

ROCA MINES INC.

(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended

May 31, 2005

(Expressed in Canadian Dollars)

Prepared by Management Without Audit

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the period ended May 31, 2005.

Consolidated Balance Sheet

Canadian Funds

	As at May 31, 2005 (Unaudited)	As at August 31, 2004
ASSETS		
Current		
Cash and cash equivalents	\$ -	\$ 736,148
Receivables	70,331	71,694
Prepaid expenses	77,728	79,014
	<u>148,059</u>	<u>886,856</u>
Resource Property Costs - Schedule (Note 4)	4,838,201	2,823,974
Reclamation Bonds	40,900	35,900
Property, Plant and Equipment (Note 5)	31,665	30,022
	<u>4,910,766</u>	<u>2,889,896</u>
	\$ 5,058,825	\$ 3,776,752
LIABILITIES		
Current		
Bank overdraft	\$ 3,355	\$ -
Accounts payable, accrued liabilities	504,477	367,129
	<u>507,832</u>	<u>367,129</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 6a)	5,562,206	4,202,174
Contributed Surplus (Note 6i)	347,026	310,826
Deficit - Statement 2	(1,358,239)	(1,103,377)
	<u>4,550,993</u>	<u>3,409,623</u>
	\$ 5,058,825	\$ 3,776,752

ON BEHALF OF THE BOARD:

"Scott E. Broughton", Scott E. Broughton, Director

"John M. Mirko", John M. Mirko, Director

- See Accompanying Notes -

Consolidated Statement of Loss and Deficit

Canadian Funds

Unaudited

	For the Three Months Ended		For the Nine Months Ended	
	May 31, 2005	May 31, 2004	May 31, 2005	May 31, 2004
Expenses				
Consulting fees	\$ 3,869	\$ 12,000	\$ 14,219	\$ 36,000
Consulting fees-related party	19,400	25,725	66,600	75,900
Stock-based Compensation	-	-	36,200	20,700
Office and sundry	7,722	7,546	20,971	14,937
Accounting, audit, legal fees	11,246	4,028	35,210	28,236
Travel and Insurance	8,923	32,270	18,053	55,514
Listing and filing fees	1,891	1,469	10,966	17,956
Rent	1,500	1,500	4,500	4,500
Amortization	3,743	1,622	8,399	2,635
Advertising, promotion and shareholder relations	11,826	25,740	43,013	61,382
Loss before the Under-noted	70,121	111,900	258,131	317,760
Resource Costs written-off	-	-	-	186,198
Interest income for the period	(1,070)	(348)	(3,269)	(2,029)
Loss for the period	\$ 69,051	\$ 111,552	\$ 254,862	\$ 501,929
Deficit, beginning of period	1,289,188	691,775	1,103,377	301,398
Deficit, end of period	\$ 1,358,239	\$ 803,327	\$ 1,358,239	\$ 803,327
Loss per Share - Basic and Diluted	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.03

- See Accompanying Notes -

Consolidated Statement of Cash Flows

Canadian Funds

Unaudited

	For the Three Months Ended		For the Nine Months Ended	
	May 31, 2005	May 31, 2004	May 31, 2005	May 31, 2004
Cash Resources Provided By (Used In):				
Loss for the period	\$ (69,051)	\$ (111,552)	\$ (254,862)	\$ (501,929)
Items not affected by cash:				
Amortization	3,743	1,622	8,399	2,635
Resource Costs Written-off	-	-	-	186,198
Stock-based compensation	-	-	36,200	20,700
	(65,308)	(109,930)	(210,263)	(292,396)
Changes in working capital:				
Receivables	(31,971)	(11,662)	1,363	22,208
Prepaid expenses	4,345	(11,089)	1,286	(14,601)
Accounts payable and accrued liabilities	376,326	194,259	137,348	46,904
	283,392	61,578	(70,266)	(237,885)
Investing Activities				
Purchase of capital assets	(7,432)	(29,761)	(10,042)	(29,761)
Reclamation Bonds	(5,000)	-	(5,000)	-
Resource property costs	(1,043,516)	(256,079)	(1,939,227)	(646,490)
	(1,055,948)	(285,840)	(1,954,269)	(676,251)
Financing Activities				
Share issue proceeds	42,600	-	1,382,395	511,050
Share issue costs	1,348	-	(97,363)	(56,617)
	43,948	-	1,285,032	454,433
Net Increase in Cash and cash equivalents	(728,608)	(224,262)	(739,503)	(459,703)
Cash and cash equivalents - Beginning of Period	725,253	248,932	736,148	484,373
Cash and cash equivalents (bank overdraft)- End of Period	\$ (3,355)	\$ 24,670	\$ (3,355)	\$ 24,670

Supplemental Schedule of non-cash Transactions

Stock-based compensation	\$ -	\$ -	\$ 36,200	\$ 20,700
Shares issued for property	42,000	37,500	75,000	59,500
Resource Costs Written-off	-	-	-	186,198

- See Accompanying Notes -

Roca Mines Inc.*(A Development Stage Company)***Consolidated Schedule of Resource Property Costs***Canadian Funds*

Unaudited

	For the Three Months Ended		For the Nine Months Ended	
	May 31, 2005	May 31, 2004	May 31, 2005	May 31, 2004

FOREMORE VMS-Gold Project, B.C., Canada**Acquisition Costs**

Option payment - shares	\$ 28,000	\$ 30,000	\$ 28,000	\$ 30,000
Option payment - cash	50,000	25,000	50,000	25,000
Staking Costs	1,008	-	7,480	1,780

Deferred Exploration Costs

Geological/Project management	53,306	18,325	156,369	92,951
Geophysical	1,975	-	60,210	-
Drilling Costs (recovery)	(5,000)	-	191,481	-
Field transport, mobilization	2,879	-	157,238	77,985
Travel and accommodation	3,195	1,171	11,543	10,169
Communication	-	-	3,506	2,598
Prospecting, labour, camp costs	1,537	1,290	45,770	57,777
Maps and reports	10,678	23,450	34,041	39,576
Materials and Equipment	629	4,852	12,342	36,036
Assaying	-	30	53,107	23,253
	148,207	104,118	811,087	397,125

MAX Molybdenum Project, B.C., Canada**Acquisition Costs**

Option payment – cash	-	-	50,000	50,000
Option payment – shares	-	-	33,000	22,000
Staking and land costs	237	-	6,170	18,581

Deferred Exploration Costs

Mining, materials and equipment	480,979	27,636	504,583	27,636
Drilling costs	240,441	125,688	240,441	125,688
Engineering	75,763	-	134,239	-
Geological/Project Management	30,041	17,200	41,944	19,300
Environmental	28,640	-	45,379	-
Camp, Accommodation and meals	53,168	1,738	56,925	1,738
Travel	7,325	9,116	21,756	9,116
Communication	1,124	154	5,310	154
Assays	28	-	28	-
Maps and reports	5,563	79	23,094	79
	923,309	181,611	1,162,869	274,292

- See Accompanying Notes -

Roca Mines Inc.*(A Development Stage Company)***Consolidated Schedule of Resource Property Costs - Continued**

Unaudited

Canadian Funds

	<u>For the Three Months Ended</u>		<u>For the Nine Months Ended</u>	
	May 31, 2005	May 31, 2004	May 31, 2005	May 31, 2004
SeaGold Project, B.C., Canada				
Acquisition Costs				
Option payment – shares	14,000	7,500	14,000	7,500
Option payment – cash	-	-	25,000	25,000
Deferred Exploration Costs				
Geological	-	350	350	350
Assays	-	-	921	-
	14,000	7,850	40,271	32,850
PBR Property, B.C., Canada				
Deferred Exploration Costs				
Geological	-	-	-	1,500
Assays	-	-	-	223
	-	-	-	1,723
Total Costs for the Period	1,085,517	293,579	2,014,227	705,990
Balance - Beginning of Period	3,752,685	1,475,564	2,823,974	1,249,351
Resource Costs Written-Off	-	-	-	(186,198)
Balance - End of Period	\$ 4,838,201	\$ 1,769,143	\$ 4,838,201	\$ 1,769,143

- See Accompanying Notes -

Notes to Consolidated Financial Statements

May 31, 2005

Canadian Funds

Unaudited

1. Nature of Operations

The Company was incorporated on June 19, 2001 as 629645 BC Ltd. and changed its name to Roca Mines Inc. on April 29, 2002. The Company was inactive until it commenced operations in the 2002 fiscal year.

The Company is a development stage company that engages principally in the acquisition, exploration and development of resource properties. The recovery of the Company's investment in its resource properties is dependent upon the discovery, development and sale of ore reserves and the ability to raise sufficient capital to finance these operations. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters.

2. Significant Accounting Policies

These interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements as at August 31, 2004.

These financial statements are presented on a consolidated basis as the Company incorporated a wholly-owned subsidiary, FortyTwo Metals Inc. on February 3, 2005. FortyTwo Metals, a British Columbia corporation, does not currently maintain its own set of accounting records; however, it holds many of the claims and underlying agreements and will eventually serve as the operating subsidiary for the Max Molybdenum Project.

3. Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, prepaid expenses, reclamation bonds and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

4. Resource Property Costs

Details are as follows:

	Acquisition	Deferred Exploration	Total May 31, 2005	Total May 31, 2004
FOREMORE VMS-Gold Project	\$ 250,675	\$ 2,912,661	\$ 3,163,336	\$ 1,462,001
MAX Molybdenum Project	279,751	1,301,635	1,581,386	32,850
SEAGOLD Project	71,500	21,979	93,479	274,292
	<u>\$ 601,926</u>	<u>\$ 4,236,275</u>	<u>\$ 4,838,201</u>	<u>\$ 1,769,143</u>

Notes to Consolidated Financial Statements

May 31, 2005

Canadian Funds

Unaudited

4. Resource Property Costs - *Continued*

a) FOREMORE VMS-Gold Project, Liard Mining Division, B.C., Canada

The Company has acquired a 100% interest in certain properties, known as the Foremore mineral claims located in the Liard Mining Division, B.C. by paying cash payments of \$100,000 and issuing 400,000 common shares to the original property vendor.

The Foremore Project is subject to a 2.5% Net Smelter Return ("NSR"). The Company may purchase, at any time prior to commencement of commercial production, up to 60% of the NSR by paying \$1,000,000 for each 30% (\$2,000,000 for the full 60% of the 2.5% NSR). The Company will be required to make annual advance royalty payments of \$50,000 starting from the earlier of the one-year anniversary of the date when the option is fully exercised or May 1, 2006. This advance royalty ceases in the year in which commercial production commences. All advance royalty payments paid to commercial production are a reduction of future royalty payments. The Company must issue 200,000 common shares to the vendor upon the commencement of commercial production.

b) MAX Molybdenum Project, Revelstoke Mining Division, B.C., Canada

By agreement dated January 16, 2004, the Company was granted an option to acquire a 100% interest in certain properties, known as the Max Molybdenum Project located in the Revelstoke Mining Division, B.C. In order to earn its interest the Company, at its option, must complete the following:

	Cash Payments	Share Issuances
Upon signing of the agreement (paid)	\$ 50,000	-
Upon TSX Venture Exchange approval (issued)	-	100,000
On or before January 1, 2005 (paid)	50,000	-
On or before January 16, 2005 (issued)	-	100,000
On or before January 1, 2006	50,000	-
On or before January 16, 2006	-	100,000
On or before January 1, 2007	50,000	-
On or before January 16, 2007	-	100,000
Upon commencement of commercial production	-	200,000
	\$ 200,000	600,000

The MAX Project is subject to a 2.5% Net Smelter Return ("NSR"). The Company may purchase, at any time prior to commencement of commercial production, up to 60% of the NSR by paying \$1,000,000 for each 30% (\$2,000,000 for the full 60% of the 2.5% NSR). Advance royalty payments of \$50,000 will be payable by the Company starting from the earlier of the one-year anniversary of the date the property option is fully exercised and January 16, 2008, ceasing in the year in which commercial production commences.

On August 6, 2004, the Company acquired a 100% interest in certain crown grants, mining leases and mineral claims contiguous to the MAX Project mineral claims. Under the terms of this acquisition agreement, the Company agreed to pay \$100,000 (paid) for the contiguous property and original data detailing all previous exploration. This \$100,000 has been included in acquisition costs for the year ended August 31, 2004. The Company has granted a 2.5% NSR,

Roca Mines Inc.*(A Development Stage Company)***Notes to Consolidated Financial Statements****May 31, 2005***Canadian Funds***Unaudited****4. Resource Property Costs - Continued**

reducible to 1% upon payment of \$2,000,000, and has agreed to issue 200,000 shares if it commences commercial production from any part of the newly acquired contiguous property.

c) SEAGOLD Project, Liard Mining Division, B.C., Canada

By agreement dated December 1, 2003, the Company was granted an option to acquire a 100% interest in certain properties, known as the SeaGold Project in the Liard Mining Division, B.C. In order to earn its interest the Company, at its option, must complete the following:

	Cash Payments	Share Issuances
Upon signing of the agreement (paid)	\$ 25,000	-
On or before May 1, 2004 (issued)	-	25,000
On or before December 1, 2004 (paid)	25,000	-
On or before May 1, 2005 (issued)	-	50,000
On or before December 1, 2005	25,000	-
On or before May 1, 2006	-	50,000
On or before December 1, 2006	25,000	75,000
Upon commencement of commercial production*	-	200,000
	\$ 100,000	400,000

The SeaGold Project is subject to a 2.5% Net Smelter Return ("NSR"). The Company may purchase, at any time prior to commencement of commercial production, up to 60% of the NSR by paying \$1,000,000 for each 30% (\$2,000,000 for the full 60% of the 2.5% NSR). Advance royalty payments of \$30,000 will be payable by the Company starting from the earlier of the one-year anniversary of the date the property option is fully exercised and December 1, 2007, ceasing in the year in which commercial production commences.

The Company has signed an agreement dated May 1, 2005 with Romios Gold Resources Inc. ("Romios") whereby Romios can earn up to a 75% interest in the SeaGold Property by completing the following:

	Cash Payments	Share Issuances	Property Expenditures
Upon Exchange Approval	\$ 25,000	150,000	\$ -
December 1, 2005	50,000	150,000	-
December 31, 2005	-	-	150,000
December 1, 2006	50,000	150,000	-
December 31, 2006	-	-	150,000
December 1, 2007	75,000	150,000	-
December 31, 2007	-	-	700,000
	\$ 200,000	600,000	\$ 1,000,000

* Romios will also assume the Company's obligation to issue the original property vendor 200,000 common shares upon commencement of commercial production, and advance royalty payments of \$30,000 per annum commencing on the earlier of one year from the date the option is fully exercised and December 1, 2007.

Roca Mines Inc.*(A Development Stage Company)***Notes to Consolidated Financial Statements****May 31, 2005***Canadian Funds***Unaudited****5. Property, Plant and Equipment**

Details are as follows:

	Cost	Accumulated Amortization	May 31, 2005 Net Book Value	May 31, 2004 Net Book Value
Office and Computers	\$ 15,401	\$ 6,560	\$ 8,841	\$ 5,232
Geological Software	4,292	1,073	3,219	-
Crew/ Equipment Van	29,761	10,156	19,605	28,645
	<u>\$ 49,454</u>	<u>\$ 17,789</u>	<u>\$ 31,665</u>	<u>\$ 33,877</u>

6. Share Capital

a) Details are as follows:

Authorized:

100,000,000 common shares without par value

	Number of Shares	Amount
Balance - August 31, 2003	12,962,001	\$ 1,913,516
Issued for cash:		
Private placement	3,400,000	510,000
Exercise of agent's warrants	3,000	1,050
Short form offering	10,000,000	2,000,000
Issued to agent as corporate finance fee	100,000	-
Issued for MAX Project	100,000	22,000
Issued for Foremore Project	100,000	30,000
Issued for SeaGold Project	25,000	7,500
Share issuance costs	-	(281,892)
Balance - August 31, 2004	26,690,001	\$ 4,202,174
Issued for cash:		
Private placement – November 2004	2,000,000	500,000
Private placement – January 2005	2,080,000	624,000
Exercise of Warrants	287,500	71,875
Exercise of Agent warrants at \$0.20	740,100	148,020
Exercise of Agent warrants at \$0.25	10,000	2,500
Exercise of Incentive stock options	180,000	36,000
Issued to agent as commission and fees – November 2004	110,000	-
Issued to agent as corporate finance fee – January 2005	40,000	-
Issued for MAX Project	100,000	33,000
Issued for Foremore Project	100,000	28,000
Issued for SeaGold Project	50,000	14,000
Share issuance costs	-	(97,363)
Balance – May 31, 2005	32,387,601	\$ 5,562,206

Notes to Consolidated Financial Statements

May 31, 2005

Canadian Funds

Unaudited

6. Share Capital - Continued

- b) During the first quarter ended November 30, 2004, the Company completed a private placement for gross proceeds of \$500,000. Two million units were issued for \$0.25, each unit consisting of one flow-through common share and a half of one share purchase warrant. Each warrant entitles the holder to purchase one non-flow-through common share until November 26, 2005. The agent, with respect to \$400,000 of the total gross proceeds, received a commission of \$20,000 cash, 80,000 units and Agent's warrants to purchase up to 200,000 common shares until November 26, 2005 at a price of \$0.25 per share. The Company also paid the agent an administrative fee of \$5,000 and a corporate finance fee of 30,000 units, each consisting of one common share and one warrant exercisable at \$0.25 per share for one year following closing. Directors and officers of the Company subscribed for a total of 140,000 of the 2,000,000 units.
- c) During the second quarter ended February 28, 2005, the Company completed a private placement of 2,080,000 units (including an over-allotment option of 330,000 units) for gross proceeds of \$624,000. Each unit consisted of one common share and one share purchase warrant), each warrant entitling the holder to purchase one common share for a one year period for \$0.35 during the first six months, and \$0.40 during the second six months following closing. The co-agents for the private placement received commissions of \$49,920 and 166,400 Warrants, and a corporate finance fee of 40,000 units.
- d) During the second quarter ended February 28, 2005, the Company issued 100,000 shares at a price of \$0.33 per share pursuant to the terms of an option to earn a 100% interest in the MAX Molybdenum Project.
- e) During the third quarter ended May 31, 2005, the Company issued 100,000 shares at a price of \$0.28 per share pursuant to the terms of an option to earn a 100% interest in the Foremore VMS-Gold Project and 50,000 shares at \$0.28 per share pursuant to the terms of an option to earn a 100% interest in the SeaGold Project.
- f) During the nine months ended May 31, 2005, 740,100 previously granted Agent Warrants exercisable at \$0.20 per unit were exercised for proceeds of \$148,020, 10,000 Agent Warrants exercisable at \$0.25 per share were exercised for proceeds of \$2,500, and 287,500 previously granted warrants exercisable at \$0.25 per share were exercised for proceeds of \$71,875.
- g) As at May 31, 2005 the following share purchase warrants are outstanding:

	Number	Exercise Price/Share	Expiry Date
Warrants	3,400,000	\$ 0.20	November 19, 2005
Warrants	4,712,500	\$ 0.25	June 23, 2005
Warrants	1,000,000	\$ 0.35	November 26, 2005
Agent Warrants	259,900	\$ 0.20	June 23, 2005
Agent Warrants	540,000	\$ 0.25	June 23, 2005
Agent Warrants	230,000	\$ 0.25	November 26, 2005
Agent Warrants	40,000	\$ 0.35	November 26, 2005
Warrants	2,080,000	\$0.35/\$0.40*	January 18, 2006
Agent Warrants	206,400	\$0.35/\$0.40*	January 18, 2006

* Exercise price increases to \$0.40 on July 19, 2005

Notes to Consolidated Financial Statements

May 31, 2005

Canadian Funds

Unaudited

6. Share Capital - Continued

- h) At May 31, 2005, 1,230,001 shares are held in escrow, to be released over time.
- i) The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. The maximum number of shares issuable under the stock option plan shall not exceed 10% of the issued and outstanding common shares. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the board of directors and the exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date. Options vest on the grant date unless determined otherwise by the board of directors.

A summary of the Company's options at May 31, 2005 and the changes for the nine month period are as follows:

Number Outstanding August 31 2004	Granted	Exercised	Cancelled	Expired	Number Outstanding May 31, 2005	Exercise Price Per Share	Expiry Date
908,000	-	-	-	-	908,000	\$0.20	December 17, 2007
150,000	-	-	-	-	150,000	\$0.20	January 7, 2008
180,000	-	180,000	-	-	-	\$0.20	June 30, 2008
397,000	-	-	-	-	397,000	\$0.20	December 11, 2007
930,000	-	-	-	-	930,000	\$0.25	August 24, 2009
-	200,000	-	-	-	200,000	\$0.25	November 26, 2009
2,565,000	200,000	180,000	-	-	2,585,000		

During the nine months ended May 31, 2005, 180,000 previously granted stock options exercisable at \$0.20 per share were exercised for proceeds of \$36,000 and 200,000 incentive stock options were granted to a geological consultant of the Company having an exercise price of \$0.25 per share, expiring on November 26, 2009. The total fair value of the options granted was calculated to be \$36,200 on the grant date. The offsetting entry is to contributed surplus.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

- j) Flow-through securities are securities issued by a company that incurs certain resource expenditures and renounces them for tax purposes thereby allowing the expenditures to flow-through to the subscriber who purchased the securities. Subscribers may in turn claim the expenditure as a deduction on their personal or corporate tax returns.

The total amount of funds raised through the sale of the Flow-through common shares must be spent on qualified mineral exploration. The proceeds from the Flow-through common shares are restricted in use for certain qualifying Canadian Exploration Expenditures ("CEE") under Canadian Tax Legislation.

Roca Mines Inc.*(A Development Stage Company)***Notes to Consolidated Financial Statements****May 31, 2005***Canadian Funds***Unaudited**

7. Related Party Transactions

Except as noted elsewhere in these financial statements, related party transactions are as follows:

- a) During the nine month period ended May 31, 2005, consulting and contract fees of \$41,800 (2004 - \$40,200) were paid or accrued to the President and CEO. Services provided include general corporate, exploration and acquisition strategy, drafting and engineering work, contract negotiations, and investment presentations. Of this amount, \$15,800 is contained in deferred exploration costs for the period and the balance in related-party consulting.
- b) During the nine month period ended May 31, 2005, consulting fees of \$36,750 (2004 - \$32,900) were paid or accrued to the CFO and Secretary of the Company. Services provided include corporate finance activities, contract negotiations, fund raising, accounting, office management and general administration.
- c) During the nine month period ended May 31, 2005, per-diem contract fees of \$36,300 (2004 - \$35,250) were paid or accrued to a director or a company controlled by a director. Of this amount, \$32,450 is contained in deferred exploration costs for the period and \$3,850 is contained in related-party consulting.

8. Income Taxes

The Company has incurred certain resource property related expenditures of approximately \$1,844,380 that may be carried forward indefinitely and are available to offset future taxable income.

The Company has non-capital losses for tax purposes of approximately \$634,000 that are available to offset future taxable income. These losses may be carried forward and expire in 2011 as follows:

	Amount
2009	\$ 1,000
2010	252,000
2011	381,000
	<u>\$ 634,000</u>

The potential future tax benefits of these expenditures and tax losses have not been recognized in these financial statements.

9. Subsequent Events

Subsequent to the period ended May 31, 2005, 259,900 previously granted Agent warrants exercisable at \$0.20 per unit were exercised for proceeds of \$51,980, 172,900 previously granted Agent warrants exercisable at \$0.25 per share were exercised for proceeds of \$43,225 and 1,722,000 warrants exercisable at \$0.25 were exercised for proceeds of \$430,500.

The Company also completed a private placement consisting of units issued at a price of \$0.30 per unit. 2,668,334 units were issued, each consisting of one common share issued on a flow-through basis and one half of one share purchase warrant, each full warrant entitling the holder to purchase one common share for 12 months following closing at price of 35 cents for the first six months and at 40 cents for the balance of the 12-month term. Various dealers received fees totalling \$18,672 and 77,800 Agent warrants with the same terms as those issued to subscribers. Directors purchased a total of 185,335 units.
