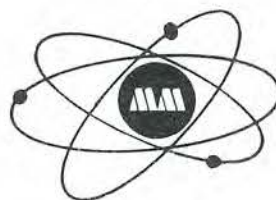


**MIDNITE MINES INC.**

**ANNUAL  
REPORT  
1983**

# MIDNITE MINES, INC.



## ANNUAL REPORT

1983

### Financial Highlights

	Year Ended January 31, 1984	Year Ended January 31, 1983
Equity in income (loss) in Dawn Mining Company	\$ (252,411)	\$ (881,163)
Mining & other revenues	71,053	43,167
Less expenses & taxes	129,623	54,500
Net income (loss)	<u>\$ (310,981)</u>	<u>\$ (862,496)</u>
Net income (loss) per share	\$ (.08)	\$ (.22)
Cash dividend per share	\$ .00	\$ .00
Shares of common stock outstanding at year end	4,423,500	4,123,500

### Contents

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Directors and Officers.....	12

A copy of the Company's annual report for the year ended January 31, 1984 on Form 10K to the Securities and Exchange Commission, including all financial statements and exhibits thereto, may be obtained without charge by writing to:

### MIDNITE MINES, INC.

Suite 400 W. 801 Riverside Ave.  
Spokane, Washington 99201

## President's Letter

### FELLOW STOCKHOLDERS:

Metal prices have remained near their "recession" levels throughout the year, not responding to "recovery" pressures elsewhere. Uranium spot prices are around twenty-two dollars per pound, still below the national average production cost of thirty dollars per pound; therefore, most uranium facilities, including Dawn Mining Company, remain closed.

Silver has remained under ten dollars per ounce most of the year. Your directors decided to close the Polaris Mine in Montana rather than deplete known ore reserves at less profitability than they thought justified.

In order to continue exploration activities at the Polaris Mine or other possible locations, and to preserve our corporate interests while the Dawn uranium operations remain on a care-and-maintenance status pending outcome of litigation, your Board of Directors agreed to sell 300,000 shares of authorized but unissued common stock of Midnite Mines, Inc. to three private investors. They are Messrs. Frank Duval, Hobard Teneff, and James Etter. In accordance with securities laws, these shares are restricted from public trading for two years.

These gentlemen have agreed to serve on the Board of Directors of your corporation. They will bring to the board expertise in many areas of business, finance, and management. They are stockholders and/or principals in Pegasus Gold Corporation and Gold Reserve Corporation which own and operate the Zortman and Landusky Gold mines in Montana.

The corporation is presently exploring avenues for some form of joint-venture arrangement with Pegasus Gold Corporation to carry on exploration projects at the Polaris Mine and on other properties having potential for precious metals.

For the Board of Directors,

A handwritten signature in black ink, reading "Thomas E. Wynecoop". The signature is fluid and cursive, with the first name "Thomas" being the most prominent.

Thomas E. Wynecoop, President

### SILVER:

The Polaris Mine continued to be adversely affected by silver price changes during 1983. Silver prices during the early part of the year ranged in the twelve dollar area and provided good revenues during the mine's higher production levels for 1983, but toward the end of the year lower prices and lower grade silver required the closure of the Polaris Mine. Shipments from the mine increased to nearly 200 tons over 1982 levels while both years experienced shortened production periods.

Tunneling operations down to the 320 foot level were successfully completed with the old level being reopened for further production capabilities. Initial efforts have encountered smaller commercial grade ore pockets that require further development before ore shipments can be considered.

Following is a report on the Polaris production for the past three years:

	1983	1982	1981
Tons of ore shipped	594.57	396.15	706.29
Silver: ounces	14,197	11,161	24,490
Silver: ounces/ton	23.88	28.17	34.67
Gold: ounces	3.1	—	2.9
Net smelter receipts	\$69,703	\$40,615	\$116,442
Net smelter receipts/ton	\$ 117	\$ 103	\$ 165

The net smelter receipts represent payment for 95% of the silver contained in the crude ore shipments. The first two ounces of gold per shipment are deducted as a further charge. (Shipments are around 100 tons.) No payments are being received for the lead and zinc content of the ore according to the available smelter schedule.

### URANIUM:

Dawn Mining Company suspended milling operations in November 1982 following the depletion of its milled stock piles. No mining or milling of uranium ore was conducted in 1983. The mill remained on care-and-maintenance status during the years.

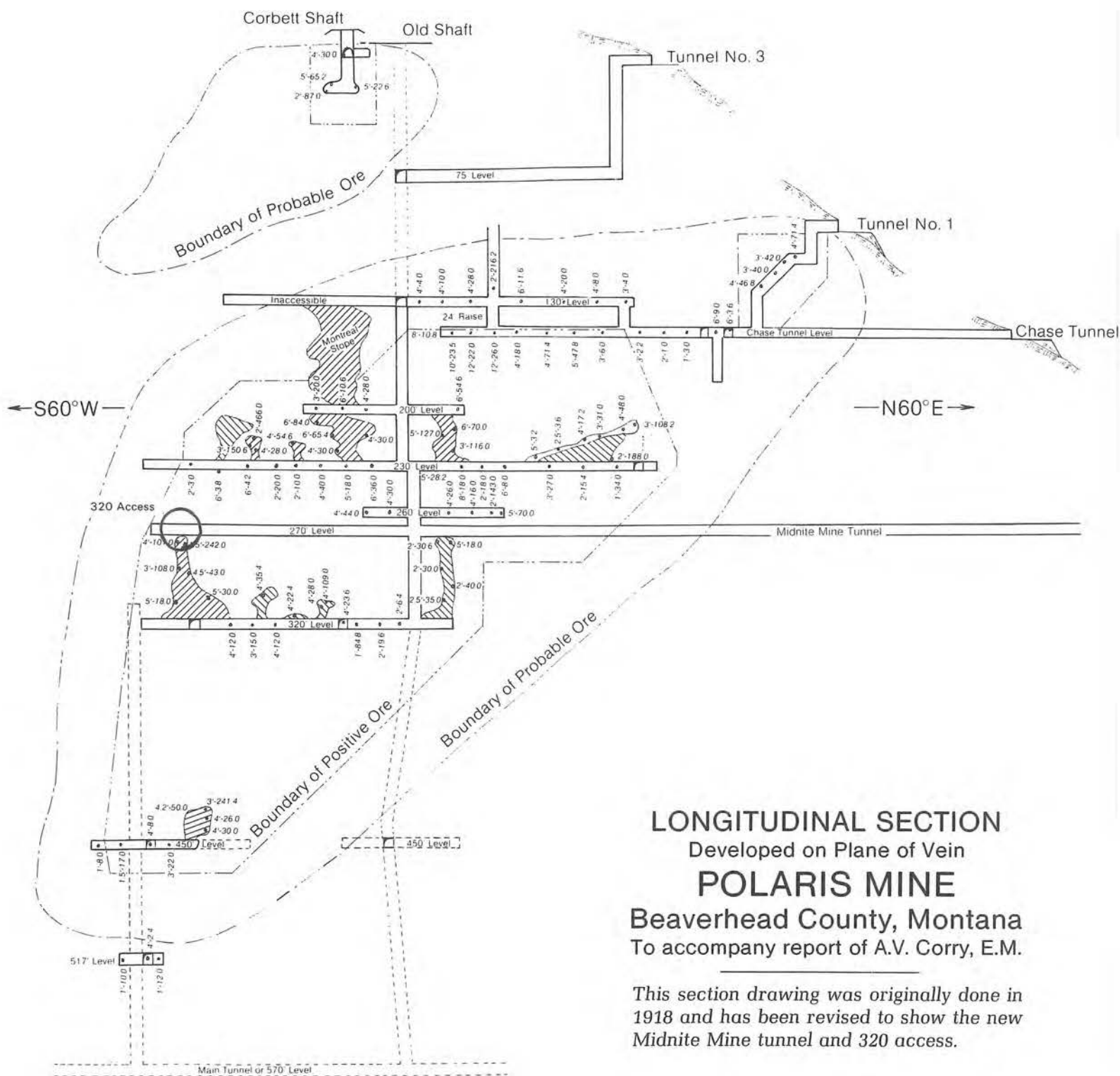
Litigation with the U.S. Department of Interior involving the company's mining plan for Dawn's Midnite Mine on the Spokane Reservation in the state of Washington was concluded adversely in 1983. The Department, acting under its statutory authority of Dawn's mining leases with the Spokane Indian Tribe, continued to demand a mining plan that would by Dawn's every calculation, result in a substantial loss. The courts have refused to invalidate the government's plan. Other litigation pending through 1983 involved the required level stock piles. No mining or milling of uranium ore was conducted in 1983. The mill remained on care-and-maintenance status during the years.

The Dawn mill is subject to re-opening only with a mutually agreeable mining plan. With the Government's mining program, profitable operations are possible only when market and prices for uranium recover. Demand for uranium improved slightly in 1983, but prices remained substantially below levels required to support a mining plan of the scope desired by the Department of Interior.

Reserves at year end were 1.1 million short tons of uranium ore at 0.109 percent  $U_3O_8$ , the same level of reserves as at the end of 1982.

DAWN MINING COMPANY	1983	1982
Ore milled, short tons	—	163,500
Grade, percent $U_3O_8$	—	0.097
$U_3O_8$ produced, pounds	—	288,300
$U_3O_8$ sold, pounds	—	470,800
Sales	\$ 1,439	\$ 13,200,000
Net loss	\$ (515,126)	\$ (1,798,000)
Dividends to Midnite	—	—





**LONGITUDINAL SECTION**  
 Developed on Plane of Vein  
**POLARIS MINE**  
 Beaverhead County, Montana  
 To accompany report of A.V. Corry, E.M.

*This section drawing was originally done in 1918 and has been revised to show the new Midnite Mine tunnel and 320 access.*

## Selected Financial Data

	Years Ended January 31,			
	1984	1983	1982	1981
Equity in income (loss) of Dawn Mining Company	\$ (252,411)	\$ (881,163)	\$ 411,005	\$2,123,150
Mining and other revenue	\$ 71,053	\$ 43,167	\$ 122,466	\$ 245,734
Net income (loss)	\$ (310,981)	\$ (892,496)	\$ 320,524	\$2,008,422
Net income (loss) per share	\$ (.08)	\$ (.22)	\$ .08	\$ .49
Cash dividends per share	\$ .00	\$ .00	\$ .00	\$ .05
Total assets	\$3,857,117	\$4,044,632	\$4,968,763	\$4,594,518

### MANAGEMENT'S DISCUSSION AND ANALYSIS

The equity in net income of Dawn Mining Company (49%) is the principal source of income to the company. The significant financial information regarding Dawn is summarized in Note 1 of Notes to Financial Statements.

Mining revenues from the Polaris Mine were increased over 1982 as a result of higher production and increased silver prices. Revenues were not as high as past production levels would have provided because of ore grades decreasing from 28 ounces per ton to 24 ounces per ton. Milling costs charged by the Asarco Mill remained at approximately \$120 per ton and mining costs per ton shipped decreased by approximately 25%.

300,000 shares of the Company's stock were sold providing \$225,000 for current payable requirements and for partial funding of future mine development. Future funding for increased levels of joint developmental ventures and administrative expense could be provided by sale of stocks held as investments, mining revenues, or sales of Corporation stock.

At January 31, 1984, the company had working capital of \$168,000, or 4% of total assets, and at January 31, 1983, working capital was \$72,000, or 2% of total assets. Management is not aware of any potential impairments to the company's liquidity. There are no present material commitments for capital expenditures.

Uranium and silver prices remain in a depressed and marginal market condition and will continue to provide uncertainty to the Company's profitability.

Inflation and cost increases should have no material effect on investments in monetary assets and liabilities.

	Year Ended January 31, 1984	Year Ended January 31, 1983
Dividends received by Midnite Mines, Inc. from Dawn Mining Company	—	—
Dividends paid per share to Midnite Mines, Inc. shareholders	—	—
Total dividends paid during the period	—	—
Total dividends paid to date	\$17,648,523	\$17,648,523
Number of shareholders	2,320	2,372



## PRICE RANGE OF MIDNITE MINES, INC.'S COMMON STOCK

	<u>Bid</u>		<u>Asked</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
<b>1982</b>				
First Quarter ended April 30, 1982	1.25	.75	1.75	1.00
Second Quarter ended July 31, 1982	1.25	.75	1.62	1.00
Third Quarter ended October 31, 1982	1.00	.50	1.62	.87
Fourth Quarter ended January 31, 1983	2.37	.62	2.50	.87
 The Year ended January 31, 1982	 3.15	 1.00	 3.45	 1.12
The Year ended January 31, 1983	2.37	.50	2.50	.87
<b>1983</b>				
First Quarter ended April 30, 1983	1.62	.87	1.87	1.18
Second Quarter ended July 31, 1983	1.43	1.12	1.62	1.37
Third Quarter ended October 31, 1983	1.37	.87	1.62	1.00
Fourth Quarter ended January 31, 1984	2.37	.62	2.50	.75
 The Year ended January 31, 1983	 2.37	 .50	 2.50	 .87
The Year ended January 31, 1984	2.37	.62	2.50	.75

The common stock is traded on the NASDAQ system and the over-the-counter market in Spokane, Washington. Prices were provided by the NASDAQ System. No dividends have been paid during the period shown above.

## AUDITORS' REPORT

To the Stockholders of Midnite Mines, Inc.:

We have examined the balance sheets (page 7) of Midnite Mines, Inc. (a Washington corporation) as of January 31, 1984 and 1983, and the related statements of income and retained earnings and changes in financial position (pages 8 and 9) for each of the three years in the period ended January 31, 1984. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully discussed in Note 1, Dawn Mining Company ("Dawn"), in which the Company has a 49% ownership interest, is not currently operating because of an order to suspend all mining operations, and is contesting an order to post a \$6,682,000 bond for site reclamation which, if Dawn fails to comply, could cause Dawn's leases of its mining properties to be cancelled. Dawn is considering, in light of currently prevailing prices and markets for uranium oxide concentrates, whether a revised mining schedule can be developed which is acceptable to all parties. If a new mining schedule is agreed upon, mining could commence if economics warrant. If no mining schedule is practicable, Dawn will consider seeking permission for the temporary cessation of mining under its leases so as to avoid their lapsing. The financial statements do not include any adjustments relating to the recoverability of the carrying value of the Company's investment in Dawn as of January 31, 1984, stated at \$3,471,460 in the accompanying balance sheet, that might be necessary should Dawn be unable to successfully resolve the above matters.

In our opinion, subject to the effects on the financial statements of such adjustments, if any, as might have been required had the outcome of the uncertainty about the recoverability of the carrying value of the Company's investment in Dawn discussed in the preceding paragraph been known, the financial statements referred to above present fairly the financial position of Midnite Mines, Inc., as of January 31, 1984 and 1983, and the results of its operations and the changes in its financial position for each of the three years in the period ended January 31, 1984, in conformity with generally accepted accounting principles applied on a consistent basis.

Seattle, Washington,  
April 3, 1984.

Arthur Andersen & Co.

**Balance Sheets**

ASSETS	Year ended January 31,	
	1984	1983
Current assets:		
Cash and certificates of deposit .....	\$ 174,787	\$ 44,143
Receivables .....	1,165	14,508
Federal income taxes receivable .....	—	41,155
Total current assets .....	<u>175,952</u>	<u>99,806</u>
Investments:		
Dawn Mining Company (Note 1) .....	3,471,460	3,723,871
Investments, at cost (approximate market value of \$119,000 in 1984 and \$140,000 in 1983) .....	<u>33,915</u>	<u>33,915</u>
	<u>3,505,375</u>	<u>3,757,786</u>
Properties and equipment, at cost:		
Mining properties—Polaris Mine .....	149,000	149,000
Equipment, less accumulated depreciation of \$49,477 in 1984 and \$40,279 in 1983 (Note 2) .....	<u>24,114</u>	<u>33,312</u>
	<u>173,114</u>	<u>182,312</u>
Other assets .....	<u>2,676</u>	<u>4,728</u>
	<u>\$3,857,117</u>	<u>\$4,044,632</u>

**LIABILITIES AND STOCKHOLDERS' INVESTMENT**

Current liabilities, primarily accounts payable and other liabilities ....	\$ 8,128	\$ 27,662
Deferred Federal income taxes (Note 3) .....	<u>263,019</u>	<u>345,019</u>
Stockholders' investment:		
Common stock \$.10 par value—		
Authorized 6,000,000 shares;		
issued and outstanding 4,423,500 and 4,123,500 shares ....	442,350	412,350
Less par value of common stock		
issued for mining lease (Note 1) .....	<u>(378,500)</u>	<u>(378,500)</u>
	63,850	33,850
Additional paid-in capital .....	411,182	216,182
Retained earnings, including undistributed earnings of Dawn Mining Company of \$2,802,341 in 1984 and \$3,054,752 in 1983 ..	<u>3,110,938</u>	<u>3,421,919</u>
	<u>3,585,970</u>	<u>3,671,951</u>
	<u>\$3,857,117</u>	<u>\$4,044,632</u>

The accompanying notes are an integral part  
of these balance sheets.



# Statements of Income and Retained Earnings

	Year Ended January 31,		
	1984	1983	1982
Revenues:			
Equity in income (loss) of Dawn Mining Company (Note 1) .....	\$ (252,411)	\$ (881,163)	\$ 411,005
Mining and other revenue .....	71,053	43,167	122,466
	<u>(181,358)</u>	<u>(837,996)</u>	<u>533,471</u>
Expenses:			
Mine exploration, primarily for Polaris Mine (Note 2)	110,153	97,147	142,270
Directors' fees .....	35,000	—	17,650
Professional services .....	11,100	14,200	12,385
Office salaries .....	17,660	18,647	12,966
Office rent and other .....	14,525	17,496	12,323
Stockholders' reports and meetings .....	4,863	7,862	11,124
Travel .....	2,764	3,220	5,542
Insurance .....	3,168	3,625	3,900
Depreciation (Note 2) .....	9,198	7,886	10,425
Public relations .....	37	150	1,164
Taxes and licenses .....	3,155	1,267	2,198
	<u>211,623</u>	<u>171,500</u>	<u>231,947</u>
Income (loss) before provision for Federal income taxes	<u>(392,981)</u>	<u>(1,009,496)</u>	<u>301,524</u>
Provision (benefit) for Federal income taxes (Note 3)			
Current .....	—	(69,000)	(53,000)
Deferred .....	(82,000)	(48,000)	34,000
	<u>(82,000)</u>	<u>(117,000)</u>	<u>(19,000)</u>
Net income (loss) .....	<u>(310,981)</u>	<u>(892,496)</u>	<u>320,524</u>
Retained earnings beginning of year .....	3,421,919	4,314,415	3,993,891
Dividends paid .....	—	—	—
Retained earnings, end of year .....	<u>\$3,110,938</u>	<u>\$3,421,919</u>	<u>\$4,314,415</u>
Net income (loss) per share (Note 2) .....	\$ (.08)	\$ (.22)	\$ .08
Dividends paid per share .....	\$ —	\$ —	\$ —

The accompanying notes are an integral part  
of these statements.

# Statements of Changes in Financial Position

	Year Ended January 31,		
	1984	1983	1982
Sources of funds:			
Proceeds from sale of stock .....	\$ 225,000	\$ —	\$ —
Total sources of funds .....	<u>225,000</u>	<u>—</u>	<u>—</u>
Uses of funds:			
Operations—			
Net income (loss) .....	(310,981)	(892,496)	320,524
Add (deduct) items not affecting funds—			
Equity in (income) loss of Dawn Mining Co. ....	252,411	881,163	(411,005)
Depreciation .....	9,198	7,886	10,425
Deferred Federal income tax provision			
(benefit) .....	<u>(82,000)</u>	<u>(48,000)</u>	<u>72,000</u>
Total uses of funds in operations .....	(131,372)	(51,447)	(8,056)
Other—			
Purchase of equipment .....	—	6,015	6,102
Change in other non-current assets .....	<u>(2,052)</u>	<u>60</u>	<u>2,616</u>
Total other uses of funds .....	<u>(2,052)</u>	<u>6,075</u>	<u>8,718</u>
Total uses of funds .....	<u>(129,320)</u>	<u>(57,522)</u>	<u>(16,744)</u>
(Increase) decrease in working capital components, excluding cash:			
Current assets—			
Receivables .....	54,498	66,291	(3,804)
Current liabilities—			
Accounts payable and other liabilities .....	(19,534)	16,365	3,987
Federal income taxes .....	<u>—</u>	<u>—</u>	<u>(22,266)</u>
	<u>34,964</u>	<u>82,656</u>	<u>(22,083)</u>
Increase (decrease) in funds .....	<u>\$ 130,644</u>	<u>\$ 25,134</u>	<u>\$ (38,857)</u>

The accompanying notes are an integral part  
of these statements.



# Notes to Financial Statements

January 31, 1984

## 1. Investment in Dawn Mining Company

In the mid-1950's the Company was formed and 3,785,000 shares of common stock were issued for a mining lease within an Indian Reservation located near Spokane, Washington. This mining lease was later assigned to Dawn Mining Company (Dawn) in exchange for 147,000 shares of Dawn common stock. Dawn is a non-public corporation which is owned 49% by the Company and 51% by Newmont Mining Corporation. The Company follows the equity method of accounting for its investment in Dawn. There are no inter-company transactions between Dawn and the Company, other than the payment of dividends.

The significant financial information regarding Dawn is summarized below:

	December 31,	
	1983	1982
	(000's omitted)	
<b>Financial position:</b>		
Current assets	\$ 1,145	\$ 1,565
Current liabilities	3,833	3,879
Working capital	(2,688)	(2,314)
Property, net	947	1,051
Deferred mine development costs	9,840	9,840
Reclamation funds in escrow	2,728	2,502
Reserve for property reclamation	(2,383)	(2,386)
Deferred income taxes	(1,359)	(1,093)
Net assets	<u>\$ 7,085</u>	<u>\$ 7,600</u>

## Results of Operations:

For the years ended December 31:

	Sales	Net Income (Loss)
1983	\$ 1	\$ (515)
1982	13,226	(1,798)
1981	6,776	839

No ore was mined or milled in 1983 at Dawn due to continued disagreements with the Spokane Indian Tribe (as Lessor of Dawn's mining interests) over mine planning and over the level of bonding required to perform mine reclamation work at the mine sites on the Spokane Reservation. In connection therewith, during 1983, Dawn was party to two proceedings in the Federal Courts challenging actions of the Department of the Interior. One such proceeding was concluded adversely to Dawn during 1983 and the other such proceeding should be concluded in 1984. The proceedings involve the following issues:

(a) In April 1982, the Acting Assistant Secretary of the Interior for Indian Affairs issued an order to Dawn to cease mining ore from a described area of the mine. In 1983, final appeal to the Federal Courts in the District of Columbia failed to reverse this administrative action insofar as it related to mining under the existing mine plan and schedule. Dawn thereafter has periodically sought to determine, in light of prevailing prices and market conditions for uranium concentrates, whether a revised mining method, as well as a new mining schedule, could be developed that would be acceptable to the Bureau of Land Management and the Spokane Indian Tribe and that would be at the same time economically viable for Dawn. As yet, no new plan has been developed that is considered to be economically and environmentally practicable and that meets all the demands of the Spokane Indian Tribal authorities. If a new mining schedule is agreed upon, mining could commence if economics warrant. If no mining schedule is practicable, Dawn will consider seeking permission for the temporary cessation of mining under its leases so as to avoid their lapsing.

(b) On November 18, 1982, the Department of the Interior issued an order requiring Dawn to furnish a surety bond in the amount of \$6,682,000 to cover reclamation at its mine. Dawn was and is financially unable to post such a bond and, in its view, the Department's order to do so was unlawful on procedural and substantive grounds. In December 1982, Dawn filed a lawsuit in the Federal District Court for the Eastern District of Washington challenging the validity of the Department's order and seeking to enjoin its enforcement. In response the Department notified Dawn that, due to Dawn's failure to post the required bond, leases might be cancelled, subject to Dawn's right to request a hearing. Dawn did request such a hearing and the hearing examiner postponed a decision on lease cancellation pending the outcome of the litigation in the Federal District Court for the Eastern District of Washington.

The Company believes that there is sufficient value represented by the ore remaining to be mined and milled and other tangible assets of Dawn which should enable the Company to realize the net carrying value of its investment in Dawn at January 31, 1984.



## 2. Significant Accounting Policies

### Mine Exploration Costs

The Company's costs incurred in the exploration for new mineral deposits are expensed as incurred.

### Depreciation

The Company depreciates its equipment using the straight-line method over estimated useful lives ranging from 5 to 8 years.

### Net Income (Loss) Per Share

Net income (loss) per share was computed based on the weighted average number of shares outstanding during each period.

## 3. Federal Income Taxes

Deferred taxes have been provided primarily for the net tax effect of reporting the equity in the income or losses of Dawn for financial reporting purposes, versus reporting for income tax purposes cash dividends received.

For income tax purposes, the Company has approximately \$100,000 of net operating loss carry forward available to offset future taxable income through 1999.

The Company's effective Federal income tax rate differs from the statutory rate as follows:

	1984		1983		1982	
	Amt.	%	Amt.	%	Amt.	%
Statutory tax provision (benefit)	\$ (181)	(46)	\$(464)	(46)	\$ 139	46
Adjustment to estimated tax provision for prior years	—	—	—	—	( 38)	(12)
Non-taxable undistributed earnings of Dawn	99	25	347	34	(120)	(40)
Provision (benefit) for income taxes	<u>\$ (82)</u>	<u>(21)</u>	<u>\$(117)</u>	<u>(12)</u>	<u>\$( 19)</u>	<u>( 6)</u>

The Company records investment tax credits as a reduction of the Federal tax provision in the year available to reduce the Federal tax liability. The Company's principal taxable income has been dividends from Dawn, which are subject to a dividend exclusion of up to 85%.

## 4. Supplemental Unaudited Financial Information:

### Year ended January 31, 1984

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Equity in loss of Dawn Mining Company and mining revenue	\$ (44,005)	\$ (30,063)	\$ (51,732)	\$ (55,558)
Loss before Federal income tax benefit	\$ (95,989)	\$ (78,538)	\$ (109,260)	\$ (109,194)
Net loss	\$ (86,989)	\$ (70,438)	\$ (112,760)	\$ (40,794)
Net loss per share	\$ (.02)	\$ (.02)	\$ (.03)	\$ (.01)

### Year ended January 31, 1983

Equity in income (loss) of Dawn Mining Company and mining revenue	\$ 582,081	\$ (365,048)	\$ (663,073)	\$ (391,956)
Income (loss) before provision (benefit) for Federal income taxes	\$ 529,061	\$ (406,859)	\$ (696,039)	\$ (435,659)
Net income (loss)	\$ 495,541	\$ (368,539)	\$ (611,135)	\$ (408,363)
Net income (loss) per share	\$ .12	\$ (.09)	\$ (.14)	\$ (.11)

# Midnite Mines, Inc.

## Officers

Samuel E. Wynecoop . . . . . Chairman of the Board  
Thomas E. Wynecoop . . . . . President  
Marvin D. Wynecoop . . . . . Vice President  
Stephen F. Wynecoop . . . . . Secretary-Treasurer  
Robert E. Blair . . . . . Asst. Secretary-Treasurer

## Directors

THOMAS E. WYNECOOP  
Personal Investments, Liberty Lake, Washington

SAMUEL E. WYNECOOP  
Horse Ranching, Zillah, Washington

✓ FRANK D. DUVAL  
Mining Consultant, Director Pegasus Gold  
Mica, Washington

ROBERT E. BLAIR  
Life Insurance Company Executive, Spokane, Washington

✓ HOBART TENEFF  
President and Director of Pegasus Gold  
Moran Prairie, Washington

DELBERT WYNECOOP  
Personal Investments, Davenport Washington

STEPHEN F. WYNECOOP  
Accounting Projects Manager, Sundstrand Data Control,  
Inc., Redmond, Washington

## Corporate Offices

Before June 15, 1984: 15600 Redmond Way, Redmond, WA  
98052

After June 15, 1984: Suite 400, W. 801 Riverside Ave,  
Spokane, WA 99201

## Midnite Mines, Inc.

Incorporated under the laws of the State of Washington,  
December 10, 1954

## Capitalization

6,000,000 shares of Common stock of a par value of \$.10 each  
(\$600,000) of which 4,423,500 shares were issued and outstand-  
ing on January 31, 1984.

## Transfer Agent and registrar

Seattle-First National Bank, P.O. Box 24186, Seattle, Washington  
98124, and Spokane & Eastern Branch, Seattle-First National  
Bank, P.O. Box 1446, Spokane, Washington 99210.

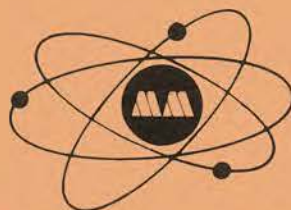
Shares of the Company's common stock are traded on the  
NASDAQ System and the over-the-counter market in Spokane,  
Washington.

## Independent Public Accountants

Arthur Andersen & Co., 801 Second Avenue, Norton Building,  
Seattle, Washington 98104.

ATSM 1/18/02  
Midnight Mines Inc  
Annual Report Folder  
Palatis Min Folder  
Barrick Gold Folder  
Mt. McIntosh Data Bank

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**MIDNITE MINES, INC.**