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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES ACT OF 1934
For the fiscal year ended December 31, 2003

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES ACT OF 1934
For the transition period from _______to _______
Commission file number _____________

METALINE CONTACT MINES

(Name of Small Business Issuer in its charter)

Washington	91-0779945
(State or other jurisdiction or incorporation or organization)	(I.R.S. Employer Identification No.)
6599 Prichard Creek Road, Murray, Idaho	83874
(Address of principal executive offices)	(Zip Code)

Issuer’s telephone number 920-987-5317

Securities registered under Section 12(b) of the Exchange Act:

Title of each class	Name of each exchange on which registered

Securities registered under Section 12(g) of the Exchange Act:

Capital Common - $0.05 Par Value

(Title of Class)

(Title of Class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [ ] No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

State issuer's revenues for its most recent fiscal year. $15,520.00

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State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days. $398,297 as of March 26, 2004

(ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Check whether the issuer has filed all documents and reports to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. [ ] Yes [ ] No. NOT APPLICABLE

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date. 14,531,254 as of March 26, 2003

DOCUMENTS NCORPORATED BY REFERENCE

If the following documents are incorporated by reference, briefly describe them and identify the part of the Form 10-KSB (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) any annual report to security holders; (2) any proxy information statement; and (3) any prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933 ("Securities Act"). The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for the fiscal year ended December 31, 1990).

Transitional Small Business Disclosure Format (check one): Yes [ ] No [X]

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PART I

Item 1. Description of Business

The Company was incorporated in the State of Washington on November 15, 1928, for the purpose of engaging in the mineral exploration business, and all business appertaining thereto.

Subsequent its incorporation the Company began acquiring unpatented zinc-lead mining claims and other mineral rights in the Metaline District, Pend Oreille County, State of Washington.

"Unpatented" mining claims are claims in which an individual, corporation, or other legal entity, by the act of a valid location under the mining laws of the United States, has obtained a right to remove and extract minerals from the land, but where full title of the land has not been acquired from the U.S. Government. On the other hand, a "patented" mining claim refers to a parcel of mineral land the U.S. Government has conveyed full title thereto.

From 1928 until 1946, the Company was inactive, except for maintaining its mineral holdings, and in 1946, leased its mineral holdings to Metaline Mining & Leasing Company for a period of 25 years. There is no affiliation, past or present, between the Company and Metaline Mining & Leasing Company.

In 1959, The Bunker Hill Company (hereinafter "Bunker Hill") began managing the Company's business affairs and minerals holdings. The Company, however, remained a non-operating corporation until after the expiration of its lease with Metaline Mining & Leasing Company.

On November 7, 1960, the Company entered into a Plan and Agreement of Reorganization and Re-capitalization (the "1960 Reorganization Agreement") with the Bunker Hill and Day Mines Inc., who were large shareholders of the Company at that time, and the owners of other mining properties in the Metaline District. The parties to the 1960 Reorganization Agreement felt that by consolidating their respective mining properties under the common ownership of the Company, the combined mining properties could be more advantageously explored and, if warranted, developed and mined. In consideration of the additional mining properties, and the cancellation of certain indebtedness, the Company issued 1,288,619 shares of its common stock to Bunker Hill, and 728,825 shares of its common stock to Day Mines Inc.

On April 14, 1976, the Company entered into an Exploration and Operating Agreement (the "1976 Agreement") with Bunker Hill whereby Bunker Hill was granted the exclusive right to conduct exploration and, if warranted, development and mining operations on the Company's mineral holdings.

In 1982, control of the Company was transferred from Bunker Hill to Bunker Limited Partnership, who subsequently transferred the operating control of the 1976 Agreement to Pintlar Corp., a subsidiary of Gulf Resources & Chemical, the parent company of Bunker Hill.

In 1990, Pintlar Corp. transferred operating control of the 1976 Agreement to Resource Finance Inc., the U.S. subsidiary of RFC Resource Finance Corporation, Toronto, Ontario, Canada.

In 1996, Cominco American Incorporated acquired operating control of the 1976 Agreement with its acquisition of Resource Finance Inc.

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In October of 1996, then-current management and majority shareholders of the Company commenced a structured reorganization whereby the Company organized Metaline Contact Mines LLC, a Delaware Limited Liability Company (hereinafter “MCMLLC”), and assigned to MCMLLC all of the surface rights to the private real property and standing timber thereon (hereinafter the “Assigned Assets”) it acquired in the 1960 Reorganization Agreement in exchange for a 99% equity membership interest in MCMLLC. At that time, management of the Company felt it would be in the best interests of the shareholders of the Company to transfer the Assigned Assets to a limited liability company that would be owned by the shareholders of the Company in proportion to their interests in the Company. The Company became the Managing Member of MCMLLC. Immediately after its organization, and prior to being assigned the Assigned Assets, MCMLLC had no business or assets.

As a part of its reorganization, the Company retained ownership of all sub-surface mineral rights to the Assigned Assets, ownership of its unpatented mining claims and attached mineral rights, and offered it’s shareholders the opportunity to exchange their shares of common stock in the Company for proportionate non-managing equity membership interests in MCMLLC. A total of 19 of the Company’s 302 shareholders accepted the exchange offer resulting in MCMLLC owning 11,686,643 shares of common stock in the Company, or 93.02% of the outstanding shares of the Company at the time of the reorganization.

On September 1, 1997, then-current management of the Company negotiated a new Mining Lease With Purchase Option with Cominco American Incorporated (hereinafter the “New Cominco Lease”) on the Company’s mineral rights, which New Cominco Lease superseded the 1976 Agreement in its entirety.

On June 1, 1998, Nor-Pac Limited Company, an Idaho Limited Liability Company (hereinafter “Nor-Pac”), acquired a 99.994% non-managing equity membership interest in MCMLLC from 18 of its non-managing members, and became the indirect controlling shareholder of the Company through its majority ownership of MCMLLC. Simultaneous therewith, the Company’s Board of Directors resigned, Nor-Pac filled the vacant Board with its slate of Directors, and MCMLLC sold the Assigned Assets to an independent third party.

The Company does not own any interest in mineral properties or rights that are currently in production, nor has it ever derived any revenues from the sale of zinc or other materials. It has never filed any bankruptcy, receivership or similar proceedings.

Business of Company

The Company leases it’s mineral rights and properties described in Item 2 below to Teck Cominco American Incorporated (hereinafter “Teck Cominco”) pursuant to the New Cominco Lease. Teck Cominco is the U.S. subsidiary of Teck Cominco Ltd., a large international Canadian mining company. Teck Cominco is exploring for zinc and lead ores on the Company’s mineral rights. In the event that Teck Cominco is successful in discovering a commercially viable ore body on the Company’s mineral holdings, and that ore body is placed into commercial production, the Company will receive production royalties from Teck Cominco.

The term of the New Cominco Lease is for 20 years, with an option for an additional 20-year period, and so long thereafter as there is commercial production from the Company’s mineral rights. Under the terms of the New Cominco Lease, the Company receives an advance royalty of $3,000.00 per quarter for the first 5 years, $4,000.00 per quarter for the next 5 years, and $5,500.00 per quarter thereafter. The New Cominco Lease also provides a 3% Net Smelter Returns production royalty upon the commencement of commercial production. During the first 3 years of production the production royalty is fixed at $150,000.00 per year.

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There are no assurances, however, that Teck Cominco will be successful in discovering a commercially viable ore body on the Company's mineral holdings.

Under the terms of the New Cominco Lease, the Company is not responsible for or subject to any existing or probable governmental approvals or regulations with regard to it's mineral rights. In the event, however, Teck Cominco is successful in placing the Company's mineral rights into commercial production, federal, state and local governmental permits may be required in which case obtaining any such permits is the responsibility of Teck Cominco. Any ores mined from the Company's mineral rights by Teck Cominco would be by underground mining methods, and transported underground to Teck Cominco's processing facilities that are situated on Teck Cominco owned properties. Tailings ponds and associated waste rock storage areas will be on Teck Cominco owned properties, and, except for surface exploration drilling, and geophysical and geochemical surveys, there will be no surface disturbances on the Company's holdings that would be subject to reclamation requirements. Surface disturbances from surface drilling, and geophysical and geochemical surveys, would be extremely minor, and in the event Teck Cominco failed to reclaim such sites, the Company may be required to reclaim same, in which case the resultant liability to the Company would not be significant. All permitting, and reclamation requirements and liabilities with regard to Teck Cominco's processing facilities are for the sole account and responsibility of Teck Cominco. Failure by Teck Cominco to obtain any necessary permits for its processing facilities could result in Teck Cominco ceasing its exploration activities on the Company's mineral holdings, and subject the New Cominco Lease to termination by Teck Cominco on its terms.

In 1995, McCulley Frick & Gilman Inc. ("MF&G"), an environmental consulting and engineering services firm with offices in Wallace, Idaho, conducted a Phase I Environmental Site Assessment (the "ESA") of the Company's private landholdings. In December of 1997, the Company obtained an update to the ESA also authored by MF&G. Both assessments affirmed that previous mining exploration activities conducted on the properties left no "hazardous substances" or "facilities", as defined in the Comprehensive Environmental, Response, Compensation, and Liability Act ("CERCLA"), and pose no threat to human health, natural resources, or the environment from the standpoint of releases of any potentially hazardous substances to soil, groundwater, surface water or air. It is therefore management's opinion that the Company would have minimal liability if named as a Potentially Responsible Party ("PRP") under CERCLA from any past mining-oriented activities. Further, as stated in the above paragraph, any future mining operations that may be conducted on the Company's mineral rights by Teck Cominco under the New Cominco Lease would be by underground mining methods and the ores extracted would be transported underground in raw form directly to Teck Cominco's processing facilities located on Teck Cominco owned property. No hazardous substances or facilities will be used or constructed on the Company's mineral holdings. Nevertheless, the Company is listed in the chain-of-title of the properties and could be named as a PRP in the future. However, it is management's opinion that any such liability from being named a PRP would be minimal, and defendable under 42 U.S.C. § 9607(b)(3).

Additionally, under the New Cominco Lease, Teck Cominco is responsible for maintaining the Company's unpatented mining claims. To maintain an unpatented mining claim, the claimant must pay a $100 maintenance fee and incur $100 in assessment expenditures annually per claim. In the event Teck Cominco failed to maintain the Company's unpatented mining claims, the Company would be required to pay the annual maintenance fee and incur assessment expenditures in order to maintain the claims in good standing. Any such failure by Teck Cominco could a significant financial obligation of the Company.

The Company has no employees, has not announced any new products or services, does not require sources and raw materials, and has spent no funds on research the last two fiscal years.

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Subsequent Event – Business of Company

On January 10, 2004, the Company entered into an Agreement with Paymaster Resources Incorporated (hereinafter "Paymaster") to acquire Paymaster's mineral lease on the Golden Chest Mine, near Murray, Idaho (the "Golden Chest Lease"), and Paymaster's exploration agreement with New Jersey Mining Company (the "New Jersey Exploration Agreement"). The Paymaster shareholders approved the Agreement at a special meeting on February 23, 2004. The Company has issued Paymaster 466,954 shares of its authorized, but unissued common stock. Paymaster is considered a related party due to common directors.

Reports to securities holders

On September 14, 2000, the Company became a reporting company with the Securities and Exchange Commission, and will file all required reports. The Company will provide its shareholders with copies of its annual reports upon request.

Additionally, the public may read and copy all materials the Company files with the U.S. Securities and Exchange Commission (the "SEC") at the SEC's Public Reference Room at 450 Fifth Street N.W., Washington, D.C. 20549. The public may also obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site (http://www.sec.gov) that will contain reports, proxy and information statements and other information regarding the Company that is filed electronically with the SEC.

Item 2. Description of Property

The Company owns mineral rights and properties in the Metaline District, Pend Oreille County, State of Washington, as follows: the mineral rights attached to 5,798 acres of fee simple property; the mineral rights attached to 487 acres of patented mining claims, and 1,925 acres of unpatented mining claims. The Company does not own the surface rights to any of the fee simple property or patented mining claims. It does, however, have the right to use of the surface of the fee simple property and patented mining claims for exploration purposes, and the surface of the unpatented mining claims for exploration and, if warranted, development and mining purposes.

The Company has been renting office facilities at 6599 Prichard Creek Road, Murray, Idaho 83874, pursuant to an Office Service Agreement, dated June 1, 1998, as amended on July 1, 1999 and September 1, 2000, with Murrayville Land Company LLC (hereinafter "Murrayville"). The term of the agreement was month-to-month, for $225.00 per month, plus its share of the operating costs of the facility.

Subsequent Event - Office Services Agreement

Effective January 1, 2004, Murrayville terminated the Office Services Agreement due to its desire to sell the facility.

The Company does not invest in real estate or interests in real estate, does not invest in real estate mortgages or the types of properties subject to mortgages, does not invest in the securities of or interests of persons primarily engaged in real estate, does not own any improved properties, and has no plans for the renovation, improvement or development of any of its properties. In the opinion of management, the Company's properties are adequately covered by insurance.

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Item 3. Legal Proceedings

There are no pending legal proceedings to which the Company, its directors, officers or affiliates, or owners of record or beneficially of more than 5% of any class of voting securities are a party, or of which its mineral rights or properties are subject.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of security holders, through the solicitation of proxies or otherwise, for the year ending December 31, 2003.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters

The common stock of the Company is traded in the over-the-counter market on the NASD Bulletin Board under the symbol "MTLI". The shares were listed for trading during the third quarter of 2000. The range of high and low bid-ask information for the last eight quarters is as follows:

	High	Low
1 st Quarter, 2002	$0.45	$0.15
2 nd Quarter, 2002	$0.45	$0.15
3 rd Quarter, 2002	$0.45	$0.15
4 th Quarter, 2002	$0.45	$0.15
1 st Quarter, 2003	$0.45	$0.15
2 nd Quarter, 2003	$0.45	$0.15
3 rd Quarter, 2003	$0.45	$0.15
4 th Quarter, 2003	$0.45	$0.15

The quotations above were provided by Pennaluna & Company, a licensed securities brokerage firm registered with the National Association of Securities Dealers, located in Coeur d'Alene, Idaho. There is no affiliation between the Company and this firm. The quotations reflect inter-dealer prices, without retail mark-up, markdown or commissions, and may not represent actual transactions.

Management approved the reservation of 2,000,000 shares of the Company's common stock for options pursuant to the 1999 Stock Option Plan (the "Stock Option Plan"). The Stock Option Plan was approved at a Special Meeting of Shareholders on November 15, 1999. Immediately thereafter, the Company issued options to its three (3) directors and two (2) independent consultants, totaling One Million (1,250,000) shares. The independent consultants are Gene George of Spokane, Washington, and Nelson Robert Howard of Lewiston, Idaho.

There are approximately 293 shareholders of the Company's common stock at the date hereof.

To the management's knowledge, the Company has never paid a dividend, and there are no plans to pay dividends in the foreseeable future.

Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

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The Company had revenues from operations of $15,520 in 2003, versus $12,790 in 2002. The increase of $2,730 was due to the increase of advanced royalties paid to the Company under the New Cominco Lease. The Company also experienced a significant decrease in its operating loss to $23,810 in 2003 from $56,631 in 2002. The decrease of $32,821 was predominately attributable to decreased management and consulting fees, as well as a decrease in professional fees.

Management and consulting fees decreased by $34,114 in 2003 to $5,500 from $39,614 in 2002, due to the decrease in management fees paid to Nor-Pac. Professional fees, consisting of legal and accounting, decreased $1,975 to $15,719 in 2003 from $17,694 in 2002, due to a decrease in accounting expenses. Transfer agent fees increased $217 to $1,370 in 2003 versus $1,153 in 2002 due to an increase in monthly fees charged by the Company’s transfer agent. Office supplies and expenses increased by $5,781 to $16,741 in 2003 from $10,960 in 2002, due to increased costs associated with SEC reporting requirements via EDGAR, and past due directors fees.

The Company’s other income decreased by $1,245 in 2003 to $6,857 from $8,102 in 2002. The decrease was predominantly caused by the decrease in dividend income earned on the Company’s money market account due to lower interest rates.

Financial Condition

The Company believes it can satisfy its cash requirements for the next two (2) years. Current level of operations includes maintaining compliance with the New Cominco Lease, and the reporting requirements of the SEC. Thereafter, the Company may require additional capital for future operating costs and working capital. Such additional capital could be obtained from either increased revenues from operations (in the event the Company’s mineral holdings or properties were placed into commercial production), or from the sale of shares of the Company’s authorized, but unissued, common stock.

However, any production decision on the Company’s mineral rights and properties is under the sole discretion and control of third parties. Further, there are no assurances that the Company would be able to sell shares of its authorized, but unissued, common stock on terms acceptable to the Company. And, any such sales of shares could be dilutive to the Company’s then-existing shareholders. Any debt financings could involve restrictive covenants with respect to future capital raising activities, and other financial and operational matters.

At present, there are no trends, events or uncertainties that have, or are reasonably likely to have, a material impact on the Company’s short-term or long-term liquidity. There are no material commitments for capital expenditures, except for managing of its own business affairs, and there are no known trends, events or uncertainties that have, or that are reasonably expected to have, a material impact on the revenues from operations.

Liquidity and Capital Resources

To date, the Company has funded its capital requirements from revenues from operations, and dividends and interest earned on its cash accounts. As of December 31, 2003, the Company’s cash position was $105,687 as compared to $129,124 on December 31, 2002. The Company has no debt, and does not expect to incur any debt in the immediate future. The Company’s most significant cash requirements have been its management fees, and office services and accounting expenses. The Company has eliminated a major portion of these expenses with the termination of the Management Agreement and Office Services Agreement, effective January 1, 2004.

The Company should not experience any significant increase in capital requirements as a result of its agreement with Paymaster Resources Incorporated. (See “Subsequent Event - Business of Company” on page 7 above)

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Item 7. Financial Statements

Financial Statements for the Company for the fiscal years ended December 31, 2003 and December 31, 2002 audited by Williams & Webster, P.S., are included herein.

METALINE CONTACT MINES

FINANCIAL STATEMENTS
December 31, 2003

Williams & Webster, P.S.
Certified Public Accountants
Bank of America Financial Center
601 W. Riverside, Suite 1940
Spokane, WA 99201

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METALINE CONTACT MINES

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The Board of Directors
Metaline Contact Mines
Murray, Idaho

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying balance sheets of Metaline Contact Mines as of December 31, 2003 and 2002, and the related statements of operations, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Metaline Contact Mines as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Williams & Webster, P.S.
Spokane, Washington
Certified Public Accountants

March 5, 2004

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METALINE CONTACT MINES
BALANCE SHEETS

	December 31, 2003	December 31, 2002
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 105,687	$ 111,124
Receivable from related party	—	18,000
Total Current Assets	105,687	129,124
OTHER ASSETS		
Receivables from related parties	109,413	109,413
Accrued interest receivable	22,978	15,320
Investment in LLC	33,935	35,109
Total Other Assets	166,326	159,842
TOTAL ASSETS	$ 272,013	$ 288,966
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Deferred royalty income	$ 3,880	$ 3,880
Total Current Liabilities	3,880	3,880
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDERS' EQUITY		
Common stock, $0.05 par value; 20,000,000 shares authorized, 14,064,300 shares issued and outstanding	703,222	703,222
Additional paid-in capital	302,165	302,165
Stock options	17,907	17,907
Accumulated deficit	(755,161)	(738,208)
Total Stockholders' Equity	268,133	285,086
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 272,013	$ 288,966

The accompanying notes are an integral part of these financial statements.

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METALINE CONTACT MINES
STATEMENT OF OPERATIONS

	Year Ended December 31, 2003	Year Ended December 31, 2002
REVENUES		
Royalty income	$ 15,520	$ 12,790
GENERAL AND ADMINISTRATIVE EXPENSES		
Consulting and management fees	5,500	39,614
Professional fees	15,719	17,694
Transfer agent fees	1,370	1,153
Office supplies and expenses	16,741	10,960
TOTAL EXPENSES	39,330	69,421
OPERATING LOSS	(23,810)	(56,631)
OTHER INCOME		
Dividend income	372	1,522
Interest income	7,659	7,659
Loss from investment in LLC	(1,174)	(1,079)
TOTAL OTHER INCOME	6,857	8,102
LOSS BEFORE TAXES	(16,953)	(48,529)
INCOME TAX EXPENSE	—	—
NET LOSS	$ (16,953)	$ (48,529)
NET LOSS PER COMMON SHARE, BASIC AND DILUTED	$ nil	$ nil
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	14,064,300	14,064,300

The accompanying notes are an integral part of these financial statements.

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METALINE CONTACT MINES
STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid-in Capital	Stock Options	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2001	14,064,300	$703,222	$302,165	$17,907	$(689,679)	$333,615
Net loss for the year ended, December 31, 2002	—	—	—	—	(48,529)	(48,529)
Balance, December 31, 2002	14,064,300	703,222	302,165	17,907	(738,208)	285,086
Net loss for the year ended, December 31, 2003	—	—	—	—	(16,953)	(16,953)
Balance, December 31, 2003	14,064,300	$703,222	$302,165	$17,907	$(755,161)	$268,133

The accompanying notes are an integral part of these financial statements.

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METALINE CONTACT MINES
STATEMENT OF CASH FLOWS

	For the Year Ended	
	December 31, 2003	December 31, 2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (16,953)	$ (48,529)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Net loss in investment in LLC	1,174	1,079
Changes in assets and liabilities:		
Increase in interest receivable	(7,658)	(7,660)
Increase (decrease) in deferred royalty income	—	880
Net cash provided (used) by operating activities	(23,437)	(54,230)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Cash advance to related party	18,000	(18,000)
Net cash provided (used) by financing activities	18,000	(18,000)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:	—	—
Net increase (decrease) in cash and cash equivalents	(5,437)	(72,230)
Cash at beginning of period	111,124	183,354
Cash at end of period	$105,687	$111,124
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Income taxes paid	$ —	$ —
Interest paid	$ —	$ —

The accompanying notes are an integral part of these financial statements.

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METALINE CONTACT MINES

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2003

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

Metaline Contact Mines (hereinafter “Metaline” or “the Company”) was incorporated in November of 1928 under the laws of the State of Washington for the purpose of engaging in mining and the buying and selling of ores, metals, and minerals.

The Company was reorganized and recapitalized in 1960 and its articles of incorporation were amended to expand its business purposes to include various additional business activities. Metaline has continued its operations since its formation and has historically acquired land, mineral rights, patented lode mining claims, and timber in the Pacific Northwest.

In the last quarter of 1996, Metaline transferred substantially all of its assets to a limited liability company. See Note 4.

The Company’s year end is December 31.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company’s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Accounting Method

The Company’s financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Recent Accounting Pronouncements

In May 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 150, “Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity” (hereinafter “SFAS No. 150”). SFAS No. 150 establishes standards for classifying and measuring certain financial instruments with characteristics of both liabilities and equity and requires that those instruments be classified as liabilities in statements of financial position. Previously, many of those instruments were classified as equity. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003 and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company has determined that there was no impact to its financial statements from the adoption of this statement.

In April 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 149, “Amendment of Statement 133 on Derivative Instruments and Hedging Activities” (hereinafter “SFAS No. 149”). SFAS No. 149 amends and clarifies the accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133, “Accounting for Derivative

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METALINE CONTACT MINES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2003

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

Instruments and Hedging Activities". This statement is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The adoption of SFAS No. 149 is not expected to have a material impact on the financial position or results of operations of the Company.

In December 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure" (hereinafter "SFAS No. 148"). SFAS No. 148 amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, the statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosure in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The provisions of the statement are effective for financial statements for fiscal years ending after December 15, 2002. As the Company accounts for stock-based compensation using SFAS No. 123, the adoption of SFAS No. 148 has no material impact on the Company's financial condition or results of operations.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all short-term debt with original maturities of three months or less to be cash equivalents.

Fair Value of Financial Instruments

The carrying amounts for cash, receivables, investments, accounts payable and accrued liabilities approximate their fair value. All instruments are accounted for on an historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at December 31, 2003.

Concentration of Risk

The Company maintains its cash in primarily one money market account, the funds of which are not insured by the Federal Deposit Insurance Corporation. The balance in that account was $105,216 and $110,353 at December 31, 2003 and 2002, respectively. Further, the Company's sole source of revenues currently is royalty income received under a mineral property lease with Teck Cominco American, Inc. See Note 6.

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative Instruments

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 (hereinafter "SFAS No. 133"), "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities-Deferral of the Effective Date of FASB No. 133", and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities", and SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities", the last of which is effective June 30, 2003. These statements establish and clarify accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. They require that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value.

If certain conditions are met, a derivative may be specifically designated as a hedge, the objective of which is to match the timing of gain or loss recognition on the hedging derivative with the recognition of (i) the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk or (ii) the earnings effect of the hedged forecasted transaction. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change.

Historically, the Company has not entered into derivatives contracts to hedge existing risks or for speculative purposes.

At December 31, 2003, the Company had not engaged in any transactions that would be considered derivative instruments or hedging activities.

Investments

The Company accounts for its investment in Metaline Contact Mines, LLC using the equity method. See Note 3.

Compensated Absences

Currently, the Company has no employees; therefore, no liability has been recorded in the accompanying financial statements. The Company's policy will be to recognize the costs of compensated absences when there are employees who earn such benefits.

Basic and Diluted Loss Per Share

Loss per share was computed by dividing the net loss by the weighted average number of shares outstanding during the period. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Outstanding options have been excluded from the calculation of diluted loss per share as they would be antidilutive; accordingly, basic and diluted loss per share are the same.

Revenue Recognition

The Company recognizes royalty revenue as earned according to contract terms.

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METALINE CONTACT MINES
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NOTE 3 – INVESTMENT IN LLC

On October 30, 1996, the Company organized a Delaware limited liability company, Metaline Contact Mines, LLC (hereinafter "The LLC"). Upon organization of The LLC, the Company transferred substantially all of its assets (primarily real property surface rights and timber) to The LLC. At the time of The LLC's formation, the Company was the sole managing member in The LLC, representing 100% ownership. In 1998, the majority of the Company's interest in The LLC was expensed in connection with the sale of the majority of The LLC's assets.

At the beginning of 1998, the Company's former shareholders acquired 93% of The LLC by transferring their stock in the Company to The LLC in exchange for non-managing membership interests. See Note 7. At the conclusion of this share exchange, the Company's percentage of ownership in The LLC was reduced to seven percent (7%). The Company wrote down its initial investment by 93% to reflect its diluted investment in The LLC. After the write down of its investment and net change in member capital during the year 1998, the value of the Company's investment in The LLC was $45,440 at December 31, 1998.

After the dilution of its investment in The LLC, the Company continued as the managing member of The LLC. See Note 5.

At December 31, 2003, the Company recorded a yearly loss on its investment in The LLC of $1,174 thereby reducing the Company's recorded interest in The LLC to $33,935.

NOTE 4 – MINERAL PROPERTIES

In 1996, Metaline transferred timber and real property surface rights to The LLC (see Note 3) but retained underground mineral rights to the transferred real property and its mining claims, located in Pend Oreille County in Washington State. The timber and real property surface rights were deemed by management to have a value equal to their recorded cost and this cost was transferred to The LLC. The related mineral rights are carried at no cost on Metaline's books.

In 1997, Metaline and The LLC jointly leased certain Pend Oreille County real estate and all related mineral rights to a major mining company. See Note 6.

NOTE 5 – RELATED PARTY TRANSACTIONS

In March 2002, the Company advanced $18,000 on a short-term, non-interest bearing, unsecured basis to Murrayville Land Company, LLC, an affiliated company, to facilitate a real estate purchase. This receivable was repaid in May 2003.

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METALINE CONTACT MINES
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NOTE 5 – RELATED PARTY TRANSACTIONS (continued)

During 1998, The LLC sold property for a net gain of $5,958,762. Metaline's share of this gain, before adjustments of the Company's investment from The LLC's operating results and write down from its substantial decrease in ownership of The LLC, was $507,858. See Note 3. The Company recorded a non-current, related party receivable of $109,413 for the balance of the distribution. Due to uncertainty as to the date this receivable will be collected, this asset together with accrued interest at the rate of 7 percent per annum is recorded as a non-current asset at December 31, 2003 and December 31, 2002.

In June 1998, Metaline executed an agreement with Nor-Pac Limited Company (hereinafter "Nor-Pac"), an affiliated company, wherein, for providing management and consulting services to Metaline, Nor-Pac was entitled to receive 500,000 shares of Metaline common stock in the second half of 1998, 250,000 shares of Metaline common stock quarterly in 1999 and $10,000 per month thereafter commencing on January 1, 2000. This agreement was modified with an effective date of January 1, 2002, reducing the fee to $3,000 per month. A further modification was made effective January 1, 2003, reducing the management fee to $500 per month.

For additional information on related parties, see Notes 3, 6, 7 and 10.

NOTE 6 – MINING LEASE WITH PURCHASE OPTION

On September 1, 1997, Metaline and The LLC acting jointly as lessors executed an agreement with Cominco American Incorporated (hereinafter "Cominco") wherein Cominco received the right to explore, develop, and mine Metaline's underground mineral rights in Pend Oreille County, Washington for a period of twenty years with an option renewal period of the same length. Under this lease agreement, Cominco obligated itself to pay the lessors $3,000 per quarter for the first five years of the lease with ascending quarterly increments at each successive five year interval. The lease characterizes the aforementioned quarterly disbursements as "advance royalty payments" which may be fully offset against a three-percent production royalty retained by the lessors. The lease agreement gives Cominco the option to purchase 200 surface acres of the leased property for fair market value during the lease term.

During 2001, Teck Cominco Limited was formed, following the Acquisition of Cominco Limited by another mining company, Teck Corporation. The former subsidiary of Cominco Limited, Cominco American Incorporated, was renamed Teck Cominco American, Inc., and continues as lessee under the original Cominco lease agreement.

Effective March 15, 2002, the aforementioned lease agreement was amended, thereby reducing the amount of acreage leased from the Company, and providing for an approximately three percent (3%) decrease in royalty payments.

From the inception of the lease through December 31, 2003, Metaline has received $90,966 in payments from Cominco and Teck.

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METALINE CONTACT MINES
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NOTE 7 – CHANGE IN LLC OWNERSHIP

On June 1, 1998, Nor-Pac Limited Company ("Nor-Pac") purchased control of The LLC from its three principal owners at the time (Bunker Limited Partnership, Hecla Mining Company, and Metaline Mining & Leasing Company) by acquiring these entities' non-managing membership interests in Metaline Contact Mines LLC. See Notes 1 and 5.

NOTE 8 – INCOME TAXES

Income taxes are provided based upon the liability method of accounting pursuant to Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes" (hereinafter "SFAS No. 109"). Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against the deferred tax asset if management does not believe the Company has met the "more likely than not" standard imposed by SFAS No. 109 to allow recognition of such an asset.

At December 31, 2003 and 2002, the Company had a net deferred tax asset of approximately $212,000 and $160,000, respectively, principally arising from net operating loss carryforwards for income tax purposes, which were calculated using a 34% tax rate. This resulted in a change to the net deferred tax asset of approximately $52,000. As management of the Company cannot determine that it is more likely than not that the Company will realize the benefit of the net deferred tax asset, a valuation allowance equal to the net deferred tax asset has been established.

At December 31, 2003, the Company has a net operating loss carryforward of approximately $625,000, which will fully expire in the year 2023.

NOTE 9 – STOCK OPTIONS

The Company has adopted Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (hereinafter "SFAS No. 123"), which defines a fair value-based method of accounting for stock options and other equity instruments. This method measures compensation costs based on the estimated fair value of the award and recognizes that cost over the service period.

On November 16, 1999, the Company's board of directors approved the Metaline Contact Mines 1999 Stock Option Plan. This plan allows the Company to distribute up to 2,000,000 shares of common stock shares to officers, directors, employees and consultants through the authorization of the Company's board of directors at an initial exercise price of $0.125, or $0.15, depending on the terms of the option certificate. The options may be exercised until November 16, 2009, at which time they expire.

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METALINE CONTACT MINES
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NOTE 9 – STOCK OPTIONS (Continued)

The fair value of the options granted on November 12, 2001 was estimated using the Black-Scholes Option Price Calculation. The following assumptions were made to estimate fair value: the risk-free interest rate is 6.0%, volatility is 24%, and the expected life of the options is eight years. Accordingly, $4,275 of option expense was recorded in the Company's financial statements as consulting and management fees. In accordance with Financial Accounting Standard No. 123 paragraph 115, this expense was deemed to be an estimate, subject to adjustment by decreasing the expense in the period of forfeiture.

Following is a summary of the status of fixed options outstanding at December 31, 2002 and December 31, 2003:

	Number of Shares	Weighted Average Exercise Price
Outstanding January 1, 2002	1,250,000	$0.13
Granted	—	—
Exercised	—	—
Forfeited	—	—
Expired	—	—
Outstanding, December 31, 2002	1,250,000	$0.13
Exercisable, December 31, 2002	1,250,000	$0.13
Outstanding January 1, 2003	1,250,000	$0.13
Granted	—	—
Exercised	—	—
Forfeited	—	—
Expired	—	—
Outstanding, December 31, 2003	1,250,000	$0.13
Exercisable, December 31, 2003	1,250,000	$0.13

NOTE 10 – COMMITMENTS AND CONTINGENCIES

All earnings from The LLC in 1997 and 1996 were attributed by The LLC's principal owners to Metaline. Accordingly, Metaline reported these earnings as its own taxable income (on both Metaline's and The LLC's federal income tax returns) with Metaline retaining only a 6.9861% interest in The LLC. For calendar years 1998 through 2003, Metaline reported only its pro rata share (6.9861%) of taxable income from The LLC, with other LLC members reporting their respective share of LLC taxable income.

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METALINE CONTACT MINES
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NOTE 10 – COMMITMENTS AND CONTINGENCIES (continued)

The LLC has agreed, in writing, to indemnify Metaline for any prior year income distributions requested by other LLC members. As of December 31, 2003, no cash or property distributions were made by the LLC to its members for indemnification purposes. In view of the ownership changes in The LLC, future distributions are expected to be made by The LLC to its members as determined from time to time by Metaline, its managing member. See Note 7 regarding a change in LLC ownership and see Note 5 regarding related party commitment.

NOTE 11 – SUBSEQUENT EVENTS

In January 2004, the Company agreed to issue 466,954 shares of its common stock to Paymaster Resources Incorporated (hereinafter "Paymaster"), a related party (due to common officers and directors), in order to acquire Paymaster's interest in a minerals lease to patented mining claims in Shoshone County, Idaho. In this transaction, the Company also acquired Paymaster's interest in an exploration agreement with New Jersey Mining Company which relates to the aforementioned mining claims.

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Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

There have been no changes in or disagreements with accountants on accounting and financial disclosure during the Company's two most recent fiscal years.

PART III

Item 9. Directors, Executive Officers, and Promoters and Control Persons

The officers and directors of the Company are as follows:

Richard L. Howell. Age 69. Mr. Howell has been the President and a director of the Company since 1998. From 1978 to 1995, Mr. Howell was the Personal Representative of the Estate of Nelson R. Howard and Trustee of the Testamentary Trust created under the Will of Nelson R. Howard. From 1995 to June 1, 2000, Mr. Howell was the Manager of Golconda Limited Company, the successor to the Nelson Howard Trust. From 1994 to present Mr. Howell has been the President and a Governor of Mission Mountain Interests Ltd. Co.; from 1997 to present the President and a Governor of Nor-Pac Limited Company; from 1998 to present, the President and a Governor of Murrayville Land Company LLC, and from 1998 to present, a Director of Paymaster Resources Incorporated.

John W. Beasley. Age 58. Mr. Beasley has been the Secretary and a director of the Company since 1998. He holds a Bachelor of Science degree in Agricultural Economics from the University of California at Berkeley. From 1967 to 1975, Mr. Beasley played professional football for the Minnesota Vikings (including Super Bowl IV) and New Orleans Saints. From 1976 to 1982, he held numerous management positions with the Gulf Consolidated Services organization, including Vice President - Eastern Hemisphere in London, England. From 1992 to present, Mr. Beasley has been President and Manager of J.W. Beasley Interests LLC; from 1994 to present, the Secretary and a Governor of Mission Mountain Interests Ltd. Co.; from 1997 to present, the Secretary and a Governor of Nor-Pac Limited Company; from 1998 to present, the Secretary and a Governor of Murrayville Land Company LLC, and the President and a Director of Paymaster Resources Incorporated; from 1999 to present, the Secretary and a Governor of Prichard Creek Resource Partners LLC.

Ed Pommerening. Age 56. Mr. Pommerening has been a director of the Company since 1998. He holds a Bachelor of Science degree in Forestry from the University of Idaho. From 1974 to 1982, Mr. Pommerening was the Forester for The Bunker Hill Company, and from 1982 to 1991 for the Bunker Limited Partnership. From 1991 through 1993, Mr. Pommerening was the Forester for Pintlar Corp. From 1993 to the present, Mr. Pommerening has been the President and Manager of Riverview Timber Services LLC; from 1997 to present, a Governor of Nor-Pac Limited Company, and from 1998 to present, the Secretary and a Director of Paymaster Resources Incorporated.

The Directors of the Company are not directors of any other reporting companies. There are no family relationships among the officers and directors of the Company. None of them have been subject to a bankruptcy petition filed by or against any business of which they were officers, directors or partners; been convicted in a criminal proceeding, or subject to a pending criminal proceeding; been, or is subject to any order, judgment, or decree of any court of competent jurisdiction permanently or temporarily enjoining, barring, suspending or limiting their involvement in any type of business, securities or banking activities. None of the officers and directors of the Company have violated any federal or state securities laws, or found by any court or the Securities and Exchange Commission to have violated any such laws.

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Item 10. Executive Compensation

On June 1, 1998, the Company entered into the Management Agreement described below with Nor-Pac Limited Company (hereinafter "Nor-Pac"). To date, the Company has paid Nor-Pac management fees of 1,500,000 shares of its authorized, but unissued, common stock, with an aggregate value of $75,000, and $281,500 in cash. Nor-Pac is owned, as to 75%, by entities that are owned by the Company's directors as disclosed below.

Summary Compensation Table

SUMMARY COMPENSATION TABLE

					Long Term Compensation			
		Annual Compensation			Awards		Payouts	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Restricted Stock Awards ($)	Securities Underlying Option/SAR (#)	LTIP Payouts ($)	All Other Compensation ($)
Richard	2001	0	0	0	0	0	0	0
Howell,	2002	0	0	0	0	0	0	0
President and Director	2003	0	0	0	0	0	0	1,400
John	2001	0	0	0	0	0	0	0
Beasley,	2002	0	0	0	0	0	0	0
Secretary and Director	2003	0	0	0	0	0	0	1,400
Ed	2001	0	0	0	0	0	0	0
Pommerening Director	2002	0	0	0	0	0	0	0
	2003	0	0	0	0	0	0	1,400

Option/SAR Grants Table

Option/SAR Grants in Last Fiscal Year

Individual Grants				
(a)	(b)	(c)	(d)	(e)
Name	Number of Securities Underlying Options/SAR's Granted	% of Total Options/SAR's Granted to Employees in Fiscal Year	Exercise or Base Price ($/S)	Expiration Date
	0	0	N/A	N/A

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Note: The Exercise Price, as specified in column “d” above is subject to adjustment. In the event the Company issues or sells any common stock for a per share consideration of less than the Exercise Price stated in column “d” above, the Exercise Price shall be reduced to the price (calculated to the nearest cent) determined by multiplying the Exercise Price in effect immediately prior to the time of such issue or sale by a fraction (i) the numerator of which shall be the sum of (x) the aggregate number of common shares outstanding immediately prior to such issue or sale plus (y) the consideration received by the Company upon such issue or sale, and (ii) the denominator of which shall be the product of (x) the aggregate number of common shares outstanding immediately after the issue or sale, multiplied by (y) the market price of the common shares immediately prior to such issue or sale.

No adjustment of the Exercise Price shall be made by reason of (i) the issue, sale, or grant under any stock option plan or stock purchase plan of the Company or under any individual arrangement or otherwise, to any employee or director of the Company or any independent contractor, in consideration of the rendering of services to the Company by such employee, director, or independent contractor, of any common shares or rights to subscribe for or to purchase, or options for the purchase of, common shares or convertible securities or (ii) a change in the purchase price provided for in any such right or option, in the additional consideration, if any, payable upon the conversion or exchange of any such convertible securities, or in the rate at which any such convertible securities are convertible or exchangeable.

Aggregated Option/SAR Exercises and Fiscal Year-End Option/SAR Value Table

Aggregate Option/SAR Exercises in Last Fiscal Year and FY-End Option/SAR Values

(a)	(b)	(c)	(d)	(e)
Name	**Shares Acquired on Exercise (#)**	**Value Realized ($)**	**Number of Securities Underlying Unexercised Options/SARs at FY-End (#) Exercisable/Unexecisable**	**Value of Unexercised In-the Money Options/SARs at FY-End ($) Exercisable/Unexecisable**
Richard Howell	0	0	0 / 0	$0 / $0
John Beasley	0	0	0 / 0	$ 0 /$0
Ed Pommerening	0	0	0 / 0	$0 / $0
Gene George	0	0	0 / 0	$0 / $0
Nelson Robert Howard	0	0	0 / 0	$0 / $0

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The Company has no Long Term Incentive Plans. Directors of the Company receive $175.00 for each regularly scheduled meeting of directors, and $350.00 for each specially scheduled meeting, plus normal out-of-pocket expenses incurred to attend said meetings. Except for the options granted to the Directors previously described, there are no other arrangements to compensate directors. The Company has no employment contracts with its executive officers, and no compensatory plan or arrangements with its executive officers in the event of the resignation, retirement or any other termination of such executive officers, nor does the Company have any arrangements with its executive officers in the event of a charge in control of the Company.

Item 11. Security Ownership of Certain Beneficial Owners and Management

The following table sets out the names and shareholdings of beneficial owners known to the Company to own more than five percent (5%) of the common stock of the Company, each director and officer of the Company, and the shareholdings of all directors and officers as a group.

(1) Title of Class	(2) Name and Address of Beneficial Owner	(3) Amount and Nature of Beneficial Owner	(4) Percent of Class	(5) Amount and (Percent) of Class if All Warrants are Exercised	
Common	Metaline Contact Mines LLC P.O. Box 387 Murray, ID 83874 (1)	11,236,643 Direct Owner	79.89%	11,236,643	(73.30%)
Common	Nor-Pac Limited Company P.O. Box 412 Murray, ID 83874	1,500,000 Direct Owner	10.66%	1,500,000	(9.70%)
Common	Richard L. Howell 1509 Hemlock Lewiston, ID 83501	3,183,992 Indirect Owner	22.60%	3,433,992	(22.40%)
Common	Ed Pommerening P.O. Box 369 Pinehurst, ID 83850	3,183,992 Indirect Owner	22.60%	3,433,992	(22.40%)
Common	John W. Beasley P.O. Box 387 Murray, ID 83874	1,591,996 Indirect Owner	11.30%	1,841,996	(12.00%)
Common	Directors and Executive Officers as a group	7,959,980 Indirect Owners	56.50%	8,709,980	(56.80%)

Note 1: Metaline Contact Mines LLC is owned, as to 99.994%, by Nor-Pac.

Note 2: Richard L. Howell is the Trustee of the R.L. and M.D. Howell Trust, the owner of a 25% equity membership interest in Nor-Pac; Ed Pommerening is the Manager of Riverview Timber Services LLC, the owner of a 25% equity membership interest in Nor-Pac; and John W. Beasley is the Manager of J.W. Beasley Interests LLC, a member (as to 50%) of G.G.J.B. & K.G.P.B. Holdings Limited Company (hereinafter “GGJB”). GGJB is the owner of a 25% equity membership interest in Nor-Pac.

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By virtue of entities' interests in Nor-Pac, Messrs. Howell, Pommerening, and Beasley are considered as being "indirect" owners of the above shares.

There are no arrangements, written or oral, which may result in a change in control of the Company.

Item 12. Certain Relationships and Related Transactions

On June 1, 1998, the Company entered into an Agreement for Management and Consulting Services (hereinafter the "Management Agreement") with Nor-Pac. Under the terms of the Management Agreement, Nor-Pac provides the Company with certain management and consulting services, and Nor-Pac received Five Hundred Thousand (500,000) shares of the Company's authorized, but unissued, common stock in the second half of 1998, Two Hundred Fifty Thousand (250,000) shares quarterly in 1999, and Ten Thousand Dollars ($10,000) per month thereafter commencing on January 1, 2000. The Management Agreement was amended on January 1, 2002 reducing the cash consideration to Three Thousand Dollars ($3,000) per month, and again amended on January 1, 2003 reducing the cash consideration to Five Hundred Dollars ($500) per month. All payments due Nor-Pac pursuant to the terms of the Management Agreement have been made.

Because of their respective interests in Nor-Pac, Richard L. Howell, John W. Beasley and Ed Pommerening may be deemed to have an indirect material interest in the transaction.

Subsequent Event to Management Agreement

Effective January 1, 2004, the Company and Nor-Pac terminated the Management Agreement by mutual consent.

The Company has not transacted any business with promoters, nor have any of its assets been or are to be acquired from promoters.

Item 13. Exhibits and Reports on Form 8-K

(a) Exhibits required by Item 601 of Regulation S-B:

Exhibit No.	Description
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Omitted Exhibits are incorporated by reference to the Company's Registration Statement on Form 10-SB; SEC File No. 0-31025.

(b) No reports have been filed on Form 8-K during the last fiscal year covered by this report.

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Item 14. Controls and Procedures

Annual Evaluation of the Company’s Disclosure Controls and Internal Controls

Within 90 days prior to the date of this Annual Report on Form 10-KSB, the Company evaluated the effectiveness of the design and operation of its “disclosure controls and procedures” (“Disclosure Controls”), and its “internal controls and procedures for financial reporting” (“Internal Controls”). This evaluation (the “Controls Evaluation”) was done under the supervision and with the participation of management, including the Company’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). Rules adopted by the SEC require that in this section of the Annual Report the Company present the conclusions of the CEO and the CFO about the effectiveness of it’s Disclosure Controls and Internal Controls based on and as of the date of the Controls Evaluation.

CEO and CFO Certifications

Appearing immediately following the Signatures section of this Annual Report there are two separate forms of “Certifications” of the CEO and the CFO. The second form of Certification is required in accord with Section 302 of the Sarbanes-Oxley Act of 2002 (the “Section 302 Certification”). This section of the Annual Report, which you are currently reading, is the information concerning the Controls Evaluation referred to in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

Disclosure Controls and Internal Controls

Disclosure Controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 (“Exchange Act’), such as this Annual Report, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission (“SEC”) rules and forms. Disclosure Controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Internal Controls are procedures which are designed with the objective of providing reasonable assurance that the Company’s (1) transactions are properly authorized; (2) assets are safeguarded against unauthorized or improper use; and (3) transactions are properly recorded and reported, all to permit the preparation of our financial statements in conformity with generally accepted accounting principles.

Limitations of the Effectiveness of Controls

The Company’s management, including the CEO and CFO, does not expect that it’s Disclosure Controls or its Internal Controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

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Scope of the Controls Evaluation

The CEO/CFO evaluation of the Company's Disclosure Controls and our Internal Controls include a review of the controls' objectives and design, the controls' implementation by the Company and the effect of the controls' on the information generated for use in this Annual Report. In the course of the Controls Evaluation, management sough to identify data errors, controls problems or acts of fraud and to confirm that appropriate corrective action, including process improvements, were being undertaken. This type of evaluation will be done on a quarterly basis so that the conclusions concerning controls effectiveness can be reported in the Company's Quarterly Reports on Form 10-QSB and Annual Report on Form 10-KSB. The Company's Internal Controls are also evaluated on an on-going basis by its independent auditors in connection with their audit and review activities. The overall goals of these various evaluation activities are to monitor our Disclosure Controls and our Internal Controls and make modifications as necessary; our intent in this regard is that the Disclosure Controls and the Internal Controls will be maintained as dynamic systems that change (including the improvements and corrections) as conditions warrant.

Among other matters, the Company sought in its evaluation to determine whether there were any "significant deficiencies" or "material weaknesses" in the Company's Internal Controls, or whether the Company had identified any acts of fraud involving personnel who have a significant role in the Company's Internal Controls. This information was important both for the Controls Evaluation generally and because items 5 and 6 in the Section 302 Certifications of the CEO and CFO require that the CEO and CFO disclose that information to our Board's Audit Committee and to our independent auditors and to report on related matters in this section of the Annual Report. In the professional auditing literature, "significant deficiencies" are referred to as "reportable conditions"; these are control issues that could have a significant adverse effect on the ability to record, process, summarize and report financial data in the financial statements. A "material weakness" is defined in the auditing literature as a particularly serious condition where the internal control does not reduce to a relatively low level the risk that misstatements caused by error or fraud may occur in amounts that would be material in relation to the financial statements and may not be detected within a timely period by employees in the normal course of performing their assigned functions. The Company also sought to deal with other controls matters in the Controls Evaluation, and in each case if a problem was identified, management considered what revision, improvement and/or correction to make in accord with our on-going procedures.

In accord with SEC requirements, the CEO and CFO note that, since the date of the Controls Evaluation to the date of this Quarterly Report, there have been no significant changes in Internal Controls or in other factors that could significantly affect Internal Controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

Conclusions

Based upon the Controls Evaluation, the Company's CEO and CFO have concluded that, subject to the limitations noted above, its Disclosure Controls are effective to ensure that material information relating to the Company is made known to management, including the CEO and CFO, particularly during the period when its periodic reports are being prepared, and that its Internal Controls are effective to provide reasonable assurance that the Company's financial statements are fairly presented in conformity with generally accepted accounting principles.

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SIGNATURE

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

METALINE CONTACT MINES

By: /s/ *Richard L . Howell* Date: 3/26/04

Richard L. Howell, President
(Principal Executive Officer)

By: /s/ *John W . Beasley* Date: 3/26/04

John W. Beasley, Secretary/Treasurer
(Principal Financial Officer)

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ *Richard L . Howell* Date: 3/26/04

Richard L. Howell
Director

By: /s/ *John W . Beasley* Date: 3/26/04

John W. Beasley
Director

By: /s/ *Ed Pommerening* Date: 3/26/04

Ed Pommerening
Director

**Supplemental information to be Furnished With Reports Filed
Pursuant to Section 15(d) of the Exchange Act by Non-Reporting Issuers**

Not Applicable

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard l. Howell, President and Chief Executive Officer of Metaline Contact Mines (the "Registrant") certify that:

1. I have reviewed this annual report on Form 10-KSB being filed;

2. Based on my knowledge, the report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this annual report.

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and have:

(i) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made to us by others within those entities, particularly during the period in which this annual report is being prepared.

(ii) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

(iii) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing the equivalent functions):

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weakness in internal controls; and

(ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's controls; and

6. The Registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 26, 2004

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/s/ Richard L. Howell
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    Richard L. Howell, President
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EXHIBIT 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John W. Beasley, Secretary/Treasurer and Chief Financial Officer of Metaline Contact Mines (the "Registrant") certify that:

1. I have reviewed this annual report on Form 10-KSB being filed;

2. Based on my knowledge, the report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this annual report.

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant and have:

(i) designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made to us by others within those entities, particularly during the period in which this annual report is being prepared.

(ii) evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

(iii) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures on our evaluation as of the Evaluation Date;

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing the equivalent functions):

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weakness in internal controls; and

(ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's controls; and

6. The Registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 26, 2004

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/s/ John W. Beasley
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John W. Beasley, Chief Financial Officer
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EXHIBIT 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Metaline Contact Mines (the "Company") on Form 10-KSB for the period ending December 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard L. Howell, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly, in all material respects, the financial condition and results of operations of the Company.

Date: March 26, 2004

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By: /s/ Richard L. Howell
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    Richard L. Howell
    President & Chief Executive Officer
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EXHIBIT 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Metaline Contact Mines (the "Company") on Form 10-KSB for the period ending December 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John W. Beasley, Secretary, Treasurer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly, in all material respects, the financial condition and results of operations of the Company.

Date: March 26, 2004

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By: /s/ John W. Beasley
    ----------------------------------------------
    John W. Beasley
    Secretary, Treasurer & Chief Executive Officer
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End of Filing