


Mesona Progress Report

Elm County
General File

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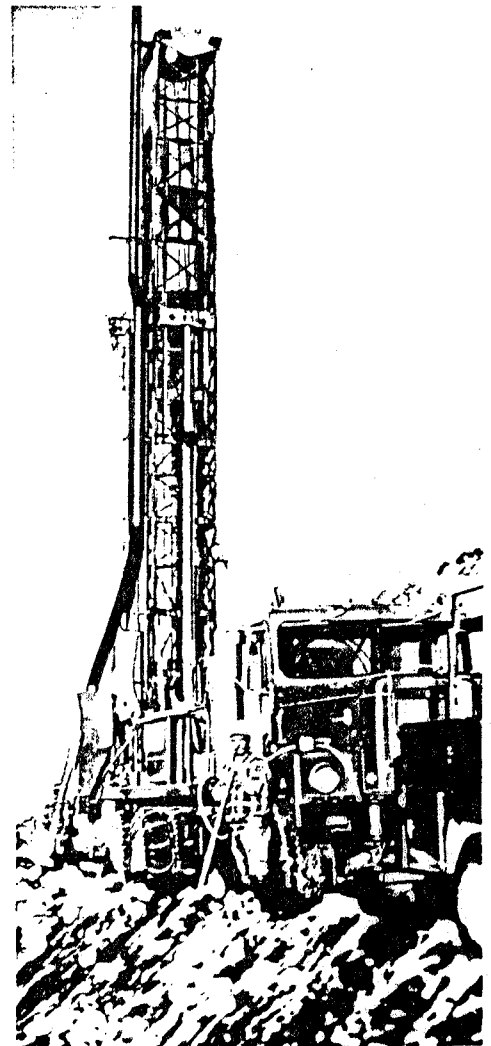
Further work was carried out on Bull Run's Mesona Gold Property during the 1983 field season by Freeport Minerals Company under the terms of the 1982 Exploration Agreement between Bull Run and Freeport. The program was comprised of contract rotary drilling, geological mapping and interpretation, metallurgical testing, surveying and claim staking, and geophysical surveying. The 1983 drilling program included completion of the 200 foot center grid drilling on the North and South Sammy Creek Zones, step-out grid drilling peripheral to the better intercepts on the North Sammy Creek Zone, and step-out exploratory drilling on the Sammy Creek Ridge, Beadles Creek, Beadles Creek Moraine, and West End Jasperoid areas. A total footage of 45,680 feet in 132 holes was completed in 1983. Combined with the 21,705 feet in 60 holes completed in 1982 and the 10,000 feet in 20 holes completed in 1981, drilling on the Mesona Property now totals 77,385 feet in 212 holes.

Favorable mineralized intercepts were encountered in the step-out drilling completed on the northeasterly extension of the North Sammy Creek Zone. The best intercepts of disseminated gold mineralization made to date in the North Sammy Creek area delimit a zone measuring approximately 2400 feet in length and from 300 to 650 feet in width. Favorable mineralized intercepts were also encountered in step-out exploratory drill holes located approximately 1200 feet to the southwest of the presently delimited North Sammy Creek



A view of the northern Independence Mountains.

Zone. Further drilling will be required to test this possible southwesterly extension and is planned for the 1984 season. The South Sammy Creek Zone, as currently delimited, trends approximately north-south and is situated about 2000 feet to the south of the central portion of the North Sammy Creek Zone. The best mineralized intercepts made to date delimit an area measuring approximately 1600 feet along strike and from 200 to 500 feet in width.



Rotary drilling on the North Sammy Creek Zone.



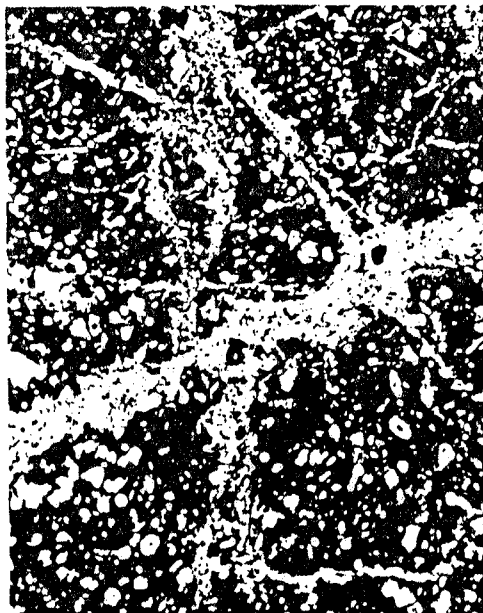
Exploratory drilling in the Beadles Creek Moraine area, located 1500 feet to the east of the South Sammy Creek Zone, encountered favorable disseminated gold mineralization immediately beneath the 100 foot thick glacial till present in this area. Additional drilling is planned to determine the extent of the gold mineralization in the area. Two exploratory holes were completed on the West End Jasperoid target area, located approximately 9000 feet to the southwest of the North Sammy Creek Zone. Anomalous gold values were encountered in this geologically favorable area and additional exploratory drilling is planned in this target zone.

Preliminary metallurgical tests were initiated on mineralized material from the North Sammy Creek and South Sammy Creek Zones at Freeport's research facility in Belle Chase, Louisiana. Oxidized and unoxidized ore types were identified in these tests. No significant metallurgical problems were encountered in these preliminary tests on the oxidized ore samples in which gold was readily recovered by cyanide leaching. The unoxidized ore samples tested are refractory and the preliminary tests indicate that a preoxidizing step will be required to reduce consumption of oxidizing chemicals. Work is continuing at Belle Chase to test different methods of achieving a commercial preoxidation step.



Exploratory drilling on the Mesona claims in October.

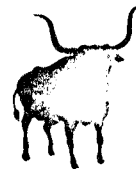
Additional field work on the Mesona Property will be resumed by Freeport Minerals in the spring of 1984 as snow and weather conditions permit. An aggressive program of drilling and related geological work to further define the presently known disseminated gold mineralized zones and to test new target areas on the 254 Mesona claim block will be carried out.



Disseminated mineralization in siltstone with characteristic quartz veining as seen through a microscope.

Executive Officers and Directors

From 1983 Annual Report to Shareholders
of Bull Run Gold Mines Ltd.



Norman W. Burmeister

Mr. Burmeister holds a Geological Engineering Degree from the Colorado School of Mines in Golden, Colorado and has been President and a Director of Bull Run Gold Mines since its inception in March 1980. He has been a member of the British Columbia Association of Professional Engineers since 1968 and has been continuously engaged in mineral exploration and development for the past twenty-three years.

Dr. William R. Green

Dr. Green holds a Masters Degree in Mining Engineering from the University of Nevada and a Ph.D. in Geology from Washington State University and is both a Registered Professional Mining Engineer and a Registered Professional Geologist. He is President of Mines Management, Inc., a mineral exploration company, and has been Vice-President and a Director of Bull Run Gold Mines since its inception.

Alexander C. Ritchie

Mr. Ritchie is the President of Silver Standard Mines Ltd., a mineral exploration company, and has been Secretary-Treasurer and a Director of Bull Run since its inception. He holds an Engineering Degree in Metallurgy from the University of British Columbia and has been a member of the British Columbia Association of Professional Engineers since 1956. Mr. Ritchie brings forty-three years of professional experience in the mineral industry to Bull Run's management team.

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Bull Run Gold Mines, Ltd.

Bull Run Gold Mines, Ltd. was incorporated under the laws of the State of Washington on March 17, 1980 for the purpose of acquiring, exploring and, if commercially feasible, developing mineral deposits. To date the Company has not had any revenues from sources other than interest earned on the proceeds received from the sale of its common stock.

In 1980 the Company acquired a 100% interest in a disseminated gold prospect, the Mesona Property, located in Elko County, Nevada. Exploratory work was

carried out on this property by Bull Run in 1980 and 1981. During 1982 Bull Run and Freeport Minerals entered into an agreement which gives Freeport a 60% interest in the Mesona Property by incurring \$2.5 million in exploration expenditures on the claims. The Mesona Property currently is being explored by Freeport under the terms of this agreement.

Through a wholly-owned Canadian subsidiary, Bull Run owns a 100% interest in the Nee silver-gold prospect located in northwestern British Columbia, Canada. The Company conducts reconnaissance mineral explo-

ration in the Western United States and Western Canada, with particular emphasis on precious metals. The object of this on-going work is the acquisition of meritorious mineral prospects.

For financial information concerning the Company's operations and identifiable assets, see the financial statements accompanying this report.

President's Report to Shareholders



On behalf of the Board of Directors it gives me great pleasure to present this fourth Annual Report to our shareholders. Nineteen eighty-three was another successful and eventful year for Bull Run Gold Mines, Ltd. The results of the exploratory work being carried out on the Company's Mesona disseminated gold property located in Elko County, Nevada continue to be very encouraging. It is gratifying to be able to report on the Company's maintenance of a strong financial condition as reflected in the accompanying audited financial statements.

Exploration of the Mesona property is advancing in an aggressive and orderly manner. Satisfactory progress was made during the year with respect to determining the geologic control and distribution of the disseminated gold mineralization on the approximate 5000 acre claim block. As presently delimited, the North and South Sammy Creek Zones have significant dimensions within the depth range of open-pit mining methods.

The recognition of new target zones on the Mesona claims substantially enlarged the area of primary exploratory interest. The intersection of disseminated gold mineralization in initial drill holes located in two new areas on the property is encouraging. Much additional drilling will be required to determine the significance of these intercepts. Management looks forward to the coming field season and continuing exploration and evaluation of the Mesona property with confidence in the Freeport Minerals Company's ability to effectively and efficiently conduct this program.



The Company's working capital increased by \$133,611 during the year to stand at \$1,690,968 at year end. Bull Run is therefore well positioned to take advantage of new mineral exploration opportunities that may become available during the coming year. Management continues to view the intermediate and long term outlook for precious metals markets positively. Attention, with respect to potential new ventures, is accordingly being directed to these commodities.

Respectfully submitted,

Norman W. Burmeister

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President