



2004 Annual Report

Corporate Profile

Moss Lake Gold Mines Ltd. was formed in 1994 to consolidate ownership of the Moss Lake gold deposit located in the Shebandowan area northwest of Thunder Bay, Ontario. The Moss Lake deposit itself has an indicated resource of 60 million tonnes grading 1.1 grams of gold per tonne, or 2.1 million in-situ ounces of gold above a depth of 250 metres. Underground development completed in the 1980s helped define a higher grade core of measured and indicated resources of 475,000 tonnes grading 6.2 grams of gold per tonne. These resources are sub-economic at current gold prices. The Company has recently concentrated on exploring for new deposits which would be economic under current market conditions.

In 1999, the Company acquired the large adjoining Fountain Lake property and commenced systematic exploration over its enlarged land position. This led to the recognition of several priority targets, some of which were tested by initial drilling in 2002 and 2003. In 2003, drilling encountered a broad anomalous sulphide zone in the Fountain Lake area, 2.5 kilometres south-east of the Moss Lake deposit. Follow up drilling in 2004 established continuity of two subzones within this mineralized system. We are encouraged by the widespread enrichment of gold and feel this large mineralized system has potential to host a significant gold deposit.

The Company is a 61% owned subsidiary of River Gold Mines Ltd., which operates gold mines near Wawa, Ontario. Moss Lake Gold Mines Ltd. trades on the Canadian Venture Exchange under the symbol MOK and has 39.4 million shares issued and outstanding.

Annual Meeting

The Annual Meeting of shareholders will be held at the Head Office, 8 King Street East, Suite 1305, Toronto, Ontario on Wednesday, June 22, 2005 at 10:00 a.m.



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Message to Shareholders

In 2004, the Company performed follow up drilling in the Fountain Lake area where drilling in 2003 identified gold-enriched pyritic tuffs in a felsic volcanic sequence. The drill program confirmed the continuity of two horizons over a strikelength of 200 metres which returned values of 2.90 grams of gold per tonne over 3.20 metres, 3.09 grams of gold per tonne over 3.00 metres, 1.13 grams of gold per tonne over 8.25 metres and 1.46 grams of gold per tonne over 11.60 metres. This pyritic sequence correlates with a strong induced polarization (IP) anomaly extending for 1.5 kilometres west of this drilling and to the east descends under Fountain Lake.

Clearly this is a very large, gold-enriched mineralization system that requires much more work and holds considerable exploration promise.

One hole was also drilled to confirm an interpretation that the Moss Lake main zone remains open to the west. This hole identified typical mineralization grading 1.45 grams of gold per tonne over 11.45 metres and serves to demonstrate potential to increase resources through further drilling.

Activity in the Shebandowan area is increasing and fieldwork is turning up new gold and base metal showings on neighbouring properties. Our properties host resources in excess of 2 million ounces and continue to demonstrate considerable exploration potential. This has led to increased interest in our properties by other mining companies and we are hopeful that this interest will manifest itself in an arrangement that could give our properties the exploration investment they merit in the best interest of shareholders.

As always, we remain very bullish on the gold market and believe the value of our assets will grow with the gold price.

On behalf of the Board of Directors,



George N. Mannard
President

April 21, 2005

Management's Discussion and Analysis

For the Year Ended December 31, 2004

The following discussion and analysis of the operations, results, and financial position of Moss Lake Gold Mines Ltd. (the "Company") for the year ended December 31, 2004 should be read in conjunction with the December 31, 2004 audited financial statements and their related notes. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The effective date of this report is March 18, 2005.

All amounts are expressed in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

Except for historical information, this Management's Discussion and Analysis ("MD&A") may contain forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied in such forward looking statements.

GENERAL BUSINESS OVERVIEW

Moss Lake Gold Mines Ltd. was formed in 1994 to consolidate ownership of the Moss Lake property. In 1999 it acquired the large adjoining Fountain Lake property. Its substantial resources require sustained higher gold prices to become viable to mine. The Company began trading on the Toronto Stock Exchange in 1995. In 2000, the Company migrated to the TSX Venture Exchange.

SELECTED ANNUAL INFORMATION

	2004	2003	2002
Interest income	\$ 1,270	\$ 798	\$ 482
Net loss (in thousands)	48	45	58
Loss per common share	0.00	0.00	0.00
Total assets (in thousands)	1,294	1,183	871
Shareholders' Equity (in thousands)	1,254	1,169	743

BALANCE SHEET AND OPERATIONS

At December 31, 2004, assets totalled \$1,294,444 compared to \$1,182,612 at year-end 2003. During 2004 the Company spent \$21,875 on royalties and \$20,298 on exploration expenditures on the Moss Lake property and spent \$173,488 on exploration expenditures on the Fountain Lake property. The Company reported a net loss for the year of \$47,828 compared to a net loss of \$45,099 in 2003. The ongoing corporate and general expenses required to run a public company continue to be monitored closely.

The Company reported a loss, before recovery of future income taxes, for the fourth quarter of \$29,623 compared to \$9,519 in 2003. In the fourth quarter, the Company issued flow-through shares whereby the future exploration expenditures of \$49,500 are renounced to the subscriber. To recognize the foregone tax benefits to the Company in 2004, the carrying values of the shares issued were reduced by \$18,000 and set up a recovery of future income taxes of \$18,000 being the tax effect of the tax benefits renounced to the subscriber.

During the fourth quarter of 2004, corporate and general expenses increased by \$21,257 representing additional costs incurred for conventions, shareholders' information, audit, legal, stock transfer and filing fees.

LIQUIDITY AND CAPITAL RESOURCES

The Company is an exploration and development company and has no revenue. At December 31, 2004, the Company had cash resources of \$23,388 compared to \$125,720 at year-end 2003. The Company had working capital of \$1,013 at December 31, 2004, compared to \$132,367 at year-end 2003. During 2004, the Company issued flow-through common shares for gross proceeds of \$49,500 and issued 870,000 units for gross proceeds of \$104,400. Each unit consisted of one common share and one-half of one common share purchase warrant and each whole warrant has an exercise price of \$0.20 and is exercisable until October 4, 2006.

Working capital requirements for 2005 amount to about \$100,000. This is the amount required to maintain operations, property commitments, legal and audit and stock exchange fees. In 2005, the Company will seek equity financing to provide for working capital and to continue exploration and evaluation work on the contiguous Moss Lake and Fountain Lake properties.

SUMMARY OF QUARTERLY RESULTS

	2004			
	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter
Interest income	\$ 473	\$ 156	\$ 220	\$ 421
Net loss (in thousands)	12	10	14	12
Loss per share - basic and diluted	0.00	0.00	0.00	0.00
Total assets (in thousands)	1,294	1,141	1,153	1,168
Shareholders' equity (in thousands)	1,254	1,134	1,142	1,157
	2003			
	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter
Interest income	\$ 718	\$ 27	\$ 18	\$ 35
Net loss (in thousands)	9	10	12	14
Loss per share - basic and diluted	0.00	0.00	0.00	0.00
Total assets (in thousands)	1,183	1,347	889	873
Shareholders' equity (in thousands)	1,169	1,179	718	730

ANALYSIS OF EXPLORATION PROPERTIES

	Cost	Write down	Total
Balance, Dec 31, 2003	\$ 8,006,582	\$ (6,969,752)	\$ 1,036,830
Salaries / contract	151,749	-	151,749
Advance royalties	21,875	-	21,875
Camp operations	17,092	-	17,092
Field supplies	9,636	-	9,636
Retention	884	-	884
Analysis	913	-	913
Administration fees	13,512	-	13,512
Balance, Dec 31, 2004	\$ 8,222,243	\$ (6,969,752)	\$ 1,252,491

Management's Discussion and Analysis

ANALYSIS OF CORPORATE AND GENERAL EXPENSES

For year ended December 31	2004	2003
Insurance	\$ 8,408	\$ 10,125
Audit fees	8,300	8,200
Legal fees	2,233	-
Stock exchange fees	4,470	2,750
Stock transfer fees	8,447	6,579
Filing fees	4,820	4,898
Shareholders' information	8,424	7,529
Conventions	9,078	5,177
Miscellaneous	2,779	639
	\$ 56,959	\$ 45,897

RESOURCE ESTIMATES

Resource estimates were performed in 1992 by the senior evaluation engineer of Noranda Exploration Company Ltd. The higher grade core estimate was completed by River Gold Mines Ltd. mine geologists in 1996. This estimate employed historic underground drifting data and closely-spaced surface drilling information. Although completed prior to the institution of National Instrument 43-101 (Standards of Disclosure for Mineral Projects), management believes its methodology and terminology are consistent with the new guidelines.

CRITICAL ACCOUNTING ESTIMATES

Exploration properties

The Company has not yet determined whether its exploration properties contain reserves that are economically recoverable. The recoverability of the carrying values of exploration properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and future profitable production there from or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. Management conducts periodic reviews of its mineral properties to determine if write-downs are required. Management estimated that no write-downs were required in 2004.

ENVIRONMENT

Moss Lake is committed to a program of environmental protection at its exploration sites. The Company was in compliance with government regulations in 2004.

RISKS AND UNCERTAINTIES

The inherent risks which most profoundly affect the Company's activities are the price of gold and the ability of the Company to obtain financing necessary to establish economic ore reserves. The Company has continued to rely on the financial support of parent company, River Gold Mines Ltd. Although this cannot be counted upon in the future, River Gold has been supportive of Moss Lake's efforts and has provided a backup source of capital.

OUTLOOK

Results of our 2004 drilling program confirm the exploration potential of the Fountain Lake property. The increase in the gold price has led to renewed interest in our assets by third parties. Work going forward will concentrate on further advancing exploration work on our large land position and re-examining economic thresholds and potential development scenarios for the Moss Lake deposit. We will seek funding for these initiatives via equity financing or joint ventures on terms most favourable for our shareholders.

OUTSTANDING SHARE DATA

As of March 18, 2005, the Company's share information is as follows:

Common shares issued	39,366,667
Common share purchase options	500,000
Common share purchase warrants	435,000

OTHER INFORMATION

Additional information relating the Company can be found on our website at www.mosslakegold.com and on SEDAR at www.sedar.com

Management's Responsibility for Financial Statements

The accompanying financial statements and all of the data included in this annual report have been prepared by and are the responsibility of the management of the Company. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and reflect management's best estimate and judgement based on currently available information.

Management is also responsible for a system of internal control which is designed to provide reasonable assurance that assets are safeguarded, liabilities are recognized and that the accounting systems provide timely and accurate financial reports.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities in respect of financial reporting and internal control. The Audit Committee of the Board of Directors meets periodically with management and the Company's independent auditors to discuss auditing matters and financial reporting issues. In addition, the Audit Committee reviews the annual consolidated financial statements before they are presented to the Board of Directors for approval.

The Company's independent auditors, Grant Thornton LLP, are appointed by the shareholders to conduct an audit in accordance with generally accepted auditing standards in Canada, and their report follows.

Toronto, Canada
February 18, 2005



Donald D. Orr
Secretary-Treasurer

Auditors' Report

To the Shareholders of Moss Lake Gold Mines Ltd.

We have audited the balance sheets of Moss Lake Gold Mines Ltd. as at December 31, 2004 and 2003 and the statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2004 and 2003 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
February 18, 2005



Grant Thornton LLP
Chartered Accountants

Balance Sheets

<i>December 31</i>	2004	2003
Assets		
Current		
Cash	\$ 23,388	\$ 125,720
Receivables	18,565	20,062
	41,953	145,782
Exploration properties (Note 4)	1,252,491	1,036,830
	\$ 1,294,444	\$ 1,182,612
Liabilities		
Current		
Payables and accruals	\$ 40,940	\$ 13,415
Shareholders' Equity		
Capital stock (Note 5)	8,839,123	8,711,288
Contributed surplus	4,300	-
Deficit	(7,589,919)	(7,542,091)
	1,253,504	1,169,197
	\$ 1,294,444	\$ 1,182,612

Operations and going concern assumption (Note 1)

On behalf of the Board



George N. Mannard
Director



David Birkett
Director

See accompanying notes to the financial statements.

Statements of Operations and Deficit

<i>Years Ended December 31</i>	2004	2003
Interest income	\$ 1,270	\$ 798
Costs and expenses		
Corporate and general	56,959	45,897
Stock compensation expense	4,300	-
Large corporation tax	5,839	-
	67,098	45,897
Loss before recovery of future income taxes	(65,828)	(45,099)
Recovery of future income taxes (Note 6)	18,000	-
Net loss	(47,828)	(45,099)
Deficit, beginning of year	(7,542,091)	(7,496,992)
Deficit, end of year	\$ (7,589,919)	\$ (7,542,091)
Net loss per common share (Note 7)		
Basic and diluted	\$ (0.00)	\$ (0.00)

Statements of Cash Flows

<i>Years Ended December 31</i>	2004	2003
Increase (decrease) in cash		
Operating activities		
Net loss	\$ (47,828)	\$ (45,099)
Stock compensation expense	4,300	-
Recovery of future income taxes	(18,000)	-
Change in receivables and payables	29,022	(116,910)
	(32,506)	(162,009)
Financing activities		
Common shares issued	99,023	-
Flow-through shares issued to River Gold Mines Ltd.	46,812	-
Common shares issued to River Gold Mines Ltd.	-	470,903
	145,835	470,903
Investing activity		
Exploration properties	(215,661)	(183,485)
Net (decrease) increase in cash	(102,332)	125,409
Cash, beginning of year	125,720	311
Cash, end of year	\$ 23,388	\$ 125,720

See accompanying notes to the financial statements.

Notes to the Financial Statements

December 31, 2004 and 2003

1. OPERATIONS AND GOING CONCERN ASSUMPTION

Moss Lake Gold Mines Ltd. (the "Company") is a publicly traded company and is incorporated under the Business Corporations Act (Ontario). The Company's common shares are listed on the TSX Venture Exchange.

The Company is a subsidiary of River Gold Mines Ltd. ("River Gold"), a publicly held company, which is listed on the Toronto Stock Exchange. At December 31, 2004 and 2003, River Gold held approximately 62% of the then outstanding common shares of the Company.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has incurred significant losses and at December 31, 2004, the Company had a deficit of \$7.6 million. The recoverability of the carrying value of exploration properties is dependent upon the continued support of River Gold, the preservation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to develop ore reserves, future profitable production therefrom or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require additional write-downs of the carrying values.

These financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada, and reflect the following significant accounting policies:

Estimates, risks and uncertainties

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses and other income during the year. Significant estimates and assumptions include those related to the recoverability of mineral exploration properties and stock compensation expense. While management believes that these estimates and assumptions are reasonable, actual results could vary significantly.

Exploration properties

All direct costs associated with exploration properties are capitalized as incurred. If a property proceeds to development, these costs become part of preproduction and development costs of the mine. If a property is abandoned or continued exploration is not deemed appropriate in the foreseeable future, the related costs and expenditures are written off.

The amounts capitalized represent costs to be charged to operations in the future and do not necessarily reflect the present or future values of the particular properties.

Stock-based compensation plan

The Company has adopted the recognition of compensation expense for grants of stock options to officers, directors and employees based on the estimated fair value at the grant date prospectively for new stock-based compensation awards granted after January 1, 2003.

Income taxes

Income taxes are calculated using the asset and liability method of tax accounting. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and on unclaimed losses carried forward and are measured using the substantively enacted tax rates that will be in effect when the differences are expected to reverse or losses are expected to be utilized. A valuation allowance is recognized to the extent that the recoverability of future income tax assets is not considered more likely than not.

Loss per common share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period, including contingently issuable shares which are included when the conditions necessary for issuance have been met. Diluted earnings per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants.

3. CHANGES IN ACCOUNTING POLICIES

Flow-through shares

Effective March 2004, the Company adopted the recommendation of the Emerging Issues Committee ("EIC") of the CICA, "Flow-through shares". Under the terms of flow-through share agreements, tax attributed to the related expenditures are renounced to subscribers. This EIC requires the Company to recognize the foregone tax benefits at the date that the Company renounces the tax credits associated with the expenditures, provided there is reasonable assurance that the expenditures will be made. To recognize the foregone tax benefits to the Company in 2004, the carrying value of the shares issued is reduced by the tax effect of the tax benefits renounced to subscribers.

Impairment of long-lived assets

Effective January 1, 2004, the Company adopted the then new recommendations of CICA Handbook Section 3063 "Impairment of Long-lived Assets" on a prospective basis. Section 3063 requires that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized. Management believes that there has been no impairment of the Company's long-lived assets as at December 31, 2004 and the adoption of Section 3063 has no effect on the current financial statements.

Sources of generally accepted accounting principles ("GAAP")

Effective January 1, 2004, the Company adopted the new CICA Handbook Section 1100 "Generally Accepted Accounting Principles". This section establishes standards for financial reporting in accordance with GAAP and provides guidance on sources to consult when selecting accounting policies and determining appropriate disclosures when a matter is not dealt with explicitly in the primary sources of GAAP. The adoption of this section did not have any significant impact on the Company's financial statements.

Reclamation obligation

Effective January 1, 2004, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3110, "Asset Retirement Obligations", which established standards for asset retirement obligations and the associated retirement costs related to site reclamation and abandonment. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. At December 31, 2004, the Company has not incurred or committed to any reclamation obligation on its exploration properties.

4. EXPLORATION PROPERTIES

	2004	2003
Cost of properties	\$ 6,481,081	\$ 6,481,081
Exploration expenditures	1,398,849	1,205,063
Settlement of advance royalties	105,000	105,000
Underlying advance royalties	237,313	215,438
	8,222,243	8,006,582
Write-down of carrying values	(6,969,752)	(6,969,752)
	\$ 1,252,491	\$ 1,036,830

The Company has interests in the following contiguous properties in the Moss Township west of Thunder Bay, Ontario:

Moss Lake property

The Company has a 100% interest in this property consisting of 10 mining claims of 11 claim units and 2 mining leases of 15 units which were acquired in 1995. The Company is obligated to pay underlying advance royalties of \$5,469 per quarter to certain original vendors until commercial production is achieved. Upon commencement of commercial production, the property is subject to an 8.75% net profits royalty, as defined, to these underlying vendors in lieu of the underlying advance royalty.

In addition, the property includes 3 mining claims of 15 contiguous claim units acquired in 1998. These units are subject to a 1% net smelter return royalty.

Fountain Lake property

The Company has a 100% interest in this property consisting of 149 mining claims contiguous to the Moss Lake property to the east, west and south, and is subject to a 2.5% net smelter return royalty payable to certain original vendors of the property. This royalty is subject to a buyback clause whereby the royalty may be reduced to 1.5% net smelter return for consideration of \$1.0 million.

Notes to the Financial Statements

December 31, 2004 and 2003

5. CAPITAL STOCK

Authorized:

The authorized capital of the Company consists of an unlimited number of preference shares and common shares without par value. The preference shares may, from time to time, be issued in one or more series the rights, privileges, restrictions and conditions of which may be determined by the Board of Directors. No preference shares have been issued.

Common shares issued:	Shares	Amount
Balance, December 31, 2002	34,166,667	\$ 8,240,386
Issue to River Gold under private placement	2,666,667	310,902
Issued on conversion of indebtedness to River Gold	1,333,333	160,000
Balance, December 31, 2003	38,166,667	8,711,288
Common shares, net of issue costs of \$5,377	870,000	99,023
Flow-through shares to River Gold, net of issue costs of \$2,688	330,000	46,812
Tax benefits on renounced flow-through expenditures	-	(18,000)
Balance, December 31, 2004	39,366,667	\$ 8,839,123

During 2004, the Company issued 330,000 flow-through common shares at a price of \$0.15 per share to River Gold for proceeds of \$49,500. The Company also sold an aggregate of 870,000 units at a price of \$0.12 per unit to various purchasers, including a director of the Company, for proceeds of \$104,400. Each unit consisted of one common share and one-half of one common share purchase warrant and each whole warrant has an exercise price of \$0.20 and is exercisable until October 4, 2006.

Stock option plan

The Company has a stock option plan under which the Board of Directors may grant options to purchase common shares of the Company to key employees, officers or directors of the Company. The aggregate number of common shares which may be reserved for issuance under the plan is limited to 600,000.

The following table reflects the continuity for the years ended December 31, 2004 and 2003 of options granted under the plan.

	Shares		Weighted Average Exercise Price	
	2004	2003	2004	2003
Outstanding, beginning of year	400,000	400,000	\$ 0.20	\$ 0.20
Granted	100,000	-	\$ 0.20	\$ -
Outstanding, end of year	500,000	400,000	\$ 0.20	\$ 0.20

The following information applies to options outstanding and exercisable at December 31, 2004.

Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
\$0.20	400,000	2.50 years	\$ 0.20
\$0.20	100,000	4.75 years	\$ 0.20
	500,000		

The fair value of the options granted in fiscal 2004 was estimated on the date of grant using the Black-Scholes option pricing model. The current year's fair value per share price of \$0.043 was calculated using the following assumptions: dividend yield of 0%, expected volatility of 75%, risk-free interest rate of 4.5% and expected life of 4 years.

The fair value compensation and contributed surplus relating to stock options was \$4,300.

Warrants

The following table reflects the continuity of warrants for the year ended December 31, 2004.

Expiry Date	Number of common shares				Closing Balance
	Exercise Price	Opening Balance	Issued	Exercised	
October 4, 2006	\$0.20	-	435,000	-	435,000

6. INCOME TAXES

The following table reconciles the expected income tax expense (recovery) at the statutory income tax rate to the amounts recognized in the statements of operations.

	2004	2003
Loss before recovery of future income taxes	\$ 65,828	\$ 45,099
Expected income tax recovery	\$ 24,000	\$ 17,000
Non-deductible expense	(3,600)	-
Loss recognized on flow-through shares renunciation	18,000	-
Valuation allowance	(20,400)	(17,000)
Recovery of future income taxes	\$ 18,000	\$ -

The following table reflects future income tax assets at December 31, 2004 and 2003.

	2004	2003
Future income tax assets		
Unclaimed non-capital losses	\$ 190,000	\$ 200,000
Book value in excess of tax value of exploration properties	1,250,000	1,250,000
	1,440,000	1,450,000
Less valuation allowance	(1,440,000)	(1,450,000)
	\$ -	\$ -

At December 31, 2004, the Company had unclaimed exploration and development expenditures of approximately \$4,700,000 and non-capital losses of approximately \$525,000 which are available to reduce future taxable income. The non-capital losses will expire as follows: 2005 - \$117,000; 2006 - \$139,000; 2007 - \$76,000; 2008 - \$35,000; 2009 - \$56,000; 2010 - \$45,000 and 2014 - \$57,000.

Flow-through shares

During 2004, under the terms of the flow-through agreement, the Company issued 330,000 flow-through shares and spent the required \$49,500 on qualifying exploration expenditures prior to December 31, 2004.

7. LOSS PER COMMON SHARE

Loss per common share is based on a weighted average number of shares outstanding of 38,347,489 for 2004 and 32,013,242 for 2003. The effect of common share purchase options and warrants on the net loss in 2004 and 2003 is not reflected as to do so would be anti-dilutive.

8. RELATED PARTY INFORMATION

Under the terms of management agreements, River Gold, as manager, provides technical and administrative support and carries out annual exploration programs on the Moss Lake and the Fountain Lake Properties for an indefinite term. River Gold is entitled to administrative fees, expressed as a percentage of allowable costs (as defined and including capital expenditures) of 7.5% during the exploration phase, 5% during the development and pre-production phase and 2.5% after commencement of commercial production. Administrative fees charged and recorded at the exchange amounts were \$13,512 and \$11,484 for 2004 and 2003, respectively, all of which were capitalized.

Payables and accruals at December 31, 2004 included \$14,628 due to River Gold. Receivables at December 31, 2003 included \$1,648 due from River Gold.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables and payables. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Company estimates that the fair value of these financial instruments approximate the carrying values.

10. ENVIRONMENTAL RISKS

Moss Lake is committed to a program of environmental protection at its exploration sites. Management believes that it was in material compliance with government regulations in 2004.

11. INDEMNITIES

The Company has agreed to indemnify its directors and officers, and certain of its employees in accordance with the Company's by-laws. The Company maintains insurance policies that may provide coverage against certain claims.

Corporate information

Officers and Directors

David Birkett

*Director, Vice President
Corporate Development
Calgary, Alberta*

John Hilland

*Director
Calgary, Alberta*

George N. Mannard

*Director, President
Toronto, Ontario*

Donald D. Orr

*Secretary-Treasurer
Toronto, Ontario*

M. Douglas Pollitt

*Director
Toronto, Ontario*

General Information

Head Office

8 King Street East
Suite 1305
Toronto, Ontario
M5C 1B5

Listings

TSX Venture Exchange (MOK)

Transfer Agent and Registrar

Computershare Trust Company of Canada
Toronto, Ontario
Website: www.computershare.com

Auditors

Grant Thornton LLP
Toronto, Ontario

Legal Counsel

Heenan Blaikie
Toronto, Ontario

**MOSS LAKE
GOLD MINES LTD**

