

ORD. #2003/18
REC. #8411 888
FILE #B11080

ALBERTA SECURITIES COMMISSION

IN THE MATTER OF the *Securities Act*,
R.S.A. 2000, c. S-4 (“Act”)

- and -

IN THE MATTER OF Young-Shannon Gold Mines, Limited

ORDER
(Section 214)

1. WHEREAS Young-Shannon Gold Mines, Limited (“Young-Shannon”) has made an application to the Alberta Securities Commission (the “Commission”) for an order under subsection 214(1) of the Act for revocation of the cease trade order issued by the Commission on October 12, 2001 (the “Cease Trade Order”);
2. AND WHEREAS Young-Shannon has represented to the Commission that:
 - 2.1 Young-Shannon was incorporated under the *Business Corporations Act* (Ontario) on January 13, 1932;
 - 2.2 Young-Shannon is a reporting issuer in Alberta, British Columbia and Ontario;
 - 2.3 Young-Shannon is authorized to issue an unlimited number of common shares (the “Common Shares”) of which 9,917,162 Common Shares are issued and outstanding;
 - 2.4 the Common Shares are listed on the TSX Venture Exchange but trading in such shares has been suspended as a result of the Cease Trade Order. Young-Shannon intends to apply for this suspension to be lifted as soon as the Cease Trade Order is revoked;
 - 2.5 the Cease Trade Order was issued as a result of Young-Shannon’s failure to file and deliver its annual financial statements for the year ended December 31, 2000 (the “Financial Statements”);

- 2.6 Young-Shannon was unable to file the Financial Statements as a result of financial difficulties;
- 2.7 due to continued financial hardship, Young-Shannon subsequently failed to file in a timely manner its interim unaudited financial statements for the periods ended March 31 and June 30 for each of 2001 and 2002 and for September 30 of 2001 and its annual financial statements for the year ended December 31, 2001 (collectively, the "Subsequent Financial Statements");
- 2.8 the Financial Statements and Subsequent Financial Statements were filed on SEDAR on November 27 and December 5, 2002;
- 2.9 Young-Shannon held an annual meeting of its shareholders on November 15, 2002;
- 2.10 Young-Shannon is subject to a cease trade order of the British Columbia Securities Commission (the "BCSC") dated May 29, 2001 and the Ontario Securities Commission (the "OSC") dated May 25, 2001;
- 2.11 Young-Shannon has applied concurrently to the BCSC and OSC for a revocation of the BCSC and OSC cease trade orders; and
- 2.12 Young-Shannon is now up-to-date in meeting its continuous disclosure obligations, has paid all outstanding filing fees associated therewith, and is no longer in default of any requirements of the Act or any of the regulations made under the Act;
- 2.13 Young-Shannon holds 11 patented and 20 unpatented mining claims within Chester Township in Ontario;
- 2.14 in February of 2002, Young-Shannon announced that it had executed an agreement (the "Northville Agreement") with Northville Gold Corp. "Northville", now call Condor Gold Corp.);
- 2.15 under the Northville Agreement, Northville may earn up to a 60% interest in all of Young-Shannon's mineral claims located in the Chester Township;
- 2.16 under the Northville Agreement, Northville is required to make cash payments to Young-Shannon and to incur minimum aggregate expenditures in order to maintain an earned interest in Young-Shannon's mineral claims;
- 2.17 under the Northville Agreement, cash payments to Young-Shannon will total \$1,000,000 by July 31, 2005 and aggregate expenditures will total \$4,000,000 by July 31, 2005;
- 2.18 to date Young-Shannon has received \$122,500 under the Northville Agreement;

- 2.19 details of the Northville Agreement are contained in a material change report to be filed on SEDAR within two business days of the last of the OSC, BCSC, or Commission issuing an order to revoke its cease trade order;
- 2.20 detailed information regarding Young-Shannon's mineral claims can be found in a report entitled *Qualifying Report on the Chester Township Property for Northville Gold Corporation* (the "Qualifying Report") prepared by Dr. Derek McBride P.Eng. and dated June 8, 2002;
- 2.21 the Qualifying Report has been filed on SEDAR and is referenced in the material change report to be filed by Young-Shannon;
- 3. AND WHEREAS the Commission is satisfied that to do so would not be prejudicial to the public interest;
- 4. IT IS HEREBY ORDERED under subsection 214(1) of the Act that the Cease Trade Order be revoked.

DATED at the City of Calgary)
)
in the Province of Alberta) "original signed by"
) Glenda A. Campbell, Q.C., Vice-Chair
this 13th day of December, 2002)
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) "original signed by"
) James E. Allard, Member
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