

Form 52-109F1 Certification of Annual Filings

I, Kieran Downes, President & Chief Executive Officer of Golden Peaks Resources Ltd., certify that:

1. I have reviewed the annual filings (as this term is defined in Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) of Golden Peaks Resources Ltd. (the issuer) for the period ending April 30, 2005;
2. Based on my knowledge, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the annual filings;
3. Based on my knowledge, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the annual filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - (a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual filings are being prepared;
 - (b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and
 - (c) evaluated the effectiveness of the issuer's disclosure controls and procedures as of the end of the period covered by the annual filings and have caused the issuer to disclose in the annual MD&A our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on such evaluation; and
5. I have caused the issuer to disclose in the annual MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: August 31, 2005

"Kieran Downes"
Kieran Downes, President & CEO

Form 52-109F1 Certification of Annual Filings

I, Kieran Downes, President of Golden Peaks Resources Ltd., and performing similar functions to that of a Chief Financial Officer, certify that:

1. I have reviewed the annual filings (as this term is defined in Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) of Golden Peaks Resources Ltd. (the issuer) for the period ending April 30, 2005;
2. Based on my knowledge, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the annual filings;
3. Based on my knowledge, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the annual filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - (a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual filings are being prepared;
 - (b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and
 - (c) evaluated the effectiveness of the issuer's disclosure controls and procedures as of the end of the period covered by the annual filings and have caused the issuer to disclose in the annual MD&A our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on such evaluation; and
5. I have caused the issuer to disclose in the annual MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: August 31, 2005

"Kieran Downes"

Kieran Downes,
President

GOLDEN PEAKS RESOURCES LTD.

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

APRIL 30, 2005 AND 2004



AUDITORS' REPORT
To the Shareholders of
Golden Peaks Resources Ltd.

We have audited the consolidated balance sheet of **Golden Peaks Resources Ltd.** as at April 30, 2005 and the consolidated statements of loss and deficit and cash flows for the year 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 Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2005, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements as at April 30, 2004 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated September 1, 2004.

Vancouver, Canada
August 23, 2005

Ernst & Young LLP

Chartered Accountants

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS
AS AT APRIL 30

	2005	2004
	\$	\$
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	3,138,126	4,528,822
Amounts receivable and prepaids (Note 6)	118,009	63,085
Marketable securities (Note 3)	<u>14,168</u>	<u>35,423</u>
	3,270,303	4,627,330
EQUIPMENT , net of accumulated amortization of \$86,870 (2004 - \$78,318)	15,361	19,739
MINERAL PROPERTIES AND		
DEFERRED EXPLORATION COSTS (Note 4 and Schedule I)	<u>795,044</u>	<u>1,678,473</u>
	<u><u>4,080,708</u></u>	<u><u>6,325,542</u></u>

L I A B I L I T I E S

CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	<u>61,836</u>	<u>56,369</u>

S H A R E H O L D E R S ' E Q U I T Y

SHARE CAPITAL (Note 5)	13,059,449	13,014,416
CONTRIBUTED SURPLUS	512,802	231,485
DEFICIT	<u>(9,553,379)</u>	<u>(6,976,728)</u>
	<u>4,018,872</u>	<u>6,269,173</u>
	<u><u>4,080,708</u></u>	<u><u>6,325,542</u></u>

COMMITMENTS (Note 7)

APPROVED BY THE BOARD

"Scott Emerson" , Director

"Kieran Downes" , Director

The accompanying notes form an integral part of these consolidated financial statements.

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
FOR THE YEARS ENDED APRIL 30

	2005	2004
	\$	\$
EXPENSES		
Accounting and administration (Note 6)	15,950	17,485
Advertising	30,181	-
Amortization	5,111	4,652
Audit	13,310	5,900
Consulting	47,650	-
Directors fees	40,000	40,000
Filing fees and transfer agent	14,170	18,787
Legal	6,095	6,690
Management fees (Note 6)	90,000	60,000
Office and general	44,542	42,135
Office rent	19,946	22,024
Shareholder communications	18,574	12,763
Salaries and benefits	57,585	59,724
Stock-based compensation	281,317	205,659
Travel and related costs	37,592	22,115
	<u>722,023</u>	<u>517,934</u>
LOSS BEFORE THE FOLLOWING	(722,023)	(517,934)
INTEREST AND OTHER INCOME	78,603	36,249
GAIN ON SALE OF MARKETABLE SECURITIES	13,277	-
PROVISION ON MARKETABLE SECURITIES	-	(21,127)
WRITE-OFF OF MINERAL PROPERTIES AND DEFERRED		
EXPLORATION COSTS (Note 4)	(1,937,932)	(2,805,797)
FOREIGN EXCHANGE LOSS	<u>(8,576)</u>	<u>(9,457)</u>
LOSS FOR THE YEAR	(2,576,651)	(3,318,066)
DEFICIT - BEGINNING OF YEAR	<u>(6,976,728)</u>	<u>(3,658,662)</u>
DEFICIT - END OF YEAR	<u>(9,553,379)</u>	<u>(6,976,728)</u>
BASIC AND DILUTED LOSS PER COMMON SHARE	<u>\$(0.13)</u>	<u>\$(0.21)</u>
WEIGHTED AVERAGE NUMBER OF		
COMMON SHARES OUTSTANDING	<u>20,039,091</u>	<u>16,093,252</u>

The accompanying notes form an integral part of these consolidated financial statements.

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30

	2005	2004
	\$	\$
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Loss for the year	(2,576,651)	(3,318,066)
Items not involving cash		
Amortization	5,111	4,652
Stock-based compensation	281,317	205,659
Gain on sale of marketable securities	(13,277)	-
Provision on marketable securities	-	21,127
Write-off of mineral properties and deferred exploration costs	<u>1,937,932</u>	<u>2,805,797</u>
	(365,568)	(280,831)
Increase in amounts receivable and prepaids	(54,924)	(31,114)
Increase (decrease) in accounts payable and accrued liabilities	<u>5,467</u>	<u>(76,691)</u>
	<u>(415,025)</u>	<u>(388,636)</u>
FINANCING ACTIVITIES		
Issuance of common shares	45,033	4,189,998
Share issuance costs	<u>-</u>	<u>(275,085)</u>
	<u>45,033</u>	<u>3,914,913</u>
INVESTING ACTIVITIES		
Expenditures on mineral properties and deferred exploration costs	(1,051,062)	(669,855)
Equipment purchases	(4,174)	(7,186)
Proceeds from sale of marketable securities	<u>34,532</u>	<u>153,040</u>
	<u>(1,020,704)</u>	<u>(524,001)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR	(1,390,696)	3,002,276
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>4,528,822</u>	<u>1,526,546</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>3,138,126</u></u>	<u><u>4,528,822</u></u>
CASH AND CASH EQUIVALENTS COMPRISED OF:		
Cash	138,126	319,858
Term deposits	<u>3,000,000</u>	<u>4,208,964</u>
	<u><u>3,138,126</u></u>	<u><u>4,528,822</u></u>

SUPPLEMENTARY CASH FLOW INFORMATION (Note 11)

The accompanying notes form an integral part of these consolidated financial statements.

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

1. NATURE OF OPERATIONS

The Company is in the process of exploring and evaluating its mineral properties. On the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral properties and related deferred costs is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. The amounts shown as mineral properties and deferred exploration costs represent net costs to date, less amounts written off, and do not necessarily represent present or future values.

Management considers that the Company has adequate resources to maintain its core operations and planned exploration programs for the next fiscal year. However, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned Argentinean subsidiaries, Golden Peaks Argentina S.A. and Golden Peaks Minera S.A. Intercompany balances and transactions are eliminated on consolidation.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from those estimates.

Cash Equivalents

Cash includes cash and short-term deposits maturing within 90 days of the original date of acquisition.

Marketable Securities

Marketable securities are recorded at the lower of cost and market value.

Mineral Properties and Deferred Exploration Costs

Mineral property costs and exploration, development and field support costs directly relating to mineral properties are deferred until the property to which they directly relate is placed into production, sold or abandoned. The deferred costs will be amortized over the useful life of the orebody following commencement of production or written off if the property is sold or abandoned. Administration costs and other exploration costs that do not relate to any specific property are expensed as incurred.

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

On a periodic basis, management reviews the carrying values of deferred mineral property acquisition and exploration expenditures with a view to assessing whether there has been any impairment in value. Management takes into consideration various information including, but not limited to, the stage of exploration, evaluation and development, results of exploration activities conducted to date, estimated future metal prices and reports and opinions of outside geologists, mine engineers and consultants. In the event that reserves are determined to be insufficient to recover the carrying value of any property or other impairments in value are determined, the carrying value will be written down or written off, as appropriate. As of April 30, 2005, the Company had not established that its mineral properties have any known or proven reserves.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to the usual industry standards for the stage of exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

The Company also accounts for foreign value added taxes paid as part of mineral properties and deferred costs. The recovery of these taxes will commence on the beginning of foreign commercial operations. Should these amounts be recovered they would be treated as a reduction in carrying costs of mineral properties and deferred costs.

From time to time, the Company acquires or disposes of properties pursuant to the terms of options agreements. Options are exercisable entirely at the discretion of the optionee and accordingly, are recorded as mineral property costs or recoveries when the payments are made or received.

Equipment

Equipment is depreciated based on estimated useful life using the straight-line method at annual rates of between 20% and 25%.

Translation of Foreign Currency

Integrated foreign operations are translated using the temporal method. Under this method, the Company translates monetary items at the rate of exchange in effect at the balance sheet date. Non-monetary items are translated at average rates in effect during the period in which they were earned or incurred. Revenues and expenses are translated at average rates in effect during the period except for depreciation and amortization which are translated at historical rates. Gains and losses resulting from the fluctuation of foreign exchange rates have been included in the determination of income.

Income Taxes

Income tax liabilities and assets are recognized for the estimated income tax consequences attributable to differences between the amounts reported in the consolidated financial statements and their respective tax bases, using substantially enacted income tax rates. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change occurs. Future income tax assets are recognized to the extent that they are considered more likely than not to be realized.

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-lived Assets Impairment

Long-lived assets of the Company are reviewed when changes in circumstances suggest their carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the future projected cash flows from related operations (undiscounted and without interest charges). If impairment is deemed to exist, the assets will be written down to fair value.

Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recognized when a reasonable estimate of fair value can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenses using a systematic and rational method and is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow. As at April 30, 2005, the Company does not have any asset retirement obligations.

Earnings (Loss) Per Share

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. Basic and diluted loss per share are the same as the effect of potential issuances of shares under warrants or share option arrangements would be anti-dilutive.

3. MARKETABLE SECURITIES

	<u>2005</u>		<u>2004</u>	
	Number of Shares	Amount \$	Number of Shares	Amount \$
Resources Investment Trust PLC	<u>7,999</u>	<u>14,168</u>	<u>19,999</u>	<u>35,423</u>

As at April 30, 2005, the quoted market value of the Resources Investment Trust PLC shares was \$21,305 (2004 - \$50,149).

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

	2005			2004		
	Mineral Property	Deferred Exploration Costs (See Schedule I)	Total Costs	Mineral Property	Deferred Exploration Costs (See Schedule I)	Total Costs
	\$	\$	\$	\$	\$	\$
Lonco	20,406	18,959	39,365	-	-	-
Oro	20,406	21,456	41,862	-	-	-
Sierra de las Minas	-	-	-	475,798	524,202	1,000,000
Tanque Negro	-	-	-	-	379,857	379,857
La Fortuna	136,411	275,658	412,069	20,473	75,600	96,073
Nik	-	214,840	214,840	-	152,402	152,402
Others	-	86,908	86,908	2,731	47,410	50,141
	177,223	617,821	795,044	499,002	1,179,471	1,678,473

(a) *Lonco Project*

In December 2004, the Company entered into an option agreement to acquire a 100% interest in the Lonco Project, covering approximately 66,000 hectares, located in the province of Neuquen, Argentina. Under the agreement the Company is required to make monthly payments of US \$2,000 and can purchase the Lonco Project at any time by payment of US \$400,000. If the option is exercised the Company will pay advance royalties of US \$2,000 per month until the earlier of ten years, or the start of commercial production at which time a 1% net smelter return ("NSR") becomes payable.

(b) *Oro Project*

In December 2004, the Company entered into an option agreement to acquire a 100% interest in the Oro Project, covering approximately 72,000 hectares, located in the province of Neuquen, Argentina. Under the agreement the Company is required to make monthly payments of US \$2,000 and can purchase the Oro Project at any time by payment of US \$400,000. If the option is exercised the Company will pay advance royalties of US \$2,000 per month until the earlier of ten years, or the start of commercial production at which time a 1% NSR becomes payable.

(c) *Sierra de las Minas Project*

The Company and Mitsubishi Materials Corp. ("Mitsubishi") currently hold 56.33% and 43.67% joint venture interests, respectively, in a group of exploration properties, located in Northwest Argentina, known collectively as the Sierra de las Minas Project. The Sierra de las Minas Project covers approximately 14,986 hectares and consists of 26 properties. No exploration was conducted on the Sierra de las Minas Project during the 2004 or 2005 fiscal years.

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (continued)

During the 2004 fiscal year, the carrying cost of the Sierra de las Minas Project was reviewed and a decision made to write-down the carrying cost by \$2,805,797, to \$1,000,000, to better reflect management's estimate of the intrinsic value of the Sierra de las Minas Project. During the 2005 fiscal year, a decision was made to write-off the remaining \$1,000,000 carrying cost.

See also Note 4(f).

(d) *Tanque Negro Project*

In February 2003, the Company entered into an option agreement to acquire up to 100% of the Tanque Negro Property from Rio Tinto Mining and Exploration Ltd ("Rio Tinto"). The Tanque Negro Property covers 1,600 hectares and is located in the province of Rio Negro, Argentina. The Company could acquire an initial 70% interest in the Tanque Negro Property by expending a total of US \$1 million on exploration and making option payments totalling US \$70,000, by September 13, 2006.

Based on the results of exploration activities conducted in fiscal 2005, the Company determined to cease further exploration and, accordingly, has written-off \$846,849 of acquisition costs and related exploration expenditures relating to the Tanque Negro Property.

(e) *La Fortuna Property*

In January 2004, the Company entered into an option agreement to acquire a 100% interest in the La Fortuna Property, covering approximately 5,000 hectares, located in the province of Chubut, Argentina. The Company may acquire a 100% interest in the property by making option payments totalling US \$350,000 over three years as follows:

<u>Date</u>	<u>Option Payments</u> US \$
December 19, 2003	15,000 (paid)
June 19, 2004	15,000 (paid)
December 19, 2004	50,000 (paid)
December 19, 2005	100,000
December 19, 2006	170,000
	<u>350,000</u>

The Company is also required to pay US \$1 per ounce of proven economically recoverable gold or silver equivalent to a maximum of US \$4 million. A minimum of US \$1 million is payable after 3.5 years. The remaining monies are payable if and when additional ounces of proven and economically recoverable gold or silver equivalent are identified.

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (continued)

(f) *Nik Project*

The Nik Project is located in the province of La Rioja, Argentina, and comprises:

- i) one cateo acquired by the Company, comprising 2,900 hectares; and
- ii) an option agreement, dated April 15, 2004, between the Company and Mitsubishi, whereby the Company can acquire a 100% undivided interest in the Corral 1 and Corral Nuevo claims (2,660 hectares) which formed part of the Sierra de las Minas Project. Under the terms of the agreement the Company is required to expend US \$100,000 on exploration by April 1, 2006.

5. SHARE CAPITAL

Authorized - 100,000,000 common shares without par value

Issued -	2005		2004	
	Shares	\$	Shares	\$
Balance - beginning of year	20,019,944	13,014,416	15,829,946	9,099,503
Issued during the year				
For cash				
Private placement	-	-	4,189,998	4,189,998
Exercise of warrants	54,700	45,033	-	-
Less share issue costs	-	-	-	(275,085)
	54,700	45,033	4,189,998	3,914,913
Balance - end of year	20,074,644	13,059,449	20,019,944	13,014,416

- (a) During the 2004 fiscal year, the Company completed a brokered private placement of 4,189,998 units at \$1.00 per unit for \$4,189,998 gross proceeds. Each unit comprised one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of two years, at a price of \$1.25 per share on or before April 8, 2005 and at \$1.50 on or before April 8, 2006. 640,000 units were purchased by directors of the Company. The Company paid \$205,250 commission and incurred \$69,835 of costs relating to the financing. The Company has also granted warrants to the broker to purchase 205,250 common shares on the same terms and basis as the private placement warrants.

The Company applied the residual approach and allocated the total proceeds of \$4,189,998 to the common shares and \$nil to the warrants.

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

5. SHARE CAPITAL (continued)

- (b) A summary of the Company's stock options at April 30, 2005 and 2004 and the changes for the years ending on those dates is presented below:

	2005		2004	
	Options Outstanding	Weighted Average Exercise Price \$	Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of year	625,000	0.62	1,005,000	0.85
Granted	895,000	1.02	650,000	0.61
Cancelled / expired	<u>(200,000)</u>	0.70	<u>(1,030,000)</u>	0.84
Balance, end of year	<u><u>1,320,000</u></u>	0.88	<u><u>625,000</u></u>	0.62

The following table summarizes information about the stock options outstanding and exercisable at April 30, 2005:

Exercise Price \$	Options Outstanding and Exercisable	Expiry Date	Weighted Average Remaining Contractual Life (Years)
0.85	25,000	June 30, 2005	0.003
0.56	400,000	October 24, 2005	0.152
1.00	600,000	September 1, 2006	0.606
1.05	245,000	November 18, 2006	0.286
1.15	<u>50,000</u>	March 18, 2006	0.033
	<u><u>1,320,000</u></u>		

The fair value of stock options granted to employees, directors and consultants is estimated on the dates of grants using the Black-Scholes option pricing model with the following assumptions used for the grants made during the 2005 and 2004 fiscal years:

	<u>2005</u>	<u>2004</u>
Risk-free interest rate	2.68%	2.95%
Estimated volatility	64.52%	85.00%
Expected life	1 year	1 year
Expected dividend yield	0%	0%

The weighted average fair value per share of stock options, calculated using the Black-Scholes option pricing model, granted during the period to the Company's employees, directors and consultants was \$0.32 per share (2004 - \$0.32 per share).

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's stock options.

GOLDEN PEAKS RESOURCES LTD.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

5. SHARE CAPITAL (continued)

- (c) As at April 30, 2005, the Company had outstanding warrants issued pursuant to private placements, which may be exercised to purchase 4,854,728 shares. The warrants expire at various times up to April 8, 2006 and may be exercised at prices ranging from \$1.50 per share to \$2.00 per share.

Details of warrants outstanding are as follows:

	2005	2004
Balance, beginning of year	5,751,728	1,356,480
Issued pursuant to private placements	-	4,395,248
Exercised	(54,700)	-
Expired	<u>(842,300)</u>	<u>-</u>
Balance, end of year	<u>4,854,728</u>	<u>5,751,728</u>

The following table summarizes information about the warrants outstanding and exercisable at April 30, 2005:

Warrants	Exercise Price	Expiry Date
459,480	\$2.00	March 28, 2006
<u>4,395,248</u>	\$1.50	April 8, 2006
<u>4,854,728</u>		

6. RELATED PARTY TRANSACTIONS

- a) During the 2005 fiscal year the Company was charged \$229,950 (2004 - \$273,237) by companies controlled by directors and officers of the Company for accounting, administrative, management services, project supervision and directors fees. As at April 30, 2005, \$16,549 (April 30, 2004 - \$15,342) remained unpaid and is included in accounts payable and accrued liabilities.
- b) As at April 30, 2005, amounts receivable and prepaids include \$nil (2004 - \$10,000) for prepayment of management fees to a corporation owned by the Chairman of the Company.
- c) See also Note 5(a).

7. COMMITMENT

The Company is a party to an office lease agreement that requires minimum lease payments. The Company's 50% share under the agreement is as follows:

Year	\$
2006	19,182
2007	19,462
2008	<u>20,020</u>
	<u>58,664</u>

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

8. INCOME TAXES

As at April 30, 2005, the Company has accumulated non-capital losses of approximately \$1,792,000 and accumulated resource and other pools of approximately \$4,230,000 carried forward for Canadian income tax purposes and are available to reduce taxable income of future years. The non-capital losses expire commencing in 2006 through 2015. The cumulative resource and other pools can be carried forward indefinitely. Through its subsidiaries the Company also has cumulative losses of approximately \$1,659,000 carried forward for Argentinean tax purposes, which are available to reduce taxable income of the subsidiaries of future years. These losses expire commencing 2006 through 2010.

Future income tax benefits which may arise as a result of these losses have not been recognized in these financial statement because the criterion for their realization has not been met. (Note 2.)

9. FINANCIAL INSTRUMENTS

The carrying value of cash and cash equivalents, amounts receivables and accounts payable approximate their fair values. The quoted market value of marketable securities at April 30, 2005 was \$21,305.

The Company is not exposed to significant interest or credit risks arising from these financial instruments. The Company may be subject to significant currency risk due to the fluctuations of exchange rate between the Canadian dollars and the currency of the country in which the Company operates. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

10. SEGMENTED INFORMATION

Substantially all of the Company's operations are in one industry, the exploration for gold. Management reviews the financial results according to expenditures by property. The Company's current mineral properties are located in Argentina and its corporate assets are located in Canada.

	<u>2005</u>		
	<u>Canada</u>	<u>Argentina</u>	<u>Total</u>
	\$	\$	\$
Identifiable assets			
Current assets	3,236,477	33,826	3,270,303
Equipment	10,918	4,443	15,361
Mineral properties and deferred exploration costs	-	795,044	795,044
	<u>3,247,395</u>	<u>833,313</u>	<u>4,080,708</u>
Mineral property and deferred exploration costs additions	<u>-</u>	<u>1,054,503</u>	<u>1,054,503</u>

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2005 AND 2004

10. SEGMENTED INFORMATION

	2004		
	Canada	Argentina	Total
	\$	\$	\$
Identifiable assets			
Current assets	4,589,562	37,768	4,627,330
Equipment	11,855	7,884	19,739
Mineral properties and deferred exploration costs	-	1,678,473	1,678,473
	<u>4,601,417</u>	<u>1,724,125</u>	<u>6,325,542</u>
Mineral property and deferred exploration costs additions	<u>-</u>	<u>673,066</u>	<u>673,066</u>

11. SUPPLEMENTARY CASH FLOW INFORMATION

Other supplementary cash flow information:

	2005	2004
	\$	\$
Interest paid in cash	<u>-</u>	<u>-</u>
Income taxes paid in cash	<u>-</u>	<u>-</u>

SCHEDULE I

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS
FOR THE YEAR ENDED APRIL 30

	2005							2004	
	Lonco \$	Oro \$	Sierra de las Minas \$	Tanque Negro \$	La Fortuna \$	Nik \$	Others \$	Total \$	Total \$
BALANCE -									
BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>379,857</u>	<u>96,073</u>	<u>152,402</u>	<u>50,141</u>	<u>1,678,473</u>	<u>3,811,204</u>
EXPENDITURES									
DURING THE YEAR									
EXPLORATION COSTS									
Accounting	-	-	-	5,739	5,739	5,402	5,739	22,619	20,102
Amortization of equipment	-	-	-	-	-	-	3,441	3,441	3,211
Assaying	1,865	1,409	-	20,168	34,329	-	-	57,771	27,264
Communications	141	344	-	748	1,102	30	-	2,365	1,833
Drilling	-	-	-	222,589	14,824	-	-	237,413	144,113
Equipment and supplies	82	82	-	3,003	5,751	2,969	3,121	15,008	19,083
Field personnel and supervision	4,286	1,149	-	62,392	31,349	26,357	13,024	138,557	157,576
Geochemistry	-	-	-	-	-	-	-	-	2,067
Geological	1,890	8,834	-	36,824	26,952	1,596	6,446	82,542	-
Geophysics	-	-	-	53,281	27,241	-	-	80,522	87,457
Satellite imaging	-	-	-	-	-	-	-	-	9,370
Land management	-	-	-	-	-	4,759	-	4,759	11,861
Legal	-	-	-	8,274	8,274	21,325	6,188	44,061	24,739
Project management	-	-	-	-	-	-	-	-	30,000
Travel and transportation	10,695	9,638	-	43,795	44,497	-	2,141	110,766	67,251
Foreign value added tax	-	-	-	-	-	-	77,600	77,600	43,935
	<u>18,959</u>	<u>21,456</u>	<u>-</u>	<u>456,813</u>	<u>200,058</u>	<u>62,438</u>	<u>117,700</u>	<u>877,424</u>	<u>649,862</u>
ACQUISITION COSTS	<u>20,406</u>	<u>20,406</u>	<u>-</u>	<u>10,179</u>	<u>115,938</u>	<u>-</u>	<u>10,150</u>	<u>177,079</u>	<u>23,204</u>
	<u>39,365</u>	<u>41,862</u>	<u>-</u>	<u>466,992</u>	<u>315,996</u>	<u>62,438</u>	<u>127,850</u>	<u>1,054,503</u>	<u>673,066</u>
BALANCE BEFORE									
WRITE-OFF	39,365	41,862	1,000,000	846,849	412,069	214,840	177,991	2,732,976	4,484,270
LESS: WRITE-OFF	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(846,849)</u>	<u>-</u>	<u>-</u>	<u>(91,083)</u>	<u>(1,937,932)</u>	<u>(2,805,797)</u>
BALANCE - END OF YEAR	<u>39,365</u>	<u>41,862</u>	<u>-</u>	<u>-</u>	<u>412,069</u>	<u>214,840</u>	<u>86,908</u>	<u>795,044</u>	<u>1,678,473</u>

GOLDEN PEAKS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED APRIL 30, 2005

Background

This discussion and analysis of financial position and results of operation is prepared as at August 26, 2005 and should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the years ended April 30, 2005 and 2004 of Golden Peaks Resources Ltd. (the "Company"). Those financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis (MD&A) are quoted in Canadian dollars. Additional information relevant to the Company's activities, can be found on SEDAR at www.sedar.com.

Company Overview

The Company's shares are listed and posted for trading on the TSX Venture Exchange (TSXV) as a Tier 1 issuer, under the symbol AGL. The Company is involved in mineral exploration, with its primary assets located in Argentina. The Company intends to continue exploring for economic gold and silver mineralization in Argentina. The Company's corporate strategy is to acquire, or have the right to acquire, interests in advanced projects which have the potential to host large, high-grade gold deposits. The Company has assembled a portfolio of Argentine mineral properties which meet these criteria, and is continuing to aggressively pursue additional properties of merit in Argentina.

As of the date of this MD&A, the Company has not earned any production revenue, nor found any proved reserves on any of its properties. The Company is a reporting issuer in British Columbia and Alberta.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Exploration Projects

Nik Project, La Rioja Province, Argentina

The Nik Project is located in the province of La Rioja, Argentina. The Company has consolidated its interests in the Nik Project, which covers the JV district as well as the intersection of the Vallecito Structural Zone (a regional mineralized structure) and the range front fault of the Sierra de las Minas massif. The Company owns a 100% interest in one permit (2,900 hectare) and may acquire a 100% interest in another two permits (2,660 hectares) by spending US \$100,000 on exploration by April 1, 2006. Gold mineralization in the JV district is peripheral and tensional to the intersection of the Vallecito Structural Zone and the range front fault of the Sierra de las Minas massif. This structural intersection is located at the center of a 5 kilometer diameter aeromagnetic structure, possibly representing an intrusive/volcanic center of Tertiary age. In 2003, the structural intersection was surveyed with ground magnetics and induced polarization. The greatest structural complexity occurs within the central 1.5 kilometer segment where the principal structures intersect. Induced polarization shows chargeability responses associated with all of the target structures interpreted from magnetics. These targets have never been drilled. A diamond drilling program is planned.

La Fortuna Project, Chubut Province, Argentina

In January 2004 the Company announced that it had entered into an agreement to acquire a 100% interest in the La Fortuna Project, located in the province of Chubut, Argentina. Under the terms of the option agreement the Company may acquire a 100% interest in the La Fortuna Project by making option payments totaling US \$350,000 over three years and paying US \$1 per ounce of proven and economically recoverable Au or Ag equivalent to a maximum of US \$4 million. The option is deemed to be exercised after 5 years. A minimum of US\$1 million is payable after 3.5 years. The remaining monies are payable if and when additional ounces of proven and economically recoverable Au or Ag equivalent are identified.

The property, which covers approximately 5,000 hectares, is highly prospective for epithermal gold-silver mineralization. Throughout 2004 the Company advanced the property through prospecting, mapping and sampling programs as well as and geophysical surveys. Significant epithermal gold mineralization is associated with four large structures - the A (5,000 meters), CR (2,700 meters), CB (1,200 meters) and ML (500 meters). All four have been surveyed with ground magnetics and induced polarization (“IP”) surveys. The IP surveys show strong and extensive chargeability and resistivity anomalies associated with the surface gold mineralization on the A, CR, CB and ML structures.

In April 2005, the Company reported results from an active exploration program of detailed mapping of mineralized structures, and the building/upgrading of roads. More than 20 km of road were built/upgraded. Approximately 2.0 km of the A structure were mapped in detail. Confirmatory mapping and sampling of the area around trench 11 on the A structure, in the central sector, indicates a strong zone of mineralization at least 150 meters long. The following intersections were obtained (true width is estimated at 90%):

Width (g/t)	Gold (g/t)	Silver (g/t)	Note
24.0	9.5	5.9	Trench 11
Incl. 14.8	14.3	8.4	
8.0	10.5	15.6	Zone 25m east of trench 11
1.5	9.9	12.0	Zone 120m west of trench 11

Approximately 3.5 km of the CR structure were mapped in detail. At least 5 zones of gold-bearing quartz veins/breccias are recognized ranging from 150 to 250 meters in length, and up to 6.0 meters in width. As previously reported confirmatory sampling conducted by the Company returned the following significant intersections:

Gold (g/t)	Interval (m)	Zone
53.80	1.60	A
7.43	1.10	A
2.82	1.00	B
1.80	2.50	B
1.14	2.50	B
5.71	7.00	B
3.09	0.40	B
2.67	10.00	B
5.05	0.60	B
3.04	0.60	B
48.00	2.00	F
10.90	1.00	F
0.60	6.00	F
10.57	4.00	G
7.93	1.40	G
1.95	7.00	G
1.87	0.50	G
1.81	10.00	G
0.68	1.00	G

In May 2005 the Company reported the discovery of new areas of mineralization on the A structure and southwest of the CR structure. A new area of alteration and mineralization was found 100 meters to the southwest of the CR structure. The zone comprises breccias, silicification, quartz veining and clay alteration in andesite. The zone trends northwesterly and is at least 150 meters long. The width varies from 10 to 30 meters. The higher gold values come from the southeast end of the zone. Detailed mapping and additional sampling are planned.

Gold (g/t)	Silver (g/t)	Copper (%)	Width (m)
8.53	28.93	0.33	0.3
2.31	2.76	0.88	0.5
1.42	19.83	-	1.6
0.08	1.60	-	0.5
0.05	6.79	-	1.5
0.02	0.71	-	1.0

Ten new areas of mineralization were found on the A structure. The new zones lie between 300 meters and 1,100 meters to the northwest of Trench 11 zone (9.5 g/t gold & 5.9 g/t silver over 24.0 meters). Bedrock mineralization (quartz veining, silicification, clay alteration, \pm pyrite) has been identified; however, much of the area is covered by talus and overburden. Vein textures include chalcedony, platy calcite replacement, vuggy silica and breccias. Some of the gold mineralized veins carry elevated to geochemically anomalous values of mercury, lead and zinc. The mineralized system is exposed over a vertical extent of at least 200 meters. Pole-dipole surveys indicate the high chargeability zone extends to a depth of at least 250 meters and it is generally coincident with high resistivity. A broad area of high chargeability sulphidic alteration, approximately 2.0 X 2.0 km, is developed at the intersection of the A and CR structures. Within this, a wide zone of low chargeability alteration is centered on the main axis of the A structure. This latter zone, which measures approximately 1.5 X 0.5 km, may be a later structural overprint. Gold mineralization is found in both the high chargeability and low chargeability alteration. Overburden and bedrock trenching is planned to further evaluate the mineralization and develop drill targets.

Gold g/t	Silver g/t	Width (m)	Area	Extent (m)
22.91	30.20	0.40	Area 1	50
22.11	53.59	0.50	Area 1	
13.26	9.20	Grab	Area 2	100 X 100
12.65	24.72	1.50	Area 2	
9.64	7.19	0.75	Area 2	
3.32	4.20	Grab	Area 2	
0.83	0.60	Grab	Area 2	
0.70	0.00	Grab	Area 2	
34.83	20.23	Grab	Area 3	100 X 100
15.02	42.13	0.50	Area 3	
8.10	27.80	1.10	Area 3	
0.09	0.00	Grab	Area 3	
0.08	0.68	5.00	Area 3	

6.58	1.40	2.50	Area 4	50 X 200
0.95	1.00	Grab	Area 4	
0.81	2.57	6.00	Area 4	
0.59	0.00	2.50	Area 4	
0.32	1.00	Grab	Area 4	
0.29	0.90	Grab	Area 4	
0.27	0.85	1.00	Area 4	
0.13	1.10	0.50	Area 4	
0.09	<0.5	Grab	Area 4	
0.06	<0.5	0.70	Area 4	
0.05	<0.5	0.50	Area 4	
0.02	0.00	6.00	Area 4	
10.59	18.41	2.00	Area 5	

Gold g/t	Silver g/t	Width (m)	Area	Extent (m)
3.26	1.05	4.00	Area 6	115
2.63	30.30	3.00	Area 6	
0.17	7.00	Grab	Area 6	
10.83	14.07	1.40	Area 7	50 X 20
0.91	6.40	Grab	Area 7	
0.19		Grab	Area 7	
16.28	52.70	Grab	Area 8	50 X 20
8.83	2.00	Grab	Area 8	
0.02		Grab	Area 8	
20.19	16.40	Grab	Area 9	100
0.14		Grab	Area 9	
0.02		1.50	Area 9	
1.83	5.26	1.80	Area 10	60 X 40
1.50	18.33	1.40	Area 10	
1.10	2.10	1.00	Area 10	



Also in May, the Company announced the start of a diamond drilling program on the property. This program was paused in mid-May, as was the overburden trenching program, due to the early onset of severe winter weather. The mapping, sampling, overburden trenching and diamond drilling program will resume when winter is finished.

Tanque Negro Project, Rio Negro Province, Argentina

In November/December 2004 and January/February 2005, the Company conducted a diamond drilling program (10 holes - 2,148 meters) on the project. The 2004-05 drill program tested targets at depths of 100 to 250 meters. These targets had not been tested previously. Every hole cut structures (up to 43 meters wide) carrying quartz veining ± silicification ± clay alteration ± sulphide mineralization. Several cut low grade mineralization. While significant precious metal mineralization was not intersected, the drill results do confirm the technical validity of the targets and the presence of a large epithermal system which may carry significant gold and silver at greater depth in the system. Significant lengths of the structures remain untested.

No further work is planned on the project.

Golden Project, Chubut Province, Argentina

The Company owns a 100% interest in the 2,000 hectare property which lies at an altitude of approximately 1,100 meters ASL and is road accessible. The Golden Project is located approximately 35 kilometres southwest of the Navidad prospect (IMA Exploration Inc.) and in the same geological province.

To date, there has been very limited prospecting on the property. Outcrop is limited, however, numerous barite veins and epithermal chalcedonic quartz veins have been found. Five prospecting samples from quartz veining returned gold values ranging from 0.03 to 0.16 g/t gold; 4.5 to 18.3 g/t silver; and 50 to 4550 ppm mercury. Limited, reconnaissance, ground magnetic and induced polarization surveys (400 meter spaced lines) have been completed. Prominent NW-trending and N-trending magnetic structures are associated with the quartz and barite veining, and there are local induced polarization and resistivity responses.

The Company plans further exploration to identify diamond drill targets.

Lonco Project, Neuquen Province, Argentina

In December 2004, the Company announced that it had entered into an agreement to acquire a 100% interest in the Lonco Project, located in the province of Neuquen, Argentina, from a private owner. Under the terms of the agreement Golden Peaks can acquire a 100% interest in the project. The annual option payment is US \$24,000, and the option can be exercised at any time through payment of US \$400,000. If the option is exercised, advanced royalties of US \$24,000 per year become payable until the earlier of ten (10) years, or the start of commercial production at which time a 1% net smelter royalty becomes payable.

The Lonco project covers 66,000 hectares and contains 10 separate prospects in an historic mining district. The project is prospective for porphyry and skarn mineralization, as well as epithermal precious metal mineralization. In December 2004, the Company initiated a program of mapping, sampling and prospect evaluation. The results of this program were sufficiently encouraging to justify a regional stream sediment sampling program which was carried out in July 2005.

Oro Project, Neuquen Province, Argentina

In December 2004, the Company announced that it had entered into an agreement to acquire a 100% interest in the Oro Project, located in the province of Neuquen, Argentina, from a private owner. Under the terms of the agreement Golden Peaks can acquire a 100% interest in the project. The annual option payment is US \$24,000, and the option can be exercised at any time through payment of US \$400,000. If the option is exercised, advanced royalties of US \$24,000 per year become payable until the earlier of ten (10) years, or the start of commercial production at which time a 1% net smelter royalty becomes payable.

The Oro project covers 72,000 hectares and contains five separate prospects. The project covers volcanic and intrusive terrain prospective for epithermal precious metal mineralization. The Company conducted a program of mapping, sampling and prospect evaluation in January 2005. Encouraging results were obtained and further exploration work is planned.

Sierra de las Minas Project

The Sierra de las Minas project comprises four dispositions totaling 3,480 hectares. Two dispositions (2,660 ha) are under option to the Nik project (see above). In November 2004, as provided for under Clause 5 of the Sierra de las Minas Option/Joint Venture Agreement, the Company offered back to the property vendor (Cia. Minera Corral de Isaac S.A.), the mining rights to nine (9) properties expiring or due to expire. In November 2004, Cia. Minera Corral de Isaac S.A. accepted the transfer of the mining rights. No further work is planned on the remaining two dispositions.

La Dorada Property, Nequen Province, Argentina

This project was terminated in December 2004.

Selected Financial Data

The following selected consolidated financial information is derived from the audited consolidated financial statements and notes thereto. The information has been prepared in accordance with Canadian GAAP.

	Years Ended April 30,		
	2005 \$	2004 \$	2003 \$
Operations:			
Revenues	-	-	-
Income (loss)	(2,576,651)	(3,318,066)	(270,106)
Basic and diluted income (loss) per share	(0.13)	(0.21)	(0.02)
Dividends per share	-	-	-
Balance Sheet:			
Working capital	3,208,467	4,570,961	1,635,047
Total assets	4,080,708	6,325,542	5,599,727
Total long-term liabilities	-	-	-

The following selected financial information is derived from the unaudited interim consolidated financial statements of the Company prepared in accordance with Canadian GAAP.

	Fiscal 2005				Fiscal 2004			
	Apr. 30 \$	Jan. 31 \$	Oct. 31 \$	Jul. 31 \$	Apr. 30 \$	Jan. 31 \$	Oct. 31 \$	Jul. 31 \$
Operations:								
Revenues	-	-	-	-	-	-	-	-
Net income (loss)	(2,007,547)	(286,592)	(207,468)	(75,044)	(147,878)	(3,011,660)	(104,208)	(54,320)
Basic and diluted loss per share	(0.11)	(0.01)	(0.01)	(0.00)	(0.01)	(0.19)	(0.01)	(0.00)
Dividends per share	-	-	-	-	-	-	-	-
Balance Sheet:								
Working capital	3,208,467	3,656,370	4,095,646	4,363,091	4,570,961	871,631	1,037,868	1,445,389
Total assets	4,080,708	6,148,857	6,201,936	6,221,286	6,325,542	2,501,830	5,441,241	5,532,373
Total long-term liabilities	-	-	-	-	-	-	-	-

Results of Operations

During the year ended April 30, 2005 (A2005"), the Company reported a loss of \$2,576,651, a decrease in loss of \$741,415 from the loss of \$3,318,066 during the year ended April 30, 2004 (A2004"). The major factors for the decrease in loss was i) the \$2,805,797 write-off of mineral properties and deferred explorations costs in 2004 and only \$1,937,932 in 2005; and ii) the \$21,127 provision on sale of the Company's holdings in Resources Investments Trust PLC ("PLC") in 2004. During 2005, the Company sold 12,000 shares of PLC, received \$34,532 proceeds and recognized a gain of \$13,277.

General and administrative expenses incurred during 2005 were \$722,023, an increase of \$204,089 from the \$517,934 incurred in 2004. Although most categories were relatively stable, the Company did experience significant variances in the following: i) during 2005 the Company paid \$47,650 for consulting services provided by arms-length parties; ii) during 2005 and 2004 the Company paid \$90,000 to a private corporation owned by the Chairman of the Company. In 2004, \$30,000 was capitalized to mineral properties as project management fees and \$60,000 was expensed. In 2005, all of the payments were expensed; iii) the Company also paid \$30,181 in 2005 for advertising in industry magazine publications; iv) in 2005 the Company recognized \$281,317 of non-cash stock-based compensation arising from the granting of stock options. Only \$205,659 was recognized in 2004. The calculation is based on the fair value of stock options granted by the Company using the Black-Scholes option pricing model, which uses estimates and assumptions. It does not necessarily provide a reliable measure of the fair value of the Company's stock options; and v) the Company incurred \$37,592 travel and related costs in 2005 and \$22,115 in 2004. The increase of \$15,477 was attributed to travel by the Company management to review financing opportunities available to the Company.

During 2005, the Company earned \$78,603 interest income compared to \$32,249 in 2004. The increase in 2005 was expected due to the increased funds held in 2005 from the \$4.2 million private placement conducted in April 2004.

During 2005, the Company incurred \$62,438 in exploration expenditures and acquisition costs on the Nik Claim, \$466,992 on the Tanque Negro Project, \$315,996 on the La Fortuna Project, \$39,365 on the Lonco Project, \$41,862 on the Oro Project and \$127,850 on other minor properties. During 2005, the Company: i) terminated the La Dorada Project, wrote-off \$91,083 of mineral properties and deferred exploration costs; ii) wrote-off the remaining \$1.0 million carrying cost relating to the Sierra de las Minas Project; and iii) determined to cease further exploration in the Tanque Negro Project and wrote-off \$846,849 mineral properties and related exploration expenditures. Detailed discussion of the Company's exploration activities conducted are discussed in Exploration Projects@.

Financial Condition / Capital Resources

The Company's practice is to proceed with staged exploration, where each stage is dependent on the successful results of the preceding stage. To date the Company has not received any revenues from its mining activities and has relied on equity financing to fund its commitments and discharge its liabilities as they come due. As of April 30, 2005, the Company had working capital of \$3,208,467. The Company believes that it has sufficient working capital to meet the anticipated cost of all its future exploration programs and corporate overhead requirements through 2005. However, results from its exploration programs and/or additional mineral property acquisitions may result in additional financial requirements. If needed, the Company would be required to conduct additional financings, however, there is no assurance that funding will be available on terms acceptable to the Company or at all. If such funds cannot be secured, the Company may be forced to curtail additional exploration efforts to a level for which funding can be secured or relinquish certain of its properties.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

A detailed summary of all the Company's significant accounting policies is included in Notes 2 and 3 to the April 30, 2005 audited consolidated financial statements.

Changes in Accounting Policies

The Company has no changes in accounting policies.

Transactions With Related Parties

During 2005, the Company was charged a total of \$229,950 by companies controlled by directors and officers of the Company for accounting, administrative, management, project supervision and directors fees. As at April 30, 2005 \$16,549 remained unpaid and is included in accounts payable and accrued liabilities.

Risks and Uncertainties

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company is in compliance in all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company's mineral properties are located in Argentina and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

Investor Relations Activities

The Company did not engage any outside consultants to provide investor relations activities during the year ended April 30, 2005. All investor relations activities are provided by the Company's officers and employees.

Outstanding Share Data

The Company's authorized share capital is 100,000,000 common shares without par value. As at August 17, 2005, there were 20,074,644 common shares issued, 1,295,000 stock options outstanding and exercisable, with exercise prices ranging from \$0.56 to \$1.15 per share and 4,854,728 warrants outstanding, with exercise prices ranging from \$1.50 to \$2.00 per share.