, Ontario, Canada	Since 1994
Bruce Robbins Director Ste Agathe-des-Monts, Quebec, Canada	Since 2000

***Principal Occupation and Other Companies Served by Current Management of the Company***

**MARC A. CARRIER – President and Director**

Marc A. Carrier is president of Golden Tag and a self-employed portfolio manager.

**JAMES TILSLEY – Director**

James Tilsley is a geologist and consulting engineer.

**BRUCE ROBBINS – Director**

Bruce Robbins is a self-employed consulting geologist and entrepreneur.

**Related Party Transactions**

To the knowledge of management of Golden Tag, no insider or director of Golden Tag had any interest in any material transaction during the year ended December 31, 2001 or has any interest in any material transaction in the current year except as herein disclosed.

**(a) Management Contracts**

After the last fiscal year end Golden Tag agreed to formalize an arrangement with Mr. Carrier, the Chief Executive Officer, whereby he will receive a termination severance of 300,000 shares if the termination is in connection with a take-over of Golden Tag at a price of at least \$0.75 per Share. Mr. Carrier receives compensation of \$30,000 per annum.

**(b) Directors and Officers**

Directors and officers of Golden Tag may from time to time serve as directors of and have an interest, either directly or indirectly, in other companies involved in natural resource exploration and development. As a result, a director of Golden Tag may be presented, from time to time, with situations, which give rise to an apparent conflict of interest. On any conflict situation, a director may abstain from voting on resolutions of the Board of Directors that evoke such conflict in order to have the matter resolved by an independent Board, or the situation may be presented to the shareholders of Golden Tag for ratification. In any event, the directors of Golden Tag must, in accordance with the laws of British Columbia, act honestly and in good faith and in the best interests of Golden Tag, and must exercise the care, diligence and skill of a reasonably prudent person in dealing with the affairs of Golden Tag.

**ITEM 8 ADDITIONAL INFORMATION**

Additional information, including directors' and officers' remuneration, indebtedness of officers, executive stock options and interests of management and others in material transactions, where applicable, is contained in the Proxy Circular (see below).

The following documents can be obtained upon request from Golden Tag's Shareholder Communications Department by calling (514) 426-8542:

- (i) this Annual Information Form, together with any document incorporated herein by reference;
- (ii) the Annual Report of Golden Tag and any interim financial statements filed with Securities Commissions subsequent to the audited financial statements for Golden Tag's most recently completed financial year; and
- (iii) the Proxy Circular for the annual general meeting of Golden Tag to be held June 27, 2002.

Golden Tag may require the payment of a reasonable charge from persons, other than security holders of Golden Tag, requesting copies of these documents.

Annual financial statements, proxy circulars and interim financial statements of Golden Tag filed with the British Columbia Securities Commission are available at the SEDAR internet web site ([www.SEDAR.com](http://www.SEDAR.com)).