

SPIDER RESOURCES INC.

ANNUAL GENERAL MEETING AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 18, 2003

NOTICE OF MEETING AND MANAGEMENT PROXY AND INFORMATION CIRCULAR

THIS NOTICE AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF SPIDER RESOURCES INC. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL MEETING AND SPECIAL MEETING OF SHAREHOLDERS OF SPIDER RESOURCES INC. TO BE HELD ON JUNE 18, 2003.

TO BE HELD AT:

The Toronto Board of Trade
1 First Canadian Place
Toronto, ON
M5X 1C1
Ketchum/Osgoode Room

10:00 a.m. (Toronto time)

SPIDER RESOURCES INC.

**NOTICE OF AN ANNUAL GENERAL MEETING AND SPECIAL MEETING OF
SHAREHOLDERS**

WEDNESDAY, JUNE 18, 2003

TO THE SHAREHOLDERS

TAKE NOTICE that an Annual General Meeting and Special Meeting (collectively, the “Meeting”) of the Shareholders of Spider Resources Inc. (the “Corporation”) will be held in the Ketchum/Osgoode Room of the Toronto Board of Trade, 1 First Canadian Place, Toronto, Ontario, at the hour of 10:00 a.m. (Toronto time) on Wednesday, June 18, 2003, for the following purposes:

- 1 to receive and consider the audited financial statements for the fiscal year ended December 31, 2002 and the report of the Auditors thereon;
- 2 to fix the board of directors of the Corporation at five (5) members;
- 3 to elect a board of directors of the Corporation for the ensuing year;
- 4 to appoint an auditor of the Corporation for the ensuing year and to authorize the board of directors to fix the auditor’s remuneration;
- 5 to adopt the stock option plan of the Corporation; and
- 6 to transact any such other business as may properly be brought before the Meeting or any adjournment thereof.

Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed Instrument of Proxy and return it in the envelope provided for that purpose.

DATED at Toronto, Ontario this 12th day of May, 2003.

BY ORDER OF THE BOARD OF DIRECTORS

[Sgd]: Norman E. Brewster

NORMAN E. BREWSTER, PRESIDENT

IMPORTANT

It is desirable that as many shares as possible be represented at the Meeting. If you do not expect to attend and would like your shares represented, please complete the enclosed Instrument of Proxy and return it as soon as possible in the envelope provided for that purpose. All proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Corporation, Equity Transfer Services Inc., Suite 420, 120 Adelaide Street West, Toronto, Ontario, M5H 4C3 at least forty-eight (48) hours prior to the Meeting or any adjournment(s) thereof.

Message to Shareholders

On behalf of the Board of directors of Spider Resources Inc., I am pleased to present to the shareholders a review of the company's activity for the year ended December 31, 2002.

With respect to exploration and development activity the dormant condition of the resource sector made it difficult for your company to raise sufficient capital for the pursuit of an aggressive exploration program as in past years. However Spider's joint venture involvement with KWG Resources Inc., in the Spider #1, Spider #3 and Wawa project areas permits project advancement with or without financial contribution by both parties. During a given year the proportionate interest levels within the joint venture are calculated based on the relative expenditures of the previous fiscal year, which are in effect for the current year. This determination sets the cash call basis for the parties with respect to cash calls. Over-expenditure by either party relative to the other in a given year affects the pro rata interest level. During fiscal 2002, KWG was successful in raising flow through funds, which were expended on the Wawa joint venture property, thus advancing the understanding of this project. Several resource companies have been active in the Wawa area during the past few field seasons, as a consequence the understanding of the geological conditions conducive to diamond occurrence is well advanced. As a result of the expenditure by KWG, without matching expenditure by Spider, your company suffered a small amount of dilution. At the beginning of fiscal 2002, Spider had a 49.2% interest level; this was reduced to 48.02% by year-end.

There was no contribution by either of the joint venture partners in the Spider #1 project area, however De Beers Canada Exploration Inc. incurred an expenditure of nearly \$900,000 on the Spider #3 project area. In total De Beers reports that they have expended in excess of \$1.9 million on this project, thus earning their 50% interest as per the De Beers / Spider / KWG agreement, entered into in April 2001. While De Beers failed to discover any kimberlites within the area, they did discover a massive sulphide occurrence in one of their target anomalies located near of McFauld's Lake. Additional test work was warranted to further investigate this discovery. Spider and KWG have therefore started an aggressive exploration program including drill testing this property. Additionally the joint venture staked a further 25 square miles surrounding the discovery in late 2002 and has since then added an 35 square miles to the property. Based upon the news of this discovery, your company was successful in refinancing itself in early 2003 and is now in a more favorable financial position to resume its contributions to the exploration of the three project areas that comprise the Ontario joint Venture.

Please take the time to review the Summary of Operations enclosed herein to fully update yourselves with respect to the ongoing exploration and development activity.

Management continues to anticipate a much-improved market for financing in the resource sector during the coming year. Combined with a positive board outlook, and the various exploration projects that we have been able to maintain, the conditions for success are present. The company expresses its gratitude to the board members as well as

its shareholders who continue to support the company, and together we look forward to success in the company's future endeavors.

On behalf of the Board,

[Sgd]: *Norman E. Brewster*
Norman E. Brewster
President

May 13, 2003

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS (For the year ended December 31, 2002)

The following discussion and analysis should be read in conjunction with the financial statements and related notes thereto which appear elsewhere in the annual report.

OVERVIEW OF EXPLORATION PROJECTS

Since inception Spider has focused on the James Bay lowlands as our new frontier for diamond exploration. Long before the appearance of others, Spider was, for a while, the only explorer out there, De Beers had been there earlier, however they had kept their presence quiet. De Beers joined us once again in 1999, as they revisited their Victor Pipe complex in the vicinity of our claims, that they had located much earlier in 1988. Then in 1996, Spider took a bold step and acquired an interest in a somewhat curious diamond occurrence in the Wawa area of Ontario, Spider's interest and subsequent work spawned what is referred to as the Wawa diamond play.

Lately, within the last few years, several other companies have joined in the search for diamonds in the lowlands, as well as in Wawa, and as such have become followers of Spider; we welcome their efforts and wish them much success.

However, in our quest for diamonds, Mother Nature has also provided us with some interesting and tantalizing surprises. While our focus in the Spider #3 project area and that of our joint venture partner (De Beers) has been exclusively on the search for diamonds, Spider and joint venture partner KWG have serendipitously become the beneficial recipient of a new Volcanogenic Massive Sulphide occurrence, the discovery of which was made by De Beers during their 2002 exploration campaign.

We will aggressively pursue the delineation of this discovery as quickly as possible, weather and financing conditions permitting. However, we will not set aside the several very significant diamond targets that have been developed to date.

During the balance of 2003 we expect and hope that our associates at De Beers will announce the much awaited development of Ontario's first diamond mine on the Victor Pipe and perhaps some of the other nearby kimberlites. This announcement will prove once and for all that the Superior Geological Province can host commercial diamond production and we feel that it will also justify and warrant the financing of the many junior companies that have come into the area seeking to make similar discoveries. In Wawa, our neighbours are aggressively exploring their respective properties, we understand that De Beers is watching this area closely while courting Pele Mountain Resources Inc., meanwhile, Kennecott Canada Exploration (subsidiary of mining giant RTZ) has already shown up and have entered into a multi year joint venture with Band-Ore Resources Ltd.

The following are highlights of the work that we have undertaken on our various project areas.

- New volcanogenic massive sulphide occurrence discovered, drill tested with 8 initial holes, best assays in hole 8 include 5.7 meters of 3.4% copper, and 4.1 meters of 7.6% zinc;
- 7 Kimberlite occurrences in James Bay lowlands area, two of which are next to the De Beers Victor Pipe(s) where a production decision is expected soon;
- Best Sample to date on one of Spider's kimberlites in lowlands project include 8.3 carats per tonne over 12 meters in hole 1994-26 (from 407m to 419m) at Kyle Lake #1 kimberlite;

- Experts say that Kyle Lake #1 diamonds have many similarities to the world class Premier mine in South Africa, both being mid Proterozoic in age;
- Based upon 1996-97 exploration results, many other companies have followed Spider and KWG into the Wawa diamond area, thus confirming the excellent field results of Spider.
- 1017 diamonds (907 micro, 106 macro and 4 commercial) have been recovered from 62 individual prospecting samples taken at 33 locales on the 45 square kilometres Wawa property.

THE JAMES BAY LOWLANDS SPIDER #1 PROJECT AREA

This project is located in the James Bay Lowlands area of Northern Ontario and is currently held in a both party contributing joint venture with KWG Resources Inc. (this pro rata interest levels is adjusted at the end of each fiscal year, it presently hovers around 48% Spider and 52% KWG). This project area was the site of much exploration work by KWG and Spider during the period 1992 through to early 1997.

A very large tract of land (118,000 square kilometres) was covered by regional (400 meter flight line spacing) aeromagnetic surveying during this period, followed by detail (200 meter flight line spacing) aeromagnetic surveying over those areas that were suspected to contain structures or identifiable anomalies related to kimberlite emplacement processes. Geological reconnaissance mapping and geochemical surveying followed these surveys. Selected targets underwent additional local scale coverage followed by ground surveying for actual diamond drill hole positioning purposes. In some instances, diamond drilling ensued, that resulted in the discovery of seven individual kimberlite bodies.

Two of the discovered kimberlites pierce through the extensive Paleozoic cover rocks, (making these post-Paleozoic aged kimberlites) while five are located beneath the Paleozoic cover-rocks (making these pre-Paleozoic kimberlites). The latter set have been age dated to be 1.1 to 1.2 billion years old making them Proterozoic in age. Each of these seven kimberlites has been determined to host of diamonds, by testing of the recovered drill core for microdiamond content.

During the period 1994 through to early 1996, Spider and KWG were in a joint venture with Ashton Mining (Canada Ltd.) with respect to this project. In mid 1996, Ashton was paid \$1 million from the treasury of the Spider/KWG joint venture to restrict Ashton's day-to-day involvement in the joint venture. Ashton retains a 25% claw back entitlement to any kimberlite property found or developed by Spider/KWG within the geographic limits of the Spider #1 project area. To claw back the 25%, Ashton must make a payment to Spider/KWG that is 300% of the exploration expenditures on the subject property (that they are clawing back). This agreement holds for all properties within the Spider #1 project area except the property hosting the Kyle Lake #1 kimberlite, where Ashton signed back all interest or potential interest.

Attawapiskat River Area

The two Paleozoic kimberlites (MacFadyen #1 and MacFadyen #2) are located along the course of the Attawapiskat River amongst 16 other kimberlites that were earlier (circa 1988-89) located by Monopros, the Canadian exploration arm of De Beers Consolidated Mines. Another kimberlite (AT-56) has recently been drill identified by a joint venture between Canabrava and Navigator, near one of the more southerly De Beers kimberlites. The two MacFadyen kimberlites discovered by the Spider/KWG joint venture, underwent minimal testing during 1995, they were confirmed to be diamond bearing however they require further evaluation by the joint venture.

Initial drill testing of MacFadyen #1 kimberlite consisted of the discovery hole (94-1) yielded 2 macros and 2 microdiamonds and two follow-up drill holes. Ashton Mining of Canada Inc. described the diamonds as resorbed irregular to twinned octahedral in morphology in 1994, the combined carat weight for the two macro diamonds was 0.065 carats for a sample grade of 1.94 ct./tonne. This grade is considered by management to be significant, especially when the location (within 8 kilometers) of the De Beers "Victor kimberlite" is taken into consideration.

During the early part of 2001, Spider commenced a re-evaluation (desk study) of the earlier magnetic geophysical. These three kimberlite geophysical targets are presumably related to the MacFadyen #1 and #2 kimberlites, all of which overlie a much deeper - linear magnetically signature within the normal range of kimberlite. This re-interpretation has led management to suspect that three additional kimberlite bodies are present within the existing property limits. One target has a depth to magnetic source that is double that of the other 2 suggesting the possibility that another age of kimberlite emplacement may have occurred. This interpretation has led management to suspect that other similar aged kimberlites may be present in the Lowlands area.

Spider is presently reviewing the entire data base for the area, to determine whether or not other similar deep anomalies exist that have been overlooked by other exploration groups. In addition to this, management is pursuing various options as to the future exploration plans for this property. We anticipated that a ground geophysical survey (magnetic, electromagnetic and perhaps gravity surveying) will be completed on this particular property during fiscal 2003, in an effort to re-establish field co-ordinates of the three suspected kimberlite targets as required for follow-up drill confirmation.

In early 2000, The National Post announced that De Beers Canada Exploration Inc. applied for an advanced exploration permit and that they were planning to bulk test one of their kimberlites in the Attawapiskat swarm of kimberlites, based upon their earlier 1999 - 330 tonne bulk sample of the Victor kimberlite.

De Beers installed a ten tonne per hour Dense Media Separation (DMS) diamond plant as well as a series of x-ray Sortex diamond collectors plus several large reverse circulation (RC) drill rigs at the site.

Later in 2000 De Beers revealed that they procured and processed a large sample (approximately 8 tonnes) from this kimberlite from a combination of surface trenching and large diameter RC drill holes. This was the first confirmatory test economic grade diamond deposits in the province of Ontario. This occurrence is fortuitously located next to Spider's land holdings in the area (the MacFadyen #1 and #2 property) that consists of 5 claims that tie onto the claim group that hosts the Victor kimberlite, located a mere 8 kilometers south of the MacFadyen kimberlites owned by our joint venture.

By the end of 2001 De Beers announced that they had collected and processed some 8,392 tonnes of kimberlite that yielded 3,622 carats for an implied grade of 0.43 carats per tonne with a value per carat have been given at \$US 154 per carat.

De Beers continued their investigations and eventually announced that the Victor kimberlite is a multi-phased intrusion consisting of at least three phases, each of which is internally complex, and as a consequence the diamond grade is quite variable throughout the entire body.

De Beers estimates that Victor Main contains an inferred resource of 22.8 million tonnes, while Victor SW hosts about 13.3 million tonnes for a total of 36.2 million tonnes. In a recent report, De Beers comments that:

"... the internal geology and diamond distribution within the Victor North kimberlite is complex. Grades vary from zero to in excess of 70 carats per hundred tonnes for the different phases, thus making evaluation difficult...a global revenue per

tonne is currently estimate at CDN\$100 per tonne. Unfortunately, the total number of carats from the many kimberlite phases (within Victor) have yet to reach a total that will provide a statistically robust assessment of grade and value.”

A Pre-feasibility and advanced engineering studies continue on this advanced project of De Beers. In addition to the De Beers activity, many other explorers have targeted this area for its high diamond exploration potential, including Canabrava, Navigator, Kelex, Metallex and Arctic Diamond.

Spider and joint venture partner KWG are planning the next phase of exploration on this very exciting property. Geophysical surveying followed by diamond drilling is currently being proposed for the 2003 summer exploration season. The three near surface kimberlite targets will be tested and we hope to have a look at the underlying magnetically rendered structure that appears to be a feeder-type kimberlite dike. This dike is interpreted to be approximately 280 meters deep, 30 meters wide and is traceable for fifteen kilometers, linking most of the known kimberlites in the Attawapiskat swarm including the Victor kimberlite of De Beers. Four kilometers of the strike length of this target are on the Spider/KWG ground.

Kyle Series Kimberlites

The five pre-Paleozoic kimberlites are located in a general westerly direction with respect to the Attawapiskat River swarm of kimberlites.

Kyle Lake #1 Kimberlite Property

The largest of these kimberlites; Kyle Lake #1 underwent a 6.22 tonne (mini-bulk sample) and it was determined by Spider management to average ~ 0.60 carats per tonne as an undiluted micro + macro diamond grade based upon 18 diamond drill holes, totalling 7,546.5 meters (3,541.4 meters in kimberlite). It is noteworthy that many phases were initially interpreted to exist in this intrusion, one of which grades up to 8.33 carats per tonne over 12 meters of core in hole 95-26.

Spider estimates that the Kyle Lake #1 kimberlite covers a surface area of 2.6 hectares and it tapers to depth. Down to the 510-meter level some 14.5 million tonnes of kimberlite have been drill identified.

De Beers were engaged to evaluate the 4,395 diamonds extracted during the mini-bulk sample. They randomly select 111 commercial size diamonds (one dimension in excess of 0.8 mm) from the suite of 793 macrodiamonds that had been recovered collected by Spider. Seventy-five percent of the 111 diamonds tested were dominantly octahedral in morphology with little resorption.

Colourless diamonds (64%) are most common with a smaller portion of yellow-brown stones (30%). These stones have very low nitrogen content (> 50 ppm) type IaAB diamonds represented 51% of the population and nitrogen free type II diamonds represented 12% of the population. The abundance of these two diamond types is consistent with derivation from peridotitic mantle sources, with minor sampling of eclogitic material and suggests the presence of a number of paragenetic subpopulations. The wide variation in colour, morphology, resorption, nitrogen content and aggregation state from the Kyle Lake No. 1 kimberlite supports the theory that this particular kimberlite is a multi-phased kimberlite, each phase distinguishable from the other by analysis of the contained diamonds.

A forensic type investigation to further understand the sequence of events related to the intrusive kimberlite phase(s) was undertaken on selected macrodiamonds. One hundred and nine of the 111 diamonds previously submitted to De Beers were once again submitted to KMD consultants

of Vancouver BC. An excerpt from executive summary contained within the consultants report is as follows:

"Kyle Lake #1 kimberlite diamonds are characterized by an above average proportion of type 11a diamonds (15%), which is much higher than in DO-27 and in Point Lake diamonds. By nitrogen content and statistical distribution of A and B nitrogen centers, the closest analogues to Kyle Lake diamonds among diamonds from different regions worldwide are diamonds in South African pipes. By the proportion of type 11a crystals, diamonds from Kyle Lake #1 kimberlite are most similar to diamonds from the Premier pipe, known for their large grain size and high quality. Based on this, we suppose that there may be large crystals among diamonds of the Kyle Lake #1 kimberlite. Having quite low average concentrations of 'platelets' and hydrogen structural impurity, Kyle Lake diamonds are essentially isolated from diamonds from other regions. Kyle Lake diamonds are quite peculiar, having no analogues as to distribution of optically active centers among diamonds from any known deposits worldwide. Consequently, to assess the likelihood of encountering large crystals, a large volume bulk sampling of the Kyle Lake #1 kimberlite is recommended."

Management of the joint venture is currently looking into various options with respect to the continued evaluation of this kimberlite as the cost of completing a bulk sample of the higher grade phase(s) of this kimberlite is expected to be in the order of several million dollars. Nevertheless, it is the plan of joint venture management, to further investigate and assess the rather bullish conclusions of the KMD report on the diamonds from this intriguing kimberlite.

Kyle #3 Kimberlite Property

During the winter of 2000 and 2001 Spider and KWG undertook a diamond drilling delineation program on the Kyle #3 kimberlite. This particular kimberlite is located near the confluence of two major rivers, the Attawapiskat and the Muketei. This kimberlite was initially discovered in late 1995 was further drilled 1996 and then underwent additional drill delineation in 2000 and early 2001.

All 21 holes encountered a kimberlite dike enriched in diamond. The preliminary analysis based on the present geological parameters outlines a dike-like body approximately 750 meters long with width(s) ranging between 2.5 meters wide at the western end to 140 meters wide towards the eastern end. This body is currently estimated to contain approximately 10 to 11 million tonnes of kimberlite to a depth of 250 meters. This drilling resulted in the recovery of 1,733 diamonds from a total of 2.72 tonnes of kimberlite processed, of which 113 are within a macro - commercial size population. The kimberlite dike has a near vertical dip and the average width is around 25 meters, however a 'blow' (a swelling out of a pipe-like feature) exists near the eastern end, which increases the thickness in this area of the kimberlite to about 125 meters.

Kyle #2, #4 and #5 Kimberlite Properties

These three kimberlites were all discovered in 1995 and have undergone minimal test work other than the processing of the initial discovery hole and in some instances the follow-up holes. The properties hosting these kimberlites are in good standing, however work will be required on these properties prior to expiration dates in 2004.

THE WESTERN JAMES BAY LOWLANDS AREA OF NORTHERN ONTARIO (SPIDER #3 PROJECT AREA)

Situated in the James Bay Lowlands area of Northern Ontario is the neighbouring, to the west, Spider #3 project area. This project also forms part of the Ontario wide joint venture with KWG Resources Inc., where Spider has approximately 48% interest. The joint venture maintained exclusive access to the results from regional geochemical and geophysical surveys that were completed during the 1995 through to 1997 exploration campaign. This information represents the only database of its kind making it proprietary to the joint venture. The Spider #3 project area measures approximately 70 kilometres by 180 kilometres, and covers a logical extension the Spider #1 regional project that hosts 24 identified kimberlites.

In April of 2001, De Beers Canada Exploration Inc. signed a 6 year \$5.5 million exploration agreement, whereby De Beers, could earn up to 60% interest in the project. De Beers on behalf of the joint venture staked in excess of 20 of the highest priority kimberlite targets, thus creating the property base for the joint venture.

Exploration work over these properties by De Beers included low-level airborne magnetic and electromagnetic geophysical surveying, additional geochemical sampling and regional mapping at a cost of approximately \$1.05 million. Based upon the results of the initial phase of exploration as managed by De Beers, a Reverse – Circulation (“R.C.”) drill rig and crew was mobilized to the project area in mid March 2002. De Beers tested a total of 13 targets in which no kimberlite was encountered. However, one R.C. hole encountered massive sulphide mineralization.

The initial analysis of the chips from this hole demonstrated the presence of high levels of copper and zinc mineralization. Complete assay results include values over various short (0.5 meters) sections as high as 7.09% Cu, 4.67% Zn, 2.68% Pb, 150.6 g/t Ag and 0.76 g/t Au. The entire 8 meter section that was drilled and sampled by De Beers, averaged 1.61% Cu, 0.34% Zn, 0.13% Pb, 9.9 g/t Ag and 0.13 g/t Au.

The interpretation of the magnetic and electromagnetic survey results undertaken by De Beers and previously by Spider, over this discovery area infers that the magnetically rendered conductor is an elongate feature 220 meters in length and 60 meters in width, striking NE, with a steep dip to the northwest. In light of this new information, (geophysics, coupled with metal analysis and geology), Spider and KWG are interpreting this discovery as a new Volcanogenic Massive Sulphide (VMS) type base metal occurrence. De Beers further reports that a second yet untested geophysical anomaly of similar type is located nearby. In this geological setting many similar accumulations of sulphide accumulation can be expected to occur, along the strike of the VMS belt.

As De Beers exploration and development mandate is restricted solely to diamonds, De Beers has suggested that they would reduce their potential interest in this new discovery to a gross overriding royalty of a “few percent”. The terms of this royalty are presently being ratified; at present we expect that the gross over-riding royalty will be 1.5% with a buy back clause on a portion of this royalty.

Management of the joint venture was very encouraged with this particular project and as such planned and have started the execution of a follow up diamond drilling program, coupled with an airborne electromagnetic survey to look for any additional similar occurrences in the immediate area. Spider/KWG initially secured 25 square mile land position centered on the discovery and added an additional 35 claim-units have been acquired by the joint venture, so that the project now encompasses 60 square miles.

The winter exploration program on this discovery (McFauld’s Lake project) has been successful in confirming the discovery and our initial expectations. Massive sulphide mineralization had been

encountered in each of the 8 holes completed. The following is a tabulation of the most significant results obtained to date:

Hole	Section	from (m)	to (m)	int. (m)	Cu %	Zn %
McF-03-01	4+00E	177.3	182	4.7		1.79
		207.5	216.4	8.9	1.43	
McF-03-02	4+00E	65.1	77.4	12.3	0.53	
		95.3	100.7	5.4		5.45
McF-03-06	4+00E	165.9	171.5	5.6	2.9	
		179.2	188.9	9.7		5.4
McF-03-08	4+50E	174.7	180.3	5.6	3.39	
		196.5	200.6	4.1		7.64
McF-03-03	5+00E	100.5	105.6	5.1		4.11
		100.5	104.4	3.9	5.25	
McF-03-04	5+00E	144.8	153.5	8.7	0.49	
		146	152.2	6.2		3.3
McF-03-05	5+00E	245.3	261.3	16	0.45	
McF-03-07	5+50E	253.8	260.7	6.9	3.55	
		250.5	253.8	3.3		2.05

Down hole electromagnetic and surface TEM surveying completed to date has helped in sorting out some of the initial complications of the geology and will assist in the design of the second phase drill program expected to commence after "Break-Up" of the winter ice cover on the lakes and rivers.

The management of Spider, though cautious, is very encouraged with the results obtained to date and we look forward to reporting additional drill hole and exploration results to you as it becomes available.

THE WAWA PROJECT OF NORTH – CENTRAL ONTARIO

The Wawa project also forms part of the Ontario joint venture with KWG where your company has a 48% interest as of the year ending Dec. 31, 2002.

This project consists of 45 square kilometres of prospective diamond exploration terrain located 35 kilometres north of the town of Wawa Ontario (map). The project area, straddles, Highway 17, providing excellent year round access to the property.

The initial exploration in 1996 and early 1997, demonstrated the existence of eight separate bedrock diamond occurrences. These occurrences are hosted in an unusual ultramafic rock and have been intermittently traced using bulldozers and excavators.

The best result on the property collected during the initial two-year program was 48 microdiamonds and 6 macrodiamonds recovered from a 36.0 kg. sample averaging 46.2 carats per 100 tonne

An outcrop 3.9 kilometres south of the initial discovery site yielded 81 microdiamonds and 11 macrodiamonds from a 164.7 kilogram sample, this sample averaged 27 carats per hundred tonnes.

During 2001, Spider completed a series of three mini-bulk samples for contained diamond content of the original Sandor occurrence, with additional special attention to the projected extensions of Pele Mountain's Destiny and PC showings onto the Spider property. Three sites along the inferred 1 kilometre eastward extension of the Sandor occurrence were sampled. In addition, 35 regional prospecting samples were selected for diamond content analysis, from various other outcrops of similar rock spread throughout the property.

In early 2002, Spider reported that 11 of these regional samples returned positive results bringing the total number of individual diamond bearing outcrops discovered by the joint venture to twenty.

A total of 79 diamonds were recovered in 11 regional exploration samples (collectively weighing 165 kilograms), of these, 2 diamonds are classified as commercial size diamonds (dimension in excess of 1.0mm) and a further 11 are classified as macrodiamonds (dimension in excess of 0.5mm). Nine of the twenty diamond occurrences, are confined to a five kilometre long 60 meter wide geographic area that intersects the original Sandor occurrence as well as a diamondiferous diatreme breccia.

A plot of all 20 diamond occurrences, property wide, outline two further mineralization areas that trend east – west, one zone north of the Sandor Occurrence and the other zone south of the Sandor Occurrence.

Four separate diamond occurrences are located 3 kilometres north of the Sandor occurrence. This northern area extends from the north end of McCormick Lake to the Magpie Mine road, a distance of three kilometres; an exposure on the Trans Canada highway was represented by sample LAL-12 (2001) for which 15 kilograms of rock yielded 13 diamonds. The largest diamond from this small regional sample measured 1.57mm by 1.02 mm by 0.66 mm.; another diamond from this sample is classified as a macrodiamond the remaining are microdiamonds.

The southern area is located approximately 3.5 kilometres south of the Sandor occurrence. This area is defined by 6 separate diamond occurrences, in a roughly east west trending zone currently estimated at 75 meters in length.

During the 2001 field season, three mini-bulk samples were collected along a one-kilometre strike length of the Sandor occurrence. These three samples were delivered to the SRC laboratory in Saskatoon, Saskatchewan that reported the recovery of eight commercial sized diamonds (one dimension larger than 1.0 mm) and three additional macrodiamonds (one dimension larger than 0.50mm) from sample BK3. This sample weighed 2.724 metric tonnes. The eight commercial size diamonds range in weight from 0.54 mg (0.0027 carats) to 6.49 mg (0.0325 carats or 3.25 points), with dimensions ranging from 1.18mm by 0.90 mm by 0.64 mm to 1.92mm by 1.76mm by 1.44mm. The largest diamond from BK3 is described as a white trigonal trisoctahedral crystal. Spider further reported the recovery of three commercial sized diamonds and five additional macrodiamonds from a 2.476 metric tonne surface sample labelled BK2. The three commercial

size diamonds ranged in weight from 0.51 mg to 1.12 mg with dimensions ranging from 1.16mm by 0.90 mm by 0.40 mm to 1.16 mm by 1.14 mm by 0.86 mm. The largest of the commercial sized diamonds is described as a pink octahedron. Sample labelled BK1 yielded one diamond, with dimensions 0.94mm by 0.78mm by 0.75mm from 2.41 tonnes of sample.

In light of the encouragement in both the property wide regional exploration program as well as the detail exploration centered on the Sandor occurrence during the 2001 field season, management of the joint venture approved the collection of 4 additional mini-bulk samples, as well as additional property wide prospecting. In a report dated December 18, 2002 by James Burns P.Eng., he summarizes the 2002 program as well as provides an overview summary of this project.

“Three volcanic complexes, potential areas for another five complexes, a glacial boulder dispersion train for an as yet undiscovered complex plus numerous dykes of the hypabyssal facies have been located on the property during the past exploration programs. All facies may contain diamonds, but the greatest concentrations are found in the volcanic facies. To date, 1017 diamonds (907 micro, 106 macro and 4 commercial) have been recovered from 62 individual prospecting samples taken at 33 locales on the property. A total of 17 commercial size diamonds, those with one dimension > 1mm, have also been recovered from 4 of 7 mini (1.5 to 2.5 tonne) bulk samples.”

Other companies have followed Spider's lead into the Wawa diamond field. These include Pele Mountain Resources Inc., Band-Ore Resources Ltd, Oasis Resources Inc., Diabras Exploration Inc and Kennecott Canada Inc. Pele Mountain and Band-Ore/Kennecott have had some considerable success in what is a very complex and unrevealing geological environment. We are encouraged with their results and monitor their progress and share information of mutual benefit in a spirit of co-operation. We wish our neighbors in this area much exploration success, as it directly affects our project.

Spider management is extremely encouraged with the results obtained from our still rather limited program and will continue exploring through fiscal 2003. Once the summer season is upon us, the company will revisit the area and continue a regional program accompanied by a closer look at the existing occurrences. It is envisioned that two additional bulk samples will be selected this year, and processed at either the Pele processing facility in Wawa or the Kennecott diamond processing facility in Thunder Bay.

OPERATIONS

For the year ended December 31, 2002, the company incurred a net loss of \$1,804,697 (\$0.015 per share) compared with a net loss of \$76,782 (\$0.001 per share) for the year ended December 31, 2001. This loss is mostly attributable to the write down of the Paranaiba project in Brasil totalling \$1,693,588.

EXPENSES

Administrative expenses decreased from \$373,054 to \$173,465 due to a decrease in exploration activity with respect to the previous fiscal period. The company has more or less maintained the Spider #1 and Spider #3 projects in the James Bay Lowlands area of Northern Ontario, as well as its interest in the Wawa project of Central Ontario by expending \$113,210 in exploration during 2002. All three of these projects continue to have good exploration potential.

FINANCING, WORKING CAPITAL AND LIQUIDITIES

In the Spider #1 project area of Northern Ontario, there was limited exploration activity financed by the corporation. The minimal financial contributions to the Ontario projects of a joint venture with KWG Resources Inc., resulted in Spider slightly reducing its respective pro rata interest level with respect to last years level of 49% interest to the current 48.02% interest. No exploration activity was conducted on the Brazilian project as this exploration project was put on hold pending the outcome of a planned flood proposal over the area of interest by the Brazilian government. The corporation may be entitled to a compensatory payment with respect to this proposal, related to exploration expenditures incurred on the subject property area. Spider elected to not participate in any further exploration and/or administrative expenses incurred on this project and a consequence Spider will undergo a pro rata dilution with respect their earlier 23.5% interest level in this project. Management of the Brazilian project will advise Spider of its retained interest level once it is calculated.

During the year the company issued 320,000 common shares. These shares were issued to two officers of the corporation as a result of the exercise of stock options for a cash consideration of \$32,000.

OUTLOOK

The company will continue to explore during the upcoming year on the Spider #1, Spider #3 and the Wawa projects in the Province of Ontario. The Spider #3 project in joint venture with De Beers Canada Exploration Inc. underwent a systematic exploration program by De Beers for diamonds. This project area underwent drill testing of selected high priority anomalies by De Beers, De Beers inadvertently discovered a potential volcanogenic massive sulphide type occurrences during their routine kimberlite exploration program. Spider and joint venture partner KWG have planned and are currently exploring this new occurrence by geophysical surveying and diamond drilling. Based upon the encouragement from the first few holes, Spider was able to refinance and is now in the financial position of having sufficient exploration funds and working capital on hand to advance this project. The company also anticipates doing an in depth review of the Kyle Lake #1 kimberlite in the Spider #1 area. A ground geophysical survey for drill-siting purposes is planned for the MacFadyen #1 and #2 property that is located proximal to the Victor kimberlite (advanced exploration project of De Beers) in the Attawapiskat River kimberlite swarm. The results of the seven mini-bulk samples and the 62 regional prospecting samples on the Wawa project have been extremely encouraging. These results in Wawa will be followed-up during fiscal 2003, with an aggressive exploration program. To carry out these exploration plans, Spider anticipates the need of further financing, through a combination of private placements, exercise of warrants that were attached to recent private placements and also the exercise of options by option holders in the upcoming year.

May 21, 2003

[Sgd] *Norman E. Brewster*

Norman E. Brewster (President and CEO)

[Sgd] *Neil Novak*

Neil Novak (Vice President Exploration)

SPIDER RESOURCES INC.

ANNUAL GENERAL MEETING AND SPECIAL MEETING OF SHAREHOLDERS

WEDNESDAY, JUNE 18, 2003

MANAGEMENT INFORMATION CIRCULAR

NOTE: Shareholders who do not hold their shares in their own name, as registered shareholders, should read "Advice to Beneficial Shareholders" within for an explanation of their rights.

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF SPIDER RESOURCES INC. (the "Corporation") of proxies for the Annual General Meeting and Special Meeting of the Shareholders of the Corporation (collectively, the "Meeting") to be held in the Ketchum/Osgoode Room of the Toronto Board of Trade, 1 First Canadian Place, Toronto, Ontario, at the hour of 10:00 a.m. (Toronto time), or any adjournment thereof for the purposes set out in the accompanying notice of meeting.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, telegraph or personal interview by regular employees of the Corporation, at a nominal cost. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. The cost thereof will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed Instrument of Proxy have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (who need not be a shareholder) other than the management designees, to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose in the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the management designees, or by completing another proper form of proxy. Such shareholder should notify the nominee of the appointment, obtain a consent to act as proxy and should provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached, where an attorney executed the proxy form.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to Equity Transfer Services Inc., Suite 420, 120 Adelaide Street West, Toronto, Ontario, M5H 4C3 at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the chairman of the Meeting in his discretion, and the chairman is under no obligation to accept or reject any particular late proxy.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it, at any time before it is exercised, by instrument in writing executed by the shareholder or by his attorney authorized in writing and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at

which the proxy is to be used, or with the chairman of such Meeting on the day of the Meeting or any adjournment thereof. In addition, a proxy may be revoked by the shareholder personally attending at the Meeting and voting his shares.

ADVICE TO BENEFICIAL SHAREHOLDERS

Shareholders who do not hold their shares in their own name (referred to herein as “Beneficial Shareholders”) are advised that only proxies from registered shareholders (i.e. shareholders of record) can be recognized, and only registered shareholders may vote at the Meeting. Beneficial Shareholders who complete and return a proxy must indicate thereon the name of the person (usually a brokerage house) who holds their shares as a registered shareholder. Every attempt will be made to pass such proxies along to the appropriate registered shareholder in order that the registered shareholder may vote in accordance with the wishes of the Beneficial Shareholder. The form of proxy supplied to Beneficial Shareholders is identical to that provided to registered shareholders. However its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder.

All references to shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to shareholders of record (registered shareholders) unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be shown upon request to registered shareholders who produce proof of their identity.

VOTING OF PROXIES

Each shareholder may instruct his proxy how to vote his shares by completing the blanks on the Instrument of Proxy. All common shares represented at the Meeting by properly executed proxies will be noted (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the common shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification, the management designees (the “Management Designees”), if named as proxy, will vote in favour of the matters set out therein.**

The enclosed Instrument of Proxy confers discretionary authority upon the management designees, or other persons named as proxy, with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. At the date hereof, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. In the event that other matters come before the meeting, then the management designees intend to vote in accordance with the judgment of the management of the Corporation.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of common shares (“Common Shares”) and an unlimited number of Preferred Shares. As at the effective date of this Management Information Circular (the “Effective Date”), which is May 12, 2003, the Corporation has 137,283,979 Common Shares without nominal or par value outstanding. There are no other shares outstanding, of any class. The Common Shares are the only shares entitled to be voted at the Meeting, and holders of Common Shares are entitled to one vote for each Common Share held.

The Corporation will prepare a list of shareholders of record at the close of business on May 12, 2003 (the “Record Date”). A holder of Common Shares of the Corporation named on that list will be entitled to vote the shares then registered in such holder’s name, except to the extent that (a) the holder has transferred the ownership of any of his shares after the Record Date, and (b) the transferee of those shares produces

properly endorsed share certificates, or otherwise establishes that he owns the shares, and demands not later than ten (10) days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his share at the Meeting.

The By-laws of the Corporation provide that a quorum of shareholders is present at a meeting of shareholders if not less than two (2) persons holding or representing not less than 20% of the shares entitled to vote at a meeting of shareholders are present.

To the knowledge of the directors and senior officers of the Corporation, as at the Effective Date, no person, firm or corporation beneficially owned, directly or indirectly, or exercised control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, except for as indicated below:

Name	Type of Ownership	Number of Common Shares Owned or Controlled at the Effective Date	Percentage of outstanding Common Shares
CDS & Co. Toronto, Ontario	of record ⁽¹⁾	104,555,167	76.2%

Note:

⁽¹⁾ The Corporation is not aware of the beneficial owners of these shares.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation of Directors

The aggregate cash compensation (including salaries, director’s fees, commissions, bonuses, paid for services rendered during the most recently completed fiscal year, bonuses paid during the most recently completed fiscal year for services rendered in a previous year, and any compensation other than bonuses earned during the most recently completed fiscal year the payment of which was deferred) paid to directors of the Corporation for services rendered during the fiscal year ended December 31, 2002 was nil.

Executive officers of the Corporation who also act as directors of the Corporation do not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation to such executive officers in their capacity as executive officers. See “Compensation of Executive Officers”.

Compensation of Executive Officers

As at the date hereof and during the last fiscal year ended December 31, 2002, the Corporation had one (1) executive officer, who is also a director. “Executive Officer” means the chairman and any vice-chairman of the board of directors, president or any vice-president and any officer of the Corporation or its subsidiary who performs a policy making function in respect of the Corporation. The aggregate cash compensation (including salaries, fees, director’s fees, commissions, bonuses paid for services rendered during the most recently completed fiscal year, bonuses paid for services rendered in a previous year, and any compensation other than bonuses earned during the most recently completed fiscal year the payment of which was

deferred) paid to such executive officer, and corporations controlled by such executive officer, by the Corporation, during the last fiscal year ended December 31, 2002 was nil.

Summary Compensation Table

The following table sets forth all annual and long term compensation for services in all capacities to the Corporation and its subsidiaries for the fiscal years ended December 31, 2000, 2001 and 2002 in respect of individual(s) who were, at December 31, 2002 acting in a capacity similar to a chief executive officer and the four most highly compensated executive officers whose compensation was greater than \$100,000 (the “Named Executive Officer”).

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			
		Salary (\$)	Performance Right (\$) (Bonus)	Other Annual Compensation (\$)	Awards		Payouts	All other Compensation (\$)
					Securities Granted Under Option/SARS ⁽¹⁾ Granted (#)	Restricted Shares or Restricted Share Units (#)	LTIP ⁽²⁾ Payouts (\$)	
Norman E. Brewster	2000	nil	nil	\$71,200 ⁽³⁾	635,000 ⁽⁴⁾	nil	nil	nil
President, Chief Executive Officer and Director	2001	nil	nil	\$44,000 ⁽³⁾	nil	nil	nil	nil
	2002	nil	nil	\$48,000	750,000 ⁽⁵⁾	nil	nil	nil

Notes:

- (1) “SARS” or “Stock appreciation right” means a right granted by the Corporation as compensation for services rendered, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities of the Corporation.
- (2) “LTIP” or “long term incentive plan” means any plan which provides compensation intended to serve as incentive for performance to occur over a period longer than one financial year, but does not include option or stock appreciation right plans or plans for compensation through restricted shares or restricted share units.
- (3) During the year to December 31, 2001 fees in the aggregate amount of \$44,000 were paid to Elen Enterprises Inc., a corporation in respect of which Norman E. Brewster is President and Director. The Corporation paid such fees for exploration, consulting and administrative services provided by Elen Enterprises Inc., during the year to December 31, 2002 fees in the aggregate amount of \$48,000 were paid to Elen Enterprises Inc., a corporation in respect of which Norman E. Brewster is President and Director. The Corporation paid such fees for administrative services provided by Elen Enterprises.
- (4) These options to purchase Common Shares are exercisable at \$0.11 and were issued effective October 25, 2000 and expire October 25, 2005.

- (5) These options to purchase Common Shares are exercisable at \$0.10 and were issued effective January 31, 2002 and expire January 31, 2007.

Stock Option Plan

The Corporation has a stock option plan in place (the "Plan"), as authorized by the board of directors of the Corporation on July 23, 1999 and approved by the shareholders of the Corporation on September 13, 1999 to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Plan is administered by the directors of the Corporation. Pursuant to the Plan, the board of directors of the Corporation may allocate non-transferable options to purchase up to and including 10% of the outstanding Common Shares of the Corporation to the directors, officers, employees and consultants of the Corporation and its subsidiaries. Under the Plan, at the time of granting of the options, the aggregate number of Common Shares to be delivered upon exercise of the options to any one individual granted thereunder may not exceed the maximum number permitted by any stock exchange on which the Common Shares are then listed or by any other regulatory body having jurisdiction. The exercise price of the Common Shares issued pursuant to such options will be at such discount, if any, from the market price as may be permitted by any stock exchange on which the Corporation's Common Shares are then listed. The option agreements shall provide for the expiration of such options on a date not later than five (5) years after the granting of such options.

Options granted under the Plan are not transferable and if they are not exercised, will expire no later than one (1) year following the date the optionee ceases to be a director, officer, employee or consultant of the Corporation for any reason other than death, no later than ninety (90) days after ceasing to be a director, officer, employee or consultant of the Corporation for any reason other than death.

As at the Corporation's most recent fiscal year ended December 31, 2002, there were options to purchase 9,597,336 shares which had been granted and were outstanding under the Plan, of which 5,662,336 options are exercisable at \$0.10 per share and 3,935,000 are exercisable at \$0.11 per share. It is proposed that a new stock option plan be approved at this meeting. For details thereof, see "Adoption of New Stock Option Plan".

Option/SAR Grants During the Most Recently Completed Financial Year

The following table sets forth information in respect of options to purchase or acquire securities of the Corporation or any of its subsidiaries (whether or not in tandem with SARs) and freestanding SARs made during the Corporation's most recently completed financial year ended December 31, 2002 to any Named Executive Officer:

Name	Securities Under Option/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Financial Year (#)	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security)	Expiration Date
Norman E. Brewster President, Chief Executive Officer and Director	750,000/0	39.5/0	\$0.10/0	\$0.07/0	Jan. 31, 2007/N/A

Aggregated Option/SAR Exercises During the Most Recently Completed Financial Year and Financial Year-End Option/SAR Values

The following table sets forth information in respect of each exercise of options and freestanding SARs during the Corporation's most recently completed financial year ended December 31, 2002 by each Named Executive Officer and the financial year end value of unexercised options and SARs, on an aggregated basis.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/SARs at December 31, 2002 ⁽²⁾ (#) Exercisable/ Unexercisable	Value of Unexercised in-the-Money Options/SARs at December 31, 2002 ⁽¹⁾ (\$) Exercisable Unexercisable
Norman E. Brewster President, Chief Executive Officer and Director	\$160,000	\$0	2,335,018/0	N/A

Notes:

- (1) Unexercised "in-the-money" options refer to those options in respect of which the market value of the underlying security as at the financial year end, exceeds the exercise or base price of the option, being the aggregate of the difference between the market value of the securities as at December 31, 2002, which was \$0.05, and the exercise price of the option. Mr. Brewster therefore did not hold any "in-the-money" stock options at December 31, 2002.

- (2)
- (a) As at December 31, 2002, Mr. Norman E. Brewster held 2135,018 stock options that were issued to him on September 15, 1998. The exercise price is \$0.10 and the options expire September 15, 2003. These options are fully vested and exercisable.
 - (b) As at December 31, 2002, Mr. Norman E. Brewster held 815,000 stock options that were issued to him on October 19, 1999. The exercise price is \$0.11 and the options expire October 19, 2004.
 - (c) As at December 31, 2002, Mr. Norman E. Brewster held 635,000 stock options that were issued to him on October 25, 2000. The exercise price is \$0.10 and the options expire October 25, 2005.
 - (d) As at December 31, 2002, Mr. Norman E. Brewster held 750,000 stock options that were issued to him on January 31, 2002. The exercise price is \$0.10 and the options expire January 31, 2007.

Long Term Incentive Plan Awards

The Corporation currently has no long term incentive plans, other than stock options granted from time to time by the board of directors under the provisions of the Plan.

Stock Option and SAR Repricings

The Corporation did not effect any downward repricing of stock options or stock appreciation rights held by any Named Executive Officer during the fiscal year ended December 31, 2002.

Defined Benefit or Actuarial Plan

The Corporation does not have any defined benefit or actuarial plans under which benefits are determined by final compensation and years of service.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Corporation does not have in place any employment contract between the Corporation or any subsidiary or affiliate thereof and any Named Executive Officer. The Corporation does not have in place any compensatory plan or arrangement with respect to a Named Executive Officer, which results or will result from the resignation, retirement or any other termination of employment of the officer's employment with the Corporation and its subsidiaries or from a change of control of the Corporation or any subsidiary or a change in the Named Executive Officer's responsibilities following a change in control.

Other Compensation

Other than as set forth herein, the Corporation did not pay any other compensation to the executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed fiscal year.

During the year to December 31, 2002 fees in the aggregate amount of \$52,000 were paid to Nominex Ltd., a corporation in respect of which Neil Novak is president, director and sole shareholder. The Corporation paid such fees for exploration, consulting and administrative services provided by Nominex Ltd.

Included in administrative expenses are fees charged by Billiken Management Services Inc., that is managed by Neil Novak and Norman Brewster, in the amount of \$7,803 related to the day to day management of exploration projects, office overhead expenses and commissions on the sale of technical assets. Additional fees of \$80,644 remained in accounts payable as at December 31, 2002.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer or senior officer or any of their respective associates is, or has been since the beginning of the most recently completed fiscal year, indebted to the Corporation or any of its subsidiaries.

INTEREST OF DIRECTORS AND SENIOR OFFICERS IN MATTERS TO BE ACTED UPON

The Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or senior officer of the Corporation at any time since the beginning of the last financial year of the Corporation, or any proposed nominee for election as a director of the Corporation, or any known associate or affiliates of such persons in any matter to be acted upon at the Meeting, other than the election of directors or the appointment of auditors, or as otherwise disclosed herein.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, the Corporation is not aware of any material interest, direct or indirect, of any director or senior officer of the Corporation or any of its subsidiaries, or of any person who beneficially owns or controls directly or indirectly more than 10% of the issued and outstanding Common Shares of the Corporation (an "Insider"), or any proposed nominee for election as a director of the Corporation or any associate or affiliate of such persons, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction which has materially affected or would materially affect the corporation or any of its subsidiaries.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Number of Directors

Shareholders of the Corporation will be asked to consider, and if thought fit, approve an ordinary resolution fixing the number of directors to be elected at five (5).

In order to be effective an ordinary resolution requires approval by majority of the votes cast by shareholders who vote in respect of the resolution. Unless otherwise directed it is management's intention to vote the proxies in favour of the resolution fixing the number of directors to be elected at five (5).

2. Election of Board of Directors

At the Meeting it will be proposed that five (5) directors be elected to hold office until the next annual meeting of shareholders or until their successors are elected or appointed. There are presently five (5) directors of the Corporation, each of whose term of office will expire at the Meeting.

Unless otherwise directed, it is the intention of management to vote proxies in favour of an ordinary resolution approving the election as directors of the five (5) nominees hereinafter set forth:

Norman E. Brewster
 Neil Novak
 Richard Hamelin
 Bryan H. Wilson
 Earl S. Coleman

In order to be effective, an ordinary resolution requires the approval by a majority of the votes cast by shareholders who vote in respect of the resolution.

Information regarding the persons nominated for election as directors, including the number of voting securities of the Corporation each beneficially owns, directly or indirectly, or over which each exercises control or direction is as follows:

Name and Place of Residence	Director Since	Principal Occupation within the Past Five Years	Shares Beneficially Owned or Controlled and Percentage of Total Shares⁽²⁾
Norman E. Brewster Ajax, Ontario	March 11, 1993	President of the Corporation, Geologist Consultant	853,182 (0.6%)
Neil Novak	April 6, 1995	Vice President Exploration of the Corporation; Geological Consultant, Project Management Nominex Ltd.	648,871 (0.5%)
Richard Hamelin ⁽¹⁾ Beloeil, Quebec	January 26, 2000	Mergers and Acquisitions consultant since November 2002, prior thereto, Senior VP Research Capital Inc. since August 2001; prior to this Senior VP with Canaccord Capital Corp. since 1998	Nil

Name and Place of Residence	Director Since	Principal Occupation within the Past Five Years	Shares Beneficially Owned or Controlled and Percentage of Total Shares ⁽²⁾
Bryan H. Wilson ⁽¹⁾ Richmond Hill, Ontario	September 13, 1999	President, CEO and Director of St. Geneviève Resources Ltd. since 2003; Mining Analyst; Corporate Finance at Thames Capital Corp. since 1999; Corporate Finance with Dominick & Dominick September 1997 to January 1999; prior thereto, with CM Oliver Inc.	90,000 (<0.1%)
Earl S. Coleman ⁽¹⁾ Steinbach, Manitoba	September 13, 1999	Corporate Vice-President, Big Freight Systems	Nil

(1) Members of the audit committee. The general function of the audit committee is to review the overall audit plan and the Corporation's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Corporation's auditors. The Corporation does not have an executive committee.

(2) The information as to the number of shares, not being within the knowledge of the Corporation, has been furnished by the respective nominees.

3. Appointment of Auditors

Unless otherwise directed, it is the intention of the Management Designees to vote proxies in the accompanying form in favour of the ordinary resolution to appoint the firm of Green Chencinski, Starkman, Eles, Chartered Accountants, North York, Ontario as auditor of the Corporation to hold office until the close of the next annual meeting of shareholders or until such firm is removed from office or resigns as provided by law and to authorize the board of directors to fix the remuneration in respect thereof. Chencinski, Starkman, Eles, Chartered Accountants, have been the auditors of the Corporation since June 29, 2000.

4. Approval of Stock Option Plan

As described above under the heading "Stock Option Plan", the Corporation has a stock option plan in place. In the view of management it is desirable to adopt a new plan, which better reflects developments in corporate governance. Accordingly, management of the Corporation recommend that a new stock option plan be adopted (the "New Plan") in the form attached hereto as Schedule "A". No further options would

be granted under the existing Plan, however, options which are currently outstanding under the existing Plan would be permitted to remain until their termination, expiry or exercise, as applicable. For further details concerning the New Plan, shareholders are encouraged to review Schedule "A" hereto, which contains the full text of the New Plan. The New Plan has been authorized by the board of directors of the Corporation as of May 12, 2003 and, accordingly, unless otherwise directed, it is the intention of the Management Designees to vote the proxies in the accompanying form in favour of the following ordinary resolution:

RESOLVED that the stock option plan of the Corporation adopted by the board of directors of the Corporation as of May 12, 2003, in the form attached hereto as Schedule "A", be and the same is hereby authorized and approved.

OTHER BUSINESS

While there is no other business other than that mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

May 12, 2003

CERTIFICATE

The foregoing contains no untrue statements of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

ON BEHALF OF THE MANAGEMENT OF SPIDER RESOURCES INC.

[Sgd]: Norman E. Brewster

Norman E. Brewster
President, Chief Executive Officer
and Director

**SCHEDULE "A" TO
THE MANAGEMENT INFORMATION CIRCULAR OF SPIDER RESOURCES INC. DATED MAY 12, 2003**

**SPIDER RESOURCES INC.
STOCK OPTION PLAN**

**ARTICLE 1
PURPOSE OF PLAN**

1.1 The purpose of the Plan is to attract, retain and compensate qualified persons as directors, senior officers and employees of, and consultants to the Corporation and its Affiliates/Subsidiaries by providing such persons with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

**ARTICLE 2
DEFINED TERMS**

2.1 Where used herein, the following terms shall have the following meanings:

"Affiliate" means any corporation that is an affiliate of the Corporation (as such term is defined in subsection 1(2) of the *Securities Act* (Ontario), as such provision is from time to time amended, varied or re-enacted);

"Board" means the board of directors of the Corporation or, if established and duly authorized, to act, the Executive Committee of the board of directors of the Corporation;

"Business Day" means any day, other than a Saturday or a Sunday, on which the Canadian Venture Exchange Inc. is open for trading;

"Consultant" means, in relation to the Corporation, an individual or company, other than an Employee or a Director of the Corporation, that:

- (a) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or an Affiliate of the Corporation, other than services provided in relation to a distribution of securities of the Corporation;
- (b) provides the services under a written contract between the Corporation of the Affiliate and the individual or company;
- (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention to the affairs and business of the Corporation or an Affiliate of the Corporation; and
- (d) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;

"Corporation" means Spider Resources Inc. and includes any successor corporation thereto;

“Discounted Market Price” means the Market Price less a discount which shall not exceed the amount set forth below, subject to a minimum price of \$0.10:

Closing Price	Discount
Up to \$0.50	25%
\$0.51 to \$2.00	20%
Above \$2.00	15%

“Eligible Person” means any director, senior officer or full-time employee of the Corporation or any Affiliate/Subsidiary, or any consultant to the Corporation or any Affiliate/Subsidiary;

“Exchange” means the Canadian Venture Exchange Inc. or any other stock exchange on which the shares of the Corporation are listed, from time to time, as applicable;

“Insider” if used in relation to the Corporation means:

- (a) a director or senior officer of the Corporation;
- (b) a director or senior officer of a Company that is an Insider or Subsidiary of the Corporation;
- (c) a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to outstanding voting shares of the Corporation, or
- (d) the Corporation itself holds any of its own securities.

“Investor Relations Activities” means any activities or oral or written communications, by or on behalf of the Corporation or shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation,
 - (i) to promote the sale of products or services of the Corporation, or
 - (ii) to raise public awareness of the Corporation, that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
- (b) activities or communications necessary to comply with the requirements of
 - (i) applicable securities laws,
 - (ii) exchange requirements or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if

- (i) the communication is only through the newspaper, magazine or publication, and
 - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (d) activities or communications that may be otherwise specified by the Exchange.

“Market Price” means, subject to the exceptions listed in the definition of “Market Price” in the Exchange’s Corporate Finance Manual, the last daily closing price of the Shares on the Exchange preceding the date on which the Option is granted.

“Option” means an option to purchase Shares granted under the Plan;

“Option Price” means the price per share at which Shares may be purchased under the Option, as the same may be adjusted from time to time in accordance with Article 8 hereof;

“Optionee” means a person to whom an Option has been granted;

“Plan” means the *Spider Resources Inc. Stock Option Plan*, as embodied herein, as the same may be amended or varied from time to time;

“Shares” means the common shares of the Corporation, or, in the event of an adjustment contemplated by Article 8 hereof, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment; and

“Subsidiary” means any corporation that is a subsidiary of the Corporation (as such term is defined in subsection 1(4) of the *Securities Act* (Ontario), as such provision is from time to time amended, varied or re-enacted).

ARTICLE 3 ADMINISTRATION OF THE PLAN

3.1 The Plan shall be administered by the Board of the Corporation.

ARTICLE 4 SHARES SUBJECT TO PLAN

4.1 Options may be granted in respect of authorized and unissued Shares, provided that the aggregate number of Shares of all classes reserved for issuance under this Plan shall not be more than a maximum number approved by the shareholders of the Corporation at a duly constituted shareholder’s meeting. Consistent with approval of the Plan, the shareholders hereby approve a maximum number of Options to be issued under the Plan of 13,728,397.

4.2 No fractional Shares shall be issued upon the exercise of this Option nor shall any scrip certificates in lieu thereof be issuable at any time. Accordingly, if as a result of any adjustment, an Optionee would become entitled to a fractional Share, he shall have the right to purchase only the next lower whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

ARTICLE 5
ELIGIBILITY, GRANT AND TERMS OF OPTIONS

5.1 Options may be granted to Eligible Persons, subject to such regulatory approvals as may be required on a case by case basis, and, if deemed appropriate at the time of grant, to a personal holding company wholly owned by such Eligible Person, or a registered retirement savings plan established by such Eligible Person. The Board, by the approval hereof, authorizes the creation and issuance of up to 13,728,397 Shares pursuant to the Plan, and assuming payment therefor on exercise of Options, declares such Shares to be issued as fully paid and non-assessable.

5.2 Subject as herein and as otherwise specifically provided for this Article 5, the number of Shares subject to each Option, the consideration for an Option (if any), the Option Price, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board, provided, however, that if no specific determination is made by the Board with respect to any of the following matters, each Option shall, subject to any other specific provisions of the Plan, contain the following terms and conditions:

- (a) the period during which an Option shall be exercisable shall be not more than ten years from the date the Option is granted to the Optionee, provided that if the Shares are, at any material time listed on the Exchange, the maximum period during which the Options shall be exercisable shall not exceed five years from the date of grant;
- (b) Eligible Persons can receive grants of no more than 5% of the outstanding listed Shares of the Corporation on a yearly basis;
- (c) Options granted to an Optionee who is engaged in Investor Relations Activities must: (i) not exceed 2% of the outstanding listed Shares of the Corporation in any 12 month period, calculated at the date the option was granted, (ii) vest in stages over 12 months with no more than 25% of the Option vesting in any three month period, and (iii) expire within thirty days after the Optionee ceases to be employed to provide Investor Relations Activities;
- (d) Options granted to any one Consultant in a 12 month period must not exceed 2% of the issued Shares, calculated as at the date on which the Option was granted to the Consultant; and
- (e) such other terms and conditions, including limitations on the number of Options exercisable in each year, as the Board may approve on a case by case basis.

5.3 The Option Price on Shares that are the subject of any Option shall in no circumstances be lower than the Discounted Market Price of the Shares at the date of the grant of the Option.

5.4 In no event may the term of an Option exceed ten years from the date of the grant of the Option, provided that if the Shares are, at any material time listed on the Exchange, the maximum period during which the Options shall be exercisable shall not exceed five years from the date of grant.

5.5 An Option is personal to the Optionee, and is non-assignable and non-transferable.

5.6 A Certificate of Option, in the form or substantially in the form approved from time to time by the Board, signed by the President or Vice-President or by the Secretary or the Treasurer or an Assistant Secretary of the Corporation shall be issued to each person to whom an Option is granted.

5.7 A representation by the Corporation will be provided to the Exchange, to the effect that the Optionee is a bona fide employee, consultant or management employee, of the Corporation or its Subsidiary, for all stock options granted to said parties.

5.8 The price at which Shares may be purchased under any Option granted pursuant to this Plan (the "Exercise Price") shall be the closing price of the Shares on The Toronto Stock Exchange on the last trading day prior to the grant of such Option and if there is no such closing price, the price at which Shares may be purchased under any Option granted pursuant to the Plan shall be the simple average of the closing bid and ask prices on The Toronto Stock Exchange on the last trading day prior to the grant of such Option. If the Shares are not, at the time of granting any Option, listed on The Toronto Stock Exchange, then the Exercise Price shall be calculated in accordance with this section 5.8 with reference to the closing price or closing bid and ask price, as the case may be, of the Shares on the stock exchange on which the greatest volume of Shares traded on such day, or if the Shares are not so listed, with reference to the over-the-counter market on which the Shares trade. In the event that the Shares are not, at the time of granting any Option, listed on any stock exchange, or over-the-counter market then the Exercise Price shall be fixed by the Board of Directors of the Corporation. The term during which Shares may be purchased under any Option granted pursuant to the Plan shall be determined by the Directors but shall not exceed ten years, provided that if the Shares are, at any material time listed on the Exchange, the maximum period during which the Options shall be exercisable shall not exceed five years from the date of grant.

5.9 The Corporation shall obtain disinterested shareholder approval of stock options if:

- (a) a stock option plan, together with all of the Corporation's previously established or proposed stock option grants, could result at any time in:
 - (i) the number of Shares reserved for issuance under stock options granted to Insiders exceeding 10% of the outstanding listed Shares; or
 - (ii) the issuance to Insiders, within a one year period, of a number of Shares exceeding 10% of the outstanding listed Shares; or
- (b) the Corporation is decreasing the exercise price of stock options previously granted to Insiders.

ARTICLE 6 TERMINATION OF EMPLOYMENT; DEATH

6.1 Subject to section 6.2 hereof and to any express resolution passed by the Board with respect to an Option, an Option, and all rights to purchase Shares pursuant thereto, shall expire and terminate immediately upon the Optionee ceasing to be a director, senior officer or full-time employee of the Corporation or of any Affiliate/Subsidiary, or a consultant to the Corporation or any Affiliate/Subsidiary.

6.2 If, before the expiry of an Option in accordance with the terms thereof, the employment of the Optionee by the Corporation or by an Affiliate/Subsidiary of the Corporation shall terminate for any reason whatsoever other than termination by the Corporation for cause, but including termination by reason of the death of the Optionee, such Option may, subject to the terms thereof and any other terms of the Plan, be exercised, if the Optionee is deceased, by the legal personal representative(s) of the estate of the Optionee, or if he is alive, by the Optionee, at any time within three months of the date of termination of the employment of the Optionee (but in either case prior to the expiry of the Option in accordance with the terms thereof), but only to the extent that the Optionee was entitled to exercise such Option at the date of the termination of his employment.

6.3 Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director where the Optionee continues to be employed on a full-time basis by, or continues to be a director, senior officer of, the Corporation or an Affiliate/Subsidiary of the Corporation, or a consultant thereto.

6.4 Options granted to an Optionee who is a director, officer, employee or consultant shall expire within 90 days after the Optionee ceases to be in at least one of those categories.

ARTICLE 7 EXERCISE OF OPTIONS

7.1 Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its registered office of a written notice of exercise addressed to the Secretary of the Corporation specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the Option Price of the Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment.

7.2 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Shares to an Optionee pursuant to the exercise of an Option shall be subject to:

- (a) completion of such registration or other qualifications of such Shares or obtaining such governmental authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Shares to listing on any stock exchange on which the Shares may then be listed; and
- (c) the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this regard the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable laws and for the listing of such Shares on any stock exchange on which the Shares are then listed.

7.3 Vesting of all Options shall occur over a period of not less than eighteen months and shall be released from time to time as determined by the Board in accordance with applicable Exchange or regulatory requirements.

7.4 Any Option not exercised within the period fixed for its exercise shall terminate and become void and of no effect.

ARTICLE 8 CERTAIN ADJUSTMENTS

8.1 The Board shall make appropriate adjustments in the number of Shares optioned, and in the Option Price with respect to Options granted or to be granted in order to give effect to adjustments in the number of Shares of the Corporation resulting from subdivisions, consolidations or reclassifications of the Shares of the Corporation, the payment of stock dividends by the Corporation (other than dividends in the ordinary course) or other relevant changes in the capital stock of the Corporation.

8.2 If a bona fide offer (the "Offer") for voting or equity shares is made to shareholders of the Corporation generally, or to a class of shareholders of the Corporation which, if Options were exercised, would include Optionees, and which Offer, if accepted in whole or in part, would result in the offeror exercising control over the Corporation within the meaning of subsection 1(3) of the *Securities Act* (Ontario) (as amended from time to time) then, notwithstanding anything to the contrary contained herein, but subject to the other provisions hereof:

- (a) The directors may give their express consent to the exercise of any Options which are outstanding at the time of the Offer in the manner hereinafter provided.
- (b) If the Board has so consented to the exercise of any Options outstanding at the time of the Offer, the Corporation shall, immediately after such consent has been given, notify each Optionee currently holding an Option of the Offer, with full particulars thereof, together with a notice stating that, in order to permit the Optionee to participate in the Offer, the Optionee may, during the period that the Offer is open for acceptance (or, if no such period is specified, the period of 30 days following the date of such notice), exercise all or any portion of any such Option held by the Optionee.
- (c) In the event that the Optionee so exercises any such Option, such exercise shall be in accordance with Article 7 herein and provided that, if necessary in order to permit the Optionee to participate in the Offer, such Option shall be deemed to have been exercised, and the issuance of Shares received upon such exercise (the "Optioned Shares") shall be deemed to have occurred, effective as of the first day prior to the date on which the Offer was made.
- (d) If, upon the expiry of the applicable period referred to in subsection (b) above, the Offer is completed, and:
 - (i) the Optionee has not exercised the entire or any portion of such Option then, as of and from the expiry of such period, the Optionee's right to purchase the Shares covered by such Option shall not be exercisable, and shall expire and be null and void; and
 - (ii) the Optionee has exercised the entire or any portion of such Option, but has not tendered the Shares received in connection with such exercise to the Offer, then, as and from the expiry of such period, the Corporation may require the Optionee to sell to the Corporation such Optioned Shares for a purchase price of \$0.001 per Optioned Share.
- (e) If:
 - (i) the Offer is not completed (within the time specified therein, if applicable);
 - or
 - (ii) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror in respect thereof;

then the Optioned Shares or, in the case of paragraph (ii) above, the portion thereof that are not taken up and paid for by such offeror, shall be returned by the Optionee to the Corporation and reinstated as authorized but unissued Shares, and the terms of the Option as set forth herein shall again apply to such Option, or the remaining portion thereof, as the case may be.

- (f) If any Optioned Shares are returned to the Corporation pursuant to (e) above, the Corporation shall refund the option price to the Optionee in respect of such Optioned Shares.
- (g) In no event shall the Optionee be entitled to sell the Optioned Shares otherwise than pursuant to the Offer, except as provided in paragraph (d)(ii) above.

**ARTICLE 9
AMENDMENT OR DISCONTINUANCE OF PLAN**

9.1 The Board may amend or discontinue the Plan at any time; provided, however, that no such amendment may without the consent of the Optionee, alter or impair any Option previously granted to an Optionee under the Plan except as provided for in Article 8.

9.2 Subject to section 9.1, the Board may amend, from time to time as it deems appropriate, the terms and conditions attaching to any outstanding Option.

9.3 Notwithstanding any other provision in the Plan, any amendment to the Plan or any Option requiring the approval and authorization of the shareholders of the Corporation and the Exchange or other regulatory authority (as applicable) shall not be effective until such approvals and authorizations are given.

**ARTICLE 10
MISCELLANEOUS PROVISIONS**

10.1 The Optionee of an Option shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by such Option until such Optionee shall have exercised such Option in accordance with the terms of the Plan, including, without limitation, tendering payment in full of the Option Price of the Shares in respect of which the Option is being exercised.

10.2 Nothing in the Plan or any Option shall confer upon any Optionee any right to continue in the employ of the Corporation or any Affiliate/Subsidiary of the Corporation or affect in any way the right of the Corporation or any such Affiliate/Subsidiary to terminate his employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Affiliate/Subsidiary to extend the employment of any Optionee beyond the time that he would normally be retired pursuant to the provisions of any present or future retirement plan or policy of the Corporation or any Affiliate/Subsidiary or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Affiliate/Subsidiary to create or extend a consulting contract with any Optionee with the Corporation or any Affiliate/Subsidiary.

10.3 References herein to a specific gender include all genders.

**ARTICLE 11
SHAREHOLDER AND REGULATORY APPROVAL**

11.1 The Plan shall be subject to the approval of the shareholders of the Corporation to be given by a resolution passed at a meeting of the shareholders of the Corporation. The Corporation's obligations to issue Shares in accordance with the terms of this Plan is subject to compliance with the laws, rules, and regulations of all public agencies and authorities applicable to the issuance and distribution of such Shares and to the listing of such Shares on any Stock Exchange on which the Shares of the Corporation may be listed. The Optionee agrees to comply with all such laws, rules and regulations and agrees to furnish to the Corporation all information and such undertakings as may be required to permit compliance with such

laws, rules and regulations. Options granted pursuant to the Plan prior to such approvals, shall be subject to such approvals. The Plan becomes effective on the later of the date of shareholder or regulatory approval.

**ARTICLE 12
EFFECTIVE DATE OF THE PLAN**

12.1 Any options that are outstanding on the date this Plan becomes effective continue in full force and effect in accordance with the terms and conditions attaching to such options as originally granted.

12.2 Subject to Section 12.1, all prior plans regarding stock options from the Corporation are hereby repealed.

**ARTICLE 13
WITHHOLDING TAXES**

13.1 Whenever the Corporation proposes to deliver Shares under the Plan, the Corporation shall have the right to require the individual who is to receive the Shares to remit to the Corporation, prior to the delivery of any certificate or certificates for such Shares, an amount sufficient to satisfy any federal, provincial, state and/or local tax withholding requirements.

**ARTICLE 14
INTERPRETATION**

14.1 The Plan and all rights hereunder shall be construed according to and be governed by the laws of the province of Ontario.

CERTIFICATE

The *Spider Resources Inc. Stock Option Plan* was enacted by the board of directors as of May 12, 2003, and approved by shareholders of the Corporation by a majority of votes cast at a shareholders meeting.

Dated at Toronto this _____ day of _____, 200__.

c/s
[Name]
[Title]



Green · Chencinski · Starkman · Els LLP
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

*To the Shareholders of
Spider Resources Inc.*

We have audited the balance sheet of Spider Resources Inc. as at December 31, 2002 and 2001, the statement of income and deficit and the statement of cash flow for the years then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 corporation as at December 31, 2002 and 2001 and the results of its operations for the years then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
May 3, 2003

Green Chencinski Starkman Els LLP
Chartered Accountants

SPIDER RESOURCES INC.
BALANCE SHEET
AS AT DECEMBER 31, 2002

	2002	2001
	\$	\$
ASSETS		
Current assets		
Cash	4,611	4,916
Marketable securities (note 3)	49,200	15,773
Prepaid expenses and sundry receivables	22,227	1,566
	76,038	22,255
Property, plant and equipment (note 4)	-	10,844
Mining interests	9,360,811	10,965,875
	9,436,849	10,998,974
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	473,632	349,945
Notes payable (notes 6 and 8)	181,131	122,246
	654,763	472,191
Shareholders' deficiency		
Capital stock (note 8)	18,214,257	18,182,257
Contributed surplus (note 9)	28,000	-
Deficit	(9,460,171)	(7,655,474)
	8,782,086	10,526,783
	9,436,849	10,998,974

On behalf of the Board

Signed _____ Director
 Norman Brewster

Signed _____ Director
 Neil Novak

SPIDER RESOURCES INC.
STATEMENT OF INCOME AND DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 2002

	2002	2001
	\$	\$
<hr/>		
REVENUE		
Sale of geophysical and geochemical data <i>(note 13)</i>	-	309,530
Gain on sale of mining interests <i>(note 5(c))</i>	116,250	-
	<hr/>	<hr/>
	116,250	309,530
<hr/>		
EXPENSES		
Administrative expenses <i>(note 9)</i>	173,465	373,054
Loss on disposal of property, plant and equipment	10,844	-
Write-down of marketable securities	43,050	13,258
Write-down of mining interest	1,693,588	-
	<hr/>	<hr/>
	1,920,947	386,312
<hr/>		
NET LOSS	(1,804,697)	(76,782)
DEFICIT, BEGINNING OF YEAR	(7,655,474)	(7,541,029)
Share issue expenses	-	(37,663)
	<hr/>	<hr/>
DEFICIT, END OF YEAR	(9,460,171)	(7,655,474)
<hr/>		
NET LOSS PER SHARE	(0.015)	(0.001)
<hr/>		

SPIDER RESOURCES INC.
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2002

	2002 \$	2001 \$
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net loss	(1,804,697)	(76,782)
Adjustment for items not affecting cash:		
Gain on sale of mining interests	(116,250)	-
Loss on disposal of property, plant and equipment	10,844	-
Stock option compensation	28,000	-
Write-down of mining interest	1,693,588	-
Write-down of marketable securities	43,050	13,258
	1,659,232	13,258
Changes in non-cash working capital:		
Prepaid expenses and sundry receivables	(20,661)	58,791
Accounts payable and accrued liabilities (note 14)	123,687	(160,382)
	103,026	(101,591)
Cash used in operating activities	(42,439)	(165,115)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	15,773	-
Additions to mining interests	(88,524)	(420,038)
Proceeds from disposition of mining interest	24,000	-
Cash used in investing activities	(48,751)	(420,038)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of share capital	32,000	193,636
Share issue expenses	-	(37,663)
Notes payable	58,885	(59,274)
Cash provided by financing activities	90,885	96,699
NET CHANGE IN CASH	(305)	(488,454)
CASH, BEGINNING OF YEAR	4,916	493,370
CASH, END OF YEAR	4,611	4,916

1 NATURE OF BUSINESS AND GOING CONCERN

The recoverability of amounts shown as mining interests is dependent upon a number of factors including environmental risks, legal and political risks, the discovery of economically recoverable reserves, confirmation of the company's interest in the underlying properties, the ability of the company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

These financial statements have been prepared on the basis that the company is a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. The ability of the company to continue operations is dependent upon the necessary financing to complete the development of its properties and/or the realization of proceeds from the sale of one or more of its properties. These financial statements do not include any adjustments related to the carrying values and classifications of assets and liabilities should the company be unable to continue as a going concern.

2 SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on management's best knowledge of current events and actions that the company may undertake in the future. Actual results may differ from these estimates.

Marketable securities

Marketable securities are carried at the lower of cost or quoted market value on an individual basis.

Fair value of financial instruments

The carrying value of financial instruments approximates their estimated fair value unless otherwise disclosed in these financial statements.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Canadian dollars at the year-end exchange rates. Other assets and liabilities as well as items from the statement of operations are translated at the rates of exchange in effect on each transaction date. Gains or losses on translation are included in income.

Property, plant and equipment

Property, plant and equipment are recorded at acquisition cost and are amortized using the declining balance method at rates varying from 20% to 30%. During the exploration phase, amortization is capitalized as deferred exploration expenses.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Mining interests

Mining interests include wholly-owned mining properties, rights to acquire interests in mining properties and deferred exploration expenses.

Exploration costs are deferred until the economic viability of the project has been established, at which time costs are added to mining properties, plant and equipment. Costs are written off when properties are abandoned or when cost recovery is uncertain. Management has defined uncertainty as either being no financial resources available for development over a five-year consecutive period or results from exploration work not warranting further investment.

Proceeds from the sale of a mining interest are applied against related carrying costs and any excess is reflected as a gain in the statement of operations. In the case of a partial sale, if carrying costs exceed the proceeds, only the loss is reflected.

Share issue expenses

Share issue expenses are recorded as an increase to the deficit in the year in which they are incurred.

Loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated in a manner similar to basic loss per share, except that the weighted average shares outstanding are increased to include the potential 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.

During the year ended December 31, 2001, the company changed its method of accounting for earnings per share to comply with the revised standard issued by the Canadian Institute of Chartered Accountants Handbook, Section 3500, "Earnings per Share".

Stock option plan

Effective January 1, 2002, the company adopted the new recommendations of the CICA Handbook Section 3870, Stock-based Compensation and Other Stock-based Payments. This section established standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. These new recommendations require that compensation for all awards made to non-employees and certain awards made to employees be measured and recorded in the financial statements at fair value. This section also sets out a fair value based method of accounting for stock options issued to employees and applies to awards granted on or after fiscal years ending January 1, 2002.

Future income taxes

The company has adopted the recommendations of the Canadian Institute of Chartered Accountants with respect to accounting for income taxes. Under the recommendations, the liability method of tax allocation is used, based on differences between financial reporting and tax bases of assets and liabilities. No future tax asset has been recorded as the ultimate realization of losses available is currently uncertain.

SPIDER RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

3 MARKETABLE SECURITIES

	2002	2001
	\$	\$
PGM Venture Corporation (<i>market value - \$ 49,200</i>)	49,200	-
KWG Resources Inc. (<i>2001 market value - \$ 15,773</i>)	-	15,773
	49,200	15,773

4 PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	2002 Net	2001 Net
	\$	\$	\$	\$
Exploration equipment	-	-	-	6,305
Rolling stock	-	-	-	4,539
	-	-	-	10,844

5 MINING INTERESTS

	Acquisition Costs		Deferred Exploration Expenses	
	2002	2001	2002	2001
	\$	\$	\$	\$
<u>Canada</u>				
Spider #1 (a) - 48% interest	1,873,160	1,873,160	6,452,552	6,392,550
Wawa - 48% interest	466,173	466,173	568,925	541,161
	2,339,333	2,339,333	7,021,477	6,933,711
<u>Brazil</u>				
Paranaiba (b)	-	-	-	1,692,831
	2,339,333	2,339,333	7,021,477	8,626,542

Acquisition costs and deferred exploration expenses

	2002	2001
	\$	\$
Balance at beginning of year	10,965,875	10,542,318
Acquisition costs and deferred exploration expenses	113,210	450,038
Capitalized amortization	-	3,519
Write-off of mining interest	(1,693,588)	-
Proceeds from disposal of mining assets	(24,687)	(30,000)
Balance at end of year	9,360,810	10,965,875

SPIDER RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

5 MINING INTERESTS (continued)

- (a) The group of claims described as the Spider #1 project is subject to the terms of a joint venture exploration agreement with KWG whereby both parties must contribute on a pro rata basis to all incurred expenditures or undergo dilution.

The Spider #1 project, except for the Kyle Lake #1 Kimberlite, is subject to an agreement whereby Ashton Mining of Canada Inc. may acquire a 25% interest by reimbursing 300% of the exploration and evaluation costs of the discovery prior to the decision to mine. The company would be awarded a pro rata portion of the reimbursement.

- (b) The company owns a 23.5% direct interest in the Paranaiba diamond project in Brazil. The exploration program has been terminated and accordingly the accumulated deferred exploration expenses have been written off.
- (c) During the prior year, the company signed a letter of intent with PGM Ventures Corporation ("PGM") to enter into a joint venture in respect of a copper-nickel mineralization located in the Springer-Lavoie Lake region of Northwestern Ontario. The property has been dormant for several years and is comprised of 2 separate claims of 16 units covering 512 hectares. The company held an 82% interest in the property.

The company sold its interest in the property to PGM and received 123,000 shares of PGM valued at \$92,250, which was recognized as a gain in the statement of income in the current year.

- (d) During the prior year, the company, KWG and De Beers Canada Exploration Inc. ("De Beers") entered into an agreement relating to the Spider #3 project. The mining assets related to Spider #3 were written off in prior years. The agreement allows De Beers to earn up to a 60% interest in the project by spending \$5.5 million over 6 years.

6 NOTES PAYABLE

The amounts are due to companies which are co-venturers in the mining interests and are unsecured, non-interest bearing and have no set terms of repayment. Subsequent to the year end the company issued 1,500,000 common shares in settlement of \$150,000 of the notes payable and the balance was settled with cash.

SPIDER RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

7 RELATED PARTY INFORMATION

- (a) Included in administrative expenses are fees charged by a company that is controlled by family members of two of the directors in the amount of \$7,803 (2001 - \$106,090). These fees relate to the management of exploration projects, various office expenses and the sale of geophysical and geochemical data. An amount of \$80,644 (2001 - \$38,776) is included in accounts payable related to unpaid fees and expenses incurred on behalf of the company.
- (b) During the year, a company controlled by a director of Spider charged \$52,000 (2001 - \$48,000) for professional fees which were charged to deferred exploration expenses. An amount of \$39,640 (2001 - \$4,000) is included in accounts payable related to these fees.
- (c) During the year, a company controlled by a director of the corporation charged \$48,000 (2001 - \$44,000) for professional fees which were charged to administrative expenses. An amount of \$35,360 (2001 - \$8,000) is included in accounts payable related to these fees.
- (d) The company entered into a joint venture agreement with PGM Ventures Corporation ("PGM") with respect to the property at Lavoie Lake in Northwestern Ontario (see note 5(c)). A director of the company is also a director of PGM. During the current year the company sold its interest in the property to PGM.

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

8 CAPITAL STOCK

Authorized

An unlimited number of common and preference shares issuable in series

Issued

Changes in the company's issued share capital were as follows:

	2002		2001	
	Number of shares	\$	Number of shares	\$
a) Common shares				
Balance, beginning of year	116,583,511	18,182,257	110,147,147	17,538,621
Issued and paid in cash	-	-	1,500,000	150,000
Issued in settlement of debt	-	-	4,500,000	450,000
Exercise of stock options	320,000	32,000	436,364	43,636
Balance, end of year	116,903,511	18,214,257	116,583,511	18,182,257

Subsequent to the year end, 2,680,468 options were exercised at \$0.10 per share for proceeds of \$268,047. A total of \$93,047 of the proceeds was settled as an offset to amounts in accounts payable.

SPIDER RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

8 CAPITAL STOCK (continued)

Subsequent to the current year, the company completed private placements for the sale of 6,500,000 non-flow through units and 9,700,000 flow through units at \$0.10 for each of the units with gross proceeds of \$1,620,000. Each non-flow unit consists of one common share and one common share purchase warrant, with each warrant exercisable for one common share for a period of eighteen months at an exercise price of \$0.12 per common share. Each flow through unit consists of one flow through common share and one common share purchase warrant exercisable for one common share for a period of eighteen months at an exercise price of \$0.12 per common share. Cash payments aggregating \$52,500 were made to arm's length parties who provided assistance to the company in connection with the placements. The common shares, flow through common shares, warrants and common shares issuable on exercise of the warrants, which have been issued pursuant to these placements are subject to a four month hold period, which expires on August 19, 2003 in respect of 10,600,000 units and on August 26, 2003 in respect of 5,500,000 units.

In addition, subsequent to the current year, the company issued 1,500,000 units on the same basis as described above with respect to non-flow through units to settle debts to an arm's length party in the amount of \$150,000. This balance of \$150,000 is included in notes payable as at December 31, 2002. The common shares, warrants and common shares issuable on exercise of the warrants, which have been issued pursuant to this share for debt transaction are subject to a four month hold period, which expires on August 26, 2003.

Following the above transactions the total common shares outstanding increased to 137,283,979.

9 STOCK OPTION PLAN

The company maintains an employee stock option plan under which the Board of Directors, or a committee appointed for such purpose, may from time to time grant to employees, officers, directors of, or consultants to, the company or any subsidiary thereof, options to acquire common shares in such numbers, for such terms and at such exercise prices, as may be determined by the Board or such committee.

The stock option plan provides that the maximum number of common shares in the capital of the company that may be reserved for issuance for all purposes under the stock option plan shall be equal to 10% of the total issued and outstanding common shares and that the maximum number of common shares which may be reserved for issuance to any one optionee pursuant to share options may not exceed 5% of the common shares outstanding at the time of grant.

The maximum number of common shares that may be reserved for issuance to insiders of the company is limited to 10% of the common shares at the time of the grant.

The option exercise price is established by the Board of Directors and may not be lower than the market price of the common shares at the time of the grant.

Options granted must be exercised over a period no longer than ten years after the date of grant, and options are not transferable.

SPIDER RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

9 STOCK OPTION PLAN (continued)

As at December 31, 2002 the following options were outstanding:

Number of Options	Exercise Price \$	Expiry Date
285,018	0.10	September 15, 2003
3,477,318	0.10	October 19, 2004
3,935,000	0.11	October 25, 2005
1,900,000	0.10	January 31, 2007
9,597,336		

Subsequent to the year end the following changes to the number of options outstanding occurred:

- a total of 2,680,468 options were exercised at \$0.10 per option reducing the total expiring September 15, 2003 by 135,018, reducing the total expiring October 19, 2004 by 2,292,300 and reducing the total expiring January 31, 2007 by 253,150
- 2,150,000 options were granted with an exercise price of \$0.10 per share expiring on March 18, 2008
- 750,000 options were granted with an exercise price of \$0.13 per share expiring on April 2, 2008

As a result of these transactions, a total of 9,816,868 options are outstanding with an exercise price between \$0.10 and \$0.13 per option as at May 3, 2003.

The company records no expense when it issues options to employees. When options are issued to consultants for services rendered a charge against income is recognized consistent with the new recommendations of the CICA Handbook Section adopted by the company. The company has used the Black-Scholes option valuation model to value the aggregate total of the stock options granted during the current year. The following assumptions were used under the Black-Scholes option pricing model: dividend yield of 0%, expected volatility of 300%, risk-free interest rate of 5.0% and an expected life of 5 years. Administrative and other expenses include \$28,000 of stock option compensation for consultants. This amount has been credited to contributed surplus.

Had the company elected to recognize the cost of its stock-based compensation to employees based on the estimated fair value of stock options granted, the company's results would have been as follows:

	\$
Net loss for the year ended December 31, 2002	(1,804,697)
Unrecorded stock option compensation adjustment	(105,000)
Pro-forma net loss for the year ended December 31, 2002	(1,909,697)
Basic and fully diluted loss per share - Pro-forma	(0.016)

SPIDER RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

10 LOSS PER SHARE

During 2001, the company adopted the new CICA recommendations for the calculation of loss per share. Under the new accounting policy, the calculation of diluted loss per share requires the use of the treasury method and assumes any option or warrant proceeds would be used to purchase common shares at the average market price during the period. As a result of the net losses for the years ended December 31, 2002 and December 31, 2001, diluted loss per share data is not presented as the exercise of options would have been anti-dilutive.

11 INCOME TAXES

Future income tax assets and liabilities arise from the following:

	2002 \$	2001 \$
Future income tax assets:		
Resource properties	950,000	1,000,000
Loss carry forwards	1,200,000	1,250,000
	<u>2,150,000</u>	<u>2,250,000</u>
Valuation allowance	<u>(2,150,000)</u>	<u>(2,250,000)</u>
Net future income tax assets	<u>-</u>	<u>-</u>

The corporation's combined Canadian federal and provincial statutory tax rate was approximately 39% in 2002 and 40% in 2001. The results of operations for the years ended December 31, 2002 and 2001 do not reflect a provision for recovery of income taxes based on those rates, primarily because of the uncertainty of realizing the future income tax benefits associated with the loss for income tax purposes and other deductions charged against the operations, which are deferred for income tax purposes.

The corporation has income tax loss carry forwards of approximately \$3,100,000 which can be used to reduce taxable income of future years. These losses expire in the years 2003 to 2009.

12 SUBSEQUENT EVENTS

Subsequent to the year end, the company issued a total of 20,380,468 common shares related to the exercise of options, the completion of private placements and the settlement of debt. The details of these transactions are outlined in note 8 to the financial statements.

SPIDER RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

13 SALE OF GEOPHYSICAL AND GEOCHEMICAL DATA

During the prior year, the company sold data related to mining assets written off in prior years and recognized the net proceeds from the sale of data as revenue in the statement of income.

14 SUPPLEMENTARY CASH FLOW INFORMATION

The company did not pay any income taxes or interest during either of the two years ended December 31, 2001 and December 31, 2002.

During the prior year, the company settled \$150,000 of accounts payable and \$300,000 of notes payable through the issuances of common shares.

During the current year, the company settled \$32,000 of accounts payable by offsetting to accounts receivable. During the current year the company received \$92,250 of marketable securities from the sale of mining interests.

SPIDER RESOURCES INC.

SUPPLEMENT TO THE AUDITED FINANCIAL STATEMENTS

Year Ended December 31, 2002

(PREPARED BY MANAGEMENT - UNAUDITED)

As of May 23, 2003, the following items were outstanding:

1) Common shares - 137,283,979

2) Stock options include:

NUMBER OF OPTIONS	EXERCISE PRICE \$	EXPIRY DATE
150,000	0.10	September 15, 2003
1,185,018	0.10	October 19, 2004
3,935,000	0.11	October 25, 2005
1,646,850	0.10	January 31, 2007
2,150,000	0.10	March 18, 2008
750,000	0.13	April 2, 2008
9,816,868		

3) Warrants

Subsequent to the current period, the Company completed private placements for the sale of 6,500,000 non-flow through units and 9,700,000 flow through units at \$0.10 for each of the units with gross proceeds of \$1,620,000. Each non-flow-through unit consists of one common share and one common share purchase warrant, with each warrant exercisable for one common share for a period of eighteen months at an exercise price of \$0.12 per common share. Each flow through unit consists of one flow through common share and one common share purchase warrant exercisable for one common share for a period of eighteen months at an exercise price of \$0.12 per common share. Cash payments aggregating \$52,500 were made to arm's length parties who provided assistance to the company in connection with the placements. The common shares, flow through common shares, warrants and common shares issuable on exercise of the warrants, which have been issued pursuant to these placements are subject to a four month hold period, which expires on August 19, 2003 in respect of 10,600,000 units and on August 26, 2003 in respect of 5,500,000 units.

In addition, subsequent to the current period, the Company issued 1,500,000 units on the same basis as described above with respect to non-flow through units to settle debts to an arm's length party in the amount of \$150,000. The balance of \$150,000 is included in notes payable as at March 31, 2003. The common shares, warrants and common shares issuable on exercise of the warrants, which have been issued pursuant to this share for debt transaction are subject to a four month hold period, which expires on August 26, 2003.



Form 51-901F

BRITISH COLUMBIA SECURITIES COMMISSION

SPIDER RESOURCES INC.
Form 51-901F
December 31, 2002

Issuer Details

NAME OF ISSUER SPIDER RESOURCES INC.		FOR THE YEAR ENDED December 31, 2002	DATE OF REPORT MM/DD/YY May 20, 2003
ISSUER ADDRESS 56 TEMPERANCE STREET, 4TH FLOOR			
CITY TORONTO	PROVINCE ONTARIO	POSTAL CODE M5H 3V5	ISSUER TELEPHONE NO. (416) 361 - 0737
CONTACT NAME NEIL D. NOVAK		ISSUER FAX NO. (416) 361 - 0923	CONTACT TELEPHONE NO. (416) 815 - 8666
CONTACT POSITION DIRECTOR			
CONTACT EMAIL ADDRESS email@spiderresources.com		WEB SITE ADDRESS www.spiderresources.com	

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE "NORMAN BREWSTER"	PRINT FULL NAME "NORMAN BREWSTER"	DATE SIGNED MM/DD/YY May 20, 2003
DIRECTOR'S SIGNATURE "NEIL D. NOVAK"	PRINT FULL NAME "NEIL D. NOVAK"	DATE SIGNED MM/DD/YY May 20, 2003
DIRECTOR'S SIGNATURE "BRYAN H. WILSON"	PRINT FULL NAME "BRYAN H. WILSON"	DATE SIGNED MM/DD/YY May 20, 2003
DIRECTOR'S SIGNATURE "EARL S. COLEMAN"	PRINT FULL NAME "EARL S. COLEMAN"	DATE SIGNED MM/DD/YY May 20, 2003
DIRECTOR'S SIGNATURE "RICHARD HAMLIN"	PRINT FULL NAME "RICHARD HAMLIN"	DATE SIGNED MM/DD/YY May 20, 2003

1. Analysis of administrative expenses and mining assets

ADMINISTRATIVE AND GENERAL

	\$
Accounting, audit and corporate services	29,108
Consulting	48,000
Management fees	7,803
Stock option compensation	28,000
Office and general	8,715
Filing service	7,715
Shareholder communication	28,631
Transfer agent and filing fees	10,576
Bank charges	55
Rent	3,662
Telephone	1,200
	<u>173,465</u>



MINING ASSETS

See Note 5 in the audited financial statements for the year ended December 31, 2002

2. Analysis of related party transactions

See Note 7 in the audited December 31, 2002 financial statements

3. Summary of securities issued and options granted during the period

(a) Summary of securities issued during the period

Date of Issue	Type of Security	Type of Issue	Number #	Price \$	Total \$	Proceeds \$	Type of consideration	Commission Paid \$
Open - January 1, 2002 (audited)			116,583,511					
13-Mar-02	Common shares	Stock options	<u>320,000</u>	0.10	32,000	32,000	Accounts Payable	Nil
Close - December 31, 2002 (audited)			<u>116,903,511</u>					

(b) Summary of options granted during the period

Date	Number	Name of Option	Exercise Price \$	Expiry Dates
31-Jan-02	750,000	Neil Novak	0.10	31-Jan-07
31-Jan-02	750,000	Norman Brewster	0.10	31-Jan-07
31-Jan-02	200,000	Jim Voisin	0.10	31-Jan-07
31-Jan-02	<u>200,000</u>	Jason Brewster	0.10	31-Jan-07
	<u>1,900,000</u>			

4. Summary of securities as at the end of the reporting period

(a) Description of share capital

Unlimited number of common shares
 Unlimited number of preferred shares

(b) Number and recorded value of share capital

116,903,511 shares at a value of \$18,214,257

4. Summary of securities as at the end of the reporting period (Continued)

(c) Summary of options and warrants at period end

Options

See Note 9 in the audited financial statements for the year ended December 31, 2002

Warrants

None

(d) Number of shares in each class of shares subject to escrow or pooling agreements

None

5. List of names of the directors and officers

Norman Brewster
Neil D. Novak
Bryan H. Wilson
Earl S. Coleman
Richard Hamlin

