ZARGON OIL & GAS LTD.

First Quarter Report 2002

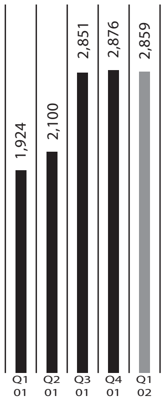
CORPORATE HIGHLIGHTS

Zargon Oil & Gas Ltd. reported strong gains in production of oil and gas in first quarter 2002. Oil and gas prices received in the quarter and the resulting cash flow and earnings were acceptable by historical standards but much below the exceptional prices, cash flow and earnings achieved in first quarter 2001.

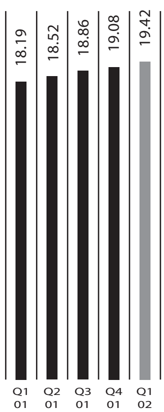
Zargon's year over year first quarter comparative results showed increases in oil production, natural gas production and undeveloped land of 49 percent, 7 percent and 17 percent, respectively. Despite these gains, the impact of lower commodity prices compared to the exceptionally strong prices received in the first quarter of 2001, resulted in decreases in revenue, cash flow and earnings by 39, 42 and 70 percent, respectively. Financial comparisons on a per share basis show that cash flow of $0.36 per diluted share in first quarter 2002 decreased 49 percent from the prior year period and earnings of $0.09 per diluted share declined 75 percent. During the quarter Zargon delivered an annualized after tax return on book equity of 9 percent. At quarter end, Zargon maintained a strong balance sheet with only $25.26 million of bank debt, which represents just over one year of the commodity price-restrained first quarter 2002 annualized cash flow.

Three months ended March 31	**2002**	2001	Percent Change
FINANCIAL (unaudited)			
Income and Investments ($ million)			
Production revenue	**12.73**	21.04	(39)
Cash flow from operations	**6.19**	10.61	(42)
Earnings	**1.58**	5.28	(70)
Net capital expenditures	**5.34**	8.23	(35)
Per Common Share, Diluted			
Cash flow from operations ($/share)	**0.36**	0.71	(49)
Earnings ($/share)	**0.09**	0.36	(75)
Balance Sheet at Period End ($ million)			
Property and equipment	**121.25**	80.42	51
Bank debt	**25.26**	10.09	150
Shareholders' equity	**72.21**	48.03	50
Shares Outstanding at Period End (million)	**16.88**	14.45	17
OPERATIONS			
Average Daily Production			
Crude oil and liquids (bbl/d)	**2,859**	1,924	49
Natural gas (mmcf/d)	**19.42**	18.19	7
Equivalents (boe/d 6:1)	**6,097**	4,957	23
Equivalents (boe/d 10:1)	**4,802**	3,743	28
Average Selling Price			
Crude oil and liquids ($/bbl)	**28.30**	37.12	(24)
Natural gas ($/mcf)	**3.12**	8.92	(65)
Wells Drilled, Net	**5.1**	19.6	(74)
Undeveloped Land at Period End (thousand net acres)	**248**	212	17

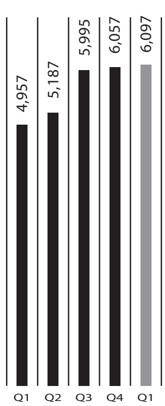
Crude Oil and
Liquids Production
(bbl/d)



Natural Gas
Production
(mmcf/d)



Production
(boe/d 6:1)



PRODUCTION

Production of natural gas continued to climb in the first quarter of 2002, averaging 19.42 million cubic feet per day during the period, which represented a 7 percent gain over the 18.19 million cubic feet per day reported in the 2001 first quarter and two percent improvement over the fourth quarter 2001 rate of 19.08 million cubic feet per day. Oil and liquids production averaged 2,859 barrels per day in first quarter 2002, 49 percent above the prior year's first quarter rate of 1,924 barrels per day and steady with the preceding quarter production rate of 2,876 bbl/d. On an equivalent basis (6:1), production in first quarter 2002 climbed 23 percent over the prior year first quarter rate from this project and one percent over the fourth quarter 2001 rate.

EXPLORATION AND EXPLOITATION

In the first quarter of 2002, Zargon drilled 6 gross (5.1 net) wells, a substantial reduction from the 22 gross (19.6 net) wells drilled during the high price environment experienced in the first quarter of 2001. The 2002 program resulted in 4.1 net gas wells, one net oil well and no dry holes.

Gas drilling was directed to Zargon's largest property at Jarrow in East Central Alberta, and at Pembina in West Central Alberta. At Jarrow, 2.3 net multi-zone gas wells were drilled that are scheduled to be completed and tied-in after spring breakup. In the first quarter of 2002, the Jarrow property averaged 14.83 million cubic feet per day. Over the next 15 months, Zargon plans to maintain a 15 million cubic feet per day facility-constrained rate at the Jarrow property by drilling approximately one well per month. At Pembina, Zargon drilled 1.8 net wells in the first quarter, which were completed in shallow gas sands at depths of less than 700 meters. These wells, along with the majority of the 8 net wells drilled in the prior winter seasons will be tied-in by the end of the year. Initial rates from this project of two million cubic feet per day are anticipated.

During the period of lower oil prices received in recent months, Zargon deferred some development drilling projects to preserve capital for property or corporate acquisitions. In our Southeast Saskatchewan/North Dakota core area, 1.0 net exploratory oil well was drilled at the Weyburn (Elswick) property. Zargon's Southeast Saskatchewan/North Dakota properties are characterized by long-life shallow decline waterflood projects. In 2002, Zargon plans on implementing or modifying waterfloods at the recently acquired Haas, North Dakota property, and at the Saskatchewan Frys, Steelman, and Weyburn-Midale properties. Further production growth is expected later this year as Zargon continues to develop the area's seismic, geological and reservoir engineering related exploitation opportunities.

During the quarter, a total of $1.75 million of net oil exploitation property acquisitions were made, generally in the Southeast Saskatchewan core area. Undeveloped land acquisitions of $0.78 million were made primarily at the Pembina West Central Alberta gas exploration property. Geological and geophysical costs were $0.43 million and the remaining $2.38 million of capital expenditures were mostly invested on gas related drilling, completions and facilities.

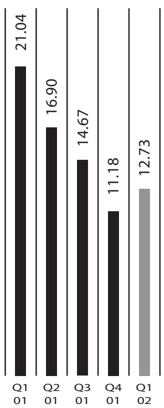
HADRIAN ENERGY CORP. ACQUISITION

On April 26, 2002, Zargon announced the $10 million acquisition of Hadrian Energy Corp. (Hadrian). The offer is comprised of 50 percent cash and 50 percent Zargon shares valued at $8.75 per share, and is anticipated to close on June 17, 2002. It will result in the issuance of 567,350 Zargon common shares. Hadrian is a private 'non-reporting' oil and gas company that brings proven reserves of 5.34 billion cubic feet of natural gas and 82 thousand barrels of oil, 23,200 net acres of undeveloped land and $5 million of tax shelter in excess of the acquisition price. Subsequent to the tie-in of two existing Hadrian wells, production in excess of 3.0 million cubic feet per day is anticipated from the Hadrian properties. The Hadrian assets will provide three active operated gas exploration and development areas at Highvale, Judy Creek and Ukalta that are located in either Zargon's East or West Central Alberta core areas. Over the summer an additional five gas exploration wells will be drilled at these three properties to earn additional acreage.

As a result of this transaction and the currently improved commodity prices, Zargon is increasing its 2002 capital budget to $40 million from the previously reported $35 million. Commensurate with this budget increase Zargon is now planning to drill an additional 5 net wells in the year taking the year's budgeted total to 30 net wells. During the remainder of the year, Zargon will continue to pursue value added gas exploration and oil exploitation opportunities in its core areas. Additional gas volumes from shut-in wells at Pembina and Judy Creek will be tied-in to production facilities after winter freeze-up. Based on this revised capital budget, Zargon is forecasting that year-end production will reach 25 million cubic feet per day of natural gas and 3,200 barrels per day of oil.

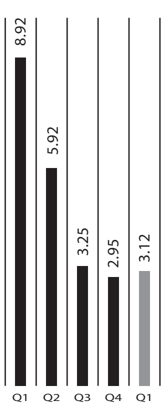
MANAGEMENT'S DISCUSSION AND ANALYSIS

Production Revenue
($ million)



Oil and Liquids Prices
($/bbl)

Natural Gas Price
($/mcf)



Management's discussion and analysis (MD&A) should be read in conjunction with the unaudited interim financial statements for the three months ended March 31, 2002 and the audited financial statements and MD&A for the year ended December 31, 2001. The calculation of barrels of equivalent (boe) is based on the conversion ratio of one barrel of oil is equivalent to six thousand cubic feet of natural gas, unless otherwise indicated.

FINANCIAL ANALYSIS

While production rates increased 23 percent over the prior year's first quarter, gas prices declined 65 percent and oil prices declined 24 percent lowering Zargon's revenue to $12.73 million, a 39 percent decline from the prior year's levels of $21.04 million. In the quarter, Zargon's field gas price averaged $3.12 per thousand cubic feet ($3.48 after hedges), a decline of 65 percent over the prior year's first quarter price of $8.92 per thousand cubic feet, and a 6 percent increase over the fourth quarter 2001 price of $2.95 per thousand cubic feet. Zargon's first quarter 2002 oil and liquid price of $28.30 per barrel ($29.42 per barrel after hedges) was 24 percent lower than the prior year's first quarter price of $37.12 per barrel, but was 25 percent higher than the preceding fourth quarter 2001 price of $22.72 per barrel. During the quarter, Zargon received a field oil price reflecting a $5.30 per barrel transportation and quality deduction from the FOB Edmonton reference price, a substantial improvement over the fourth quarter 2001 quality and transportation adjustment of $8.39 per barrel that was experienced during a period of exceptionally high Southeast Saskatchewan oil price discounting.

Royalties, inclusive of Alberta royalty tax credit and Saskatchewan resource surcharge, were $2.79 million in the first quarter of 2002, down 38 percent from $4.48 million in 2001. This large decrease related primarily to the lower commodity prices in the recent quarter. As a percentage of gross revenue, first quarter 2002 royalties were 22.0 percent of revenue, up slightly from the 20.5 percent and 20.6 percent reported in first quarter 2001 and fourth quarter 2001, respectively.

Operating costs to March 31, 2002 were $3.46 million, a 39 percent increase from $2.48 million reported for the same period in 2001. Production expenses during the quarter were $0.64 per thousand cubic feet of natural gas and $9.08 per barrel of oil. Total production expenses of $6.30 per barrel of equivalent were higher than the comparative first quarter 2001 costs of $5.56 per barrel of equivalent, but consistent with the fourth quarter costs of $6.27 per barrel of equivalent. Zargon will continue to focus on reversing the upward trend in oil production costs, through field-related cost containment initiatives and the sale of minor non-core higher cost properties

Operating Netbacks

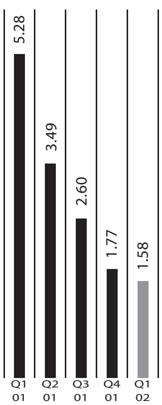
Three months ended March 31	**2002**		2001	
	Oil and Liquids	**Natural Gas**	Oil and Liquids	Natural Gas
	$/bbl	**$/mcf**	$/bbl	$/mcf
Revenue	**28.30**	**3.12**	37.12	8.92
Hedging	**1.12**	**0.36**	(0.93)	(0.53)
Royalties	**(5.92)**	**(0.73)**	(7.34)	(1.96)
Operating costs	**(9.08)**	**(0.64)**	(8.44)	(0.62)
Operating netbacks	**14.42**	**2.11**	20.41	5.81

General and administrative expenses were $0.84 million or $1.54 per barrel of equivalent in 2002 compared to $0.71 million or $1.60 per boe in the first quarter of 2001 and $1.49 per boe in the fourth quarter of 2001. The increased costs reflect an expanded staff in 2002, but remained unchanged on a boe basis.

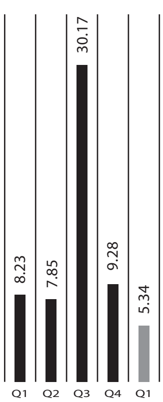
Reflecting higher debt levels, interest expense of $0.27 million in the quarter increased 13 percent from the $0.24 million in the 2001 first quarter. During the 2002 first quarter cash tax expenses were limited to various capital taxes.

Cash Flow from Operations
($ million)

Earnings
($ million)



Net Capital Expenditures
($ million)



Corporate Netbacks

Three months ended March 31	**2002**	2001
	$/boe 6:1	$/boe 6:1
Revenue	**23.20**	47.16
Hedging	**1.68**	(2.29)
Royalties	**(5.09)**	(10.03)
Operating costs	**(6.30)**	(5.56)
Operating netbacks	**13.49**	29.28
General and administration	**(1.54)**	(1.60)
Financing charges	**(0.48)**	(0.54)
Capital and current income taxes	**(0.19)**	(3.36)
Cash flow netbacks	**11.28**	23.78
Depletion and depreciation	**(5.63)**	(4.96)
Site restoration and reclamation	**(0.56)**	(0.47)
Foreign exchange	**0.01**	—
Future income taxes	**(2.22)**	(6.51)
Net earnings	**2.88**	11.84

Depletion and depreciation expense for the first quarter was $3.08 million, compared with $2.21 million in the first quarter of 2001. The higher charges reflect increased production volumes and higher per unit charges relating to both Zargon's and the industry's current trend towards higher finding and development costs.

Lower commodity prices substantially reduced the quarter's cash flow and earnings. Zargon's first quarter 2002 cash flow of $6.19 million represented a 42 percent decrease over the same three month period in 2001, but was five percent higher than the fourth quarter 2001 cash flow. Zargon's first quarter 2002 earnings of $1.58 million were 70 percent lower than the earnings reported in the prior year's comparative quarter and seven percent lower than fourth quarter 2001. Zargon's after tax annualized return on book equity in the current three month reporting period was 9 percent.

Capital Expenditures

Three months ended March 31 ($ million)	**2002**	2001
Undeveloped land	**0.78**	0.88
Geological and geophysical (seismic)	**0.43**	0.69
Drilling and completion of wells	**1.69**	6.78
Well equipment and facilities	**0.69**	0.63
Exploration and development	**3.59**	8.98
Property acquisitions	**1.81**	1.25
Property dispositions	**(0.06)**	(2.00)
Net property acquisitions	**1.75**	(0.75)
Total capital expenditures (net)	**5.34**	8.23

LIQUIDITY AND CAPITAL RESOURCES

During the quarter, Zargon's reduced $5.34 million capital expenditure program was more than funded by cash flows from operations. At March 31, 2002, Zargon's balance sheet continues to be very strong with the bank debt plus working capital deficiency amounting to $26.17 million, equal to just over one year of the first quarter 2002 annualized cash flow. Zargon has approximately $30 million of unused bank lines, which can support an increased level of field activity while retaining the flexibility to deal with sizeable opportunity-driven acquisitions.

Effective January 1, 2002, Zargon adopted the recommendations of the Canadian Institute of Chartered Accountants concerning the presentation of revolving demand loans. These new recommendations require the classification of debt in a debtor's balance sheet be based upon the facts existing at the balance sheet date rather than expectations. Prior to the adoption of the new recommendations, the Corporation presented the demand loan as long-term on the basis that the bank had indicated it was not its intention to call for repayment within one year provided there was no adverse change in the financial position of the Corporation. However these loans are demand in nature and therefore are now presented as a current liability.

As at May 15, 2002, there were 16,921,000 common shares and stock options to acquire an aggregate of 1,379,000 common shares outstanding.

Capital Sources

Three months ended March 31 ($ million)	**2002**	2001
Cash flow from operations	**6.19**	10.61
Changes in working capital	**(2.61)**	3.11
Bank debt	**1.12**	(5.81)
Issuance of common shares	**0.64**	0.32
Total capital sources	**5.34**	8.23

OUTLOOK

The outlook for Zargon remains very positive. For calendar 2002, Zargon is now budgeting $40 million of capital expenditures allocated primarily to the building of gas exploration and exploitation opportunities and the exploitation of our large inventory of long life oil properties. Strong cash flows and low debt levels will permit Zargon to aggressively pursue property and corporate acquisitions where acceptable values are realizable.

($ million, except per share amounts)

Quarter	Earnings	Earnings/ Diluted Share	Cash Flow	Cash Flow/ Diluted Share	Revenue	Total Assets	Long-term Deb
2002 Q1	$1.58	$0.09	$6.19	$0.36	$12.73	$128.97	$25.26
2001 Q4	$1.77	$0.10	$5.81	$0.34	$11.18	$127.93	$24.14
2001 Q3	$2.60	$0.15	$7.66	$0.44	$14.67	$119.06	$19.27
2001 Q2	$3.49	$0.22	$8.59	$0.57	$16.90	$108.27	$13.19
2001 Q1	$5.28	$0.36	$10.61	$0.71	$21.04	$90.91	$10.09
2000 Q4	$4.75	$0.31	$10.93	$0.70	$19.32	$86.88	$15.90
2000 Q3	$2.89	$0.19	$7.17	$0.48	$14.24	$74.61	$17.63
2000 Q2	$1.85	$0.13	$5.04	$0.35	$10.62	$68.53	$19.44
2000 Q1	$1.77	$0.12	$4.36	$0.29	$9.13	$2.42	$19.30

"Signed" C.H. Hansen
President and Chief Executive Officer

Calgary, Alberta
May 15, 2002

BALANCE SHEETS

($ thousand)	March 31, 2002 (unaudited)	December 31, 2001
ASSETS		
Current		
Cash	—	201
Accounts receivable	**7,078**	7,990
Prepaid expenses and deposits	**638**	741
	7,716	8,932
Property and equipment, net	**121,252**	118,994
	128,968	127,926
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**8,624**	12,440
Bank indebtedness (note 3)	**25,260**	—
	33,884	12,440
Long term debt (note 3)	—	24,137
Future site restoration	**3,435**	3,141
Future tax liability	**19,443**	18,223
	56,762	57,941
SHAREHOLDERS' EQUITY		
Share capital (note 4)	**35,705**	35,066
Retained earnings	**36,501**	34,919
	72,206	69,985
	128,968	127,926

See selected notes to financial statements.

STATEMENTS OF INCOME AND RETAINED EARNINGS

Three months ended March 31 (unaudited) ($ thousand, except per share amounts)	**2002**	2001
Income		
Oil and gas sales	**12,728**	21,035
Hedging	**924**	(1,022)
Royalties	**(2,794)**	(4,475)
	10,858	15,538
Expenses		
Production	**3,456**	2,482
Administration	**844**	712
Interest on long-term debt	**267**	241
Foreign exchange	**(4)**	—
Site restoration	**307**	209
Depreciation and depletion	**3,084**	2,211
	7,954	5,855
Income Before Income Taxes	**2,904**	9,683
Income Taxes		
Future	**1,220**	2,905
Current	**102**	1,498
	1,322	4,403
Net Income for the Period	**1,582**	5,280
Retained Earnings, Beginning of Period	**34,919**	21,855
Repurchase of Common Shares	**—**	(46)
Retained Earnings, End of Period	**36,501**	27,089
Earnings Per Common Share		
Basic	**0.09**	0.37
Diluted	**0.09**	0.36

See selected notes to financial statements.

STATEMENTS OF CASH FLOWS

Three months ended March 31 (unaudited) ($ thousand, except per share amounts)	**2002**	2001
Operating Activities		
Net income for the period	**1,582**	5,280
Add non-cash items:		
Depreciation and depletion	**3,084**	2,211
Site restoration	**307**	209
Foreign exchange	**(4)**	—
Future income taxes	**1,220**	2,905
Cash flow from operations	**6,189**	10,605
Changes in non-cash working capital	**(126)**	2,315
	6,063	12,920
Financing Activities		
Bank indebtedness	**1,123**	(5,809)
Issuance of common shares	**639**	357
Repurchase of common shares	**—**	(34)
	1,762	(5,486)
Investing Activities		
Acquisition of property and equipment	**(5,402)**	(10,236)
Disposal of property and equipment	**60**	2,002
Site restoration expenditures	**(13)**	(2)
Changes in non-cash working capital	**(2,671)**	795
	(8,026)	(7,441)
Decrease in Cash	**(201)**	(7)
Cash, Beginning of Period	**201**	159
Cash, End of Period	**—**	152
Cash Flow from Operations Per Share		
Basic	**0.37**	0.74
Diluted	**0.36**	0.71
Weighted Average Number of Shares (million)		
Basic	**16.76**	14.35
Diluted	**17.34**	15.74

See selected notes to financial statements.

SELECTED NOTES TO FINANCIAL STATEMENTS

Three months ended
March, 31, 2002
(unaudited)

1. BASIS OF PRESENTATION

The interim financial statements of Zargon Oil & Gas Ltd. (the "Corporation") have been prepared by management in accordance with Canadian generally accepted accounting principles. The interim financial statements have been prepared following the same accounting policies and methods in computation as the financial statements for the fiscal year ended December 31, 2001. The financial statements should be read in conjunction with the financial statements and notes thereto in the Corporation's annual report for the year ended December 31, 2001.

2. CHANGES IN ACCOUNTING POLICIES

Business Combinations

Effective January 1, 2002, the Corporation adopted the new Canadian Institute of Chartered Accountants ("CICA") standard for goodwill and other intangibles. Under the new standard, goodwill and certain intangibles are no longer subject to amortization, but are instead tested for impairment at least annually. The Corporation has assessed the application of this policy with respect to its intangible assets and determined that there is no reclassification required, and no impact on the carrying values of its assets, or net income for the period or earnings per share for the period ended March 31, 2002.

Stock Based Compensation

Effective January 1, 2002, the Corporation adopted the new CICA 3870 standard for reporting stock-based compensation. As permitted by the CICA 3870, the Corporation has applied this change prospectively for all new awards granted after January 1, 2002. The Corporation has chosen to recognize no compensation when stock options are granted to employees and directors under the stock option plan that has no cash settlement features. However, direct awards of stock to employees and directors, and stock and stock option awards granted to non-employees will be accounted for in accordance with the fair value method of accounting for stock-based compensation.

The fair value of direct awards of stock are determined by the quoted market price of the Corporation's stock and the fair value of stock options are determined using the Black-Scholes option pricing model. In periods prior to January 1, 2002, the Corporation recognized no compensation when stock or stock options were granted to employees. Pro forma information regarding net income is required and has been determined as if the Corporation has accounted for its employee stock options granted after December 31, 2001 under the fair value method. The fair value for these options was estimated at the date of grant using a Black-Scholes Option Pricing Model with the following assumptions for 2002:

Volatility factor of expected market price (%)	18.7
Weighted average risk-free interest rate (%)	5.28
Dividend yield (%)	0
Weighted average expected life of options (years)	4

For purposes of pro forma disclosures, the estimated fair value of options is amortized to expense over the options' vesting periods. The Corporation's pro forma net income would be reduced by $138 thousand for the three months ended March 31, 2002. Basic and diluted earnings per share figures would have been reduced by $0.01 and $0.01 respectively. The weighted average fair value of stock options granted during the three months ended March 31, 2002 was $138 thousand.

3. BANK INDEBTEDNESS

The Corporation has a $50 million credit facility consisting of a revolving demand loan with a Canadian chartered bank that bears interest at the bank's prime rate. The Corporation has pledged an assignment of accounts receivable, a first floating charge on all of the Canadian assets and a fixed charge over certain property and equipment as collateral under this facility. The Corporation also has a revolving demand loan in the United States for $4.3 million (U.S.) bearing interest at U.S. prime plus 3/4 percent and has pledged a first floating charge on all of the U.S. assets and a fixed charge over certain U.S. property and equipment as collateral.

Effective January 1, 2002, the Corporation adopted the recommendations of the Emerging Issues Committee of the Canadian Institute of Chartered Accountants concerning the presentation of revolving demand loans. These new recommendations require the classification of debt in a debtor's balance sheet be based upon the facts existing at the balance sheet date rather than expectations. Prior to the adoption of the new recommendations, the Corporation presented the demand loan as long-term on the basis that the bank had indicated it was not its intention to call for repayment within one year provided there was no adverse change in the financial position of the Corporation. However, these loans are demand in nature and therefore are now presented as a current liability.

4. SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of first preferred shares and second preferred shares.

Common shares:

(thousand)	**2002**		2001	
	Number of Shares	**Amount $**	Number of Shares	Amount $
Shares issued,				
Balance, beginning of period	**16,666**	**35,066**	14,315	20,667
Normal course issuer bid	**—**	**—**	(23)	(79)
Stock options exercised	**215**	**639**	162	357
	16,881	**35,705**	14,454	20,945

A summary of the status of the Company's stock option plans as at March 31, 2002 and 2001, and changes during the periods ending on those dates is presented below:

	2002		2001	
Stock options:	**Number of Shares** (thousand)	**Weighted Average Exercise Price $**	Number of Shares (thousand)	Weighted Average Exercise Price $
Outstanding at beginning of period	1,199	3.36	1,290	2.71
Granted	383	7.42	278	4.78
Exercised	(215)	2.96	(162)	2.20
Cancelled	—	—	(15)	4.28
Outstanding at end of period	1,367	4.56	1,391	3.17
Options exercisable at period end	701	2.82	1,073	2.73

5. SUBSEQUENT EVENT

On May 10, 2002, the Corporation made an offer to purchase all of the outstanding shares of Hadrian Energy Corp. for an approximate consideration of $10 million, comprised of 50 percent cash and 50 percent Zargon shares valued at $8.75 per share.

ZARGON OIL AND GAS LTD.

Corporate Information

Board of Directors

Craig H. Hansen
K. James Harrison
H. Earl Joudrie
Kyle D. Kitagawa
John O. McCutcheon
James D. Peplinski
Byron J. Seaman
William J. Whelan
Grant A. Zawalsky

Officers

John O. McCutcheon
Chairman

Craig H. Hansen
President and
Chief Executive Officer

Mark I. Lake
Vice President, Exploration

Daniel A. Roulston
Vice President, Operations

Sheila A. Wares
Vice President, Accounting

Kenneth W. Young
Vice President, Land

Key Personnel

J. Yves Gauthier
Manager, Exploitation

Andrea P. Henry
Senior Geologist

John D. Sorkilmo
Senior Geologist

Neil D. Watson
Senior Geologist

Stuart A. Wilson
Production Manager, North

Stock Exchange Listing

Toronto Stock Exchange
Trading Symbol: ZAR

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Website

www.zargon.ca

Forward Looking Statements – Certain information regarding Zargon set forth in this document, including management's assessment of Zargon's future plans and operations, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Zargon's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Zargon's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Zargon will derive therefrom.