
GOLDEN PEAKS RESOURCES LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

JANUARY 31, 2005

(Unaudited - Prepared by Management)

**MANAGEMENT'S COMMENTS ON
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim consolidated financial statements of Golden Peaks Resources Ltd. for the nine months ended January 31, 2005, have been prepared by and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

GOLDEN PEAKS RESOURCES LTD.
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited - Prepared by Management)

	January 31, 2005 \$	April 30, 2004 \$ <i>(Audited)</i>
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	3,716,737	4,528,822
Amounts receivable and prepaids	54,035	63,085
Marketable securities (Note 3)	<u>35,423</u>	<u>35,423</u>
	3,806,195	4,627,330
EQUIPMENT	17,630	19,739
MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (Note 4)	<u>2,325,032</u>	<u>1,678,473</u>
	<u><u>6,148,857</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	<u>149,825</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)	13,046,822	13,014,416
CONTRIBUTED SURPLUS	498,042	231,485
DEFICIT	<u>(7,545,832)</u>	<u>(6,976,728)</u>
	<u>5,999,032</u>	<u>6,269,173</u>
	<u><u>6,148,857</u></u>	<u><u>6,325,542</u></u>

APPROVED BY THE BOARD

"Kieran Downes" , Director

"Nick DeMare" , Director

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

GOLDEN PEAKS RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
FOR THE NINE MONTHS ENDED JANUARY 31
(Unaudited - Prepared by Management)

	Three Months Ended		Nine Months Ended	
	January 31		January 31	
	2005	2004	2005	2004
	\$	\$	\$	\$
EXPENSES				
Accounting and administration	2,825	2,720	13,100	13,085
Amortization	1,409	1,432	3,704	5,708
Audit and legal	1,766	1,763	8,257	2,101
Filing fees and transfer agent	1,565	4,459	8,369	11,628
Investment conferences	4,744	-	11,471	-
Management fees	22,500	15,000	67,500	45,000
Office and general	15,642	7,055	38,671	20,640
Office rent	5,016	5,424	14,929	17,188
Professional fees	7,500	-	42,650	-
Salaries and benefits	14,124	17,108	42,211	46,067
Shareholder communications	6,497	1,582	15,265	7,398
Stock-based compensation	155,137	74,569	266,557	88,905
Travel and related costs	3,919	11,825	19,807	12,069
	<u>242,644</u>	<u>142,937</u>	<u>552,491</u>	<u>269,789</u>
LOSS BEFORE THE FOLLOWING	(242,644)	(142,937)	(552,491)	(269,789)
INTEREST AND OTHER INCOME	19,374	4,240	60,851	18,556
WRITE-OFF OF MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS	(78,225)	(2,877,302)	(78,225)	(2,877,302)
GAIN (LOSS) ON SALE OF MARKETABLE SECURITIES	-	6,645	-	(8,760)
PROVISION ON MARKETABLE SECURITIES	-	-	-	(21,146)
FOREIGN EXCHANGE GAIN (LOSS)	14,903	(2,306)	761	(11,747)
LOSS FOR THE PERIOD	(286,592)	(3,011,660)	(569,104)	(3,170,188)
DEFICIT - BEGINNING OF PERIOD	<u>(7,259,240)</u>	<u>(3,817,190)</u>	<u>(6,976,728)</u>	<u>(3,658,662)</u>
DEFICIT - END OF PERIOD	<u><u>(7,545,832)</u></u>	<u><u>(6,828,850)</u></u>	<u><u>(7,545,832)</u></u>	<u><u>(6,828,850)</u></u>
BASIC AND DILUTED LOSS PER COMMON SHARE	<u><u>\$(0.01)</u></u>	<u><u>\$(0.19)</u></u>	<u><u>\$(0.03)</u></u>	<u><u>\$(0.20)</u></u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u><u>20,040,605</u></u>	<u><u>15,829,946</u></u>	<u><u>20,028,489</u></u>	<u><u>15,829,946</u></u>

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

GOLDEN PEAKS RESOURCES LTD.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED JANUARY 31
(Unaudited - Prepared by Management)

	Three Months Ended January 31		Nine Months Ended January 31	
	2005 \$	2004 \$	2005 \$	2004 \$
CASH PROVIDED FROM (USED FOR)				
OPERATING ACTIVITIES				
Loss for the period	(286,592)	(3,011,660)	(569,104)	(3,170,188)
Items not involving cash				
Amortization	1,409	1,432	3,704	5,708
Write-off of mineral properties and deferred exploration costs	78,225	2,877,302	78,225	2,877,302
Provision on marketable securities	-	-	-	21,146
Loss (gain) on sale of marketable securities	-	(6,645)	-	8,760
Stock-based compensation	155,137	74,569	266,557	88,905
	(51,821)	(65,002)	(220,618)	(168,367)
Decrease (increase) in amounts receivable and prepaids	43,476	30,059	9,050	(9,440)
Increase (decrease) in accounts payable and accrued liabilities	58,597	(2,320)	93,456	(16,614)
	50,252	(37,263)	(118,112)	(194,421)
INVESTING ACTIVITIES				
Expenditures on mineral properties and deferred exploration costs	(403,734)	(101,076)	(722,204)	(552,985)
Equipment purchases	(3,500)	-	(4,175)	(5,354)
Proceeds on sale of marketable securities	-	59,783	-	126,548
	(407,234)	(41,293)	(726,379)	(431,791)
FINANCING ACTIVITY				
Issuance of common shares	19,779	-	32,406	-
Share issue costs	-	(6,804)	-	(6,804)
	19,779	(6,804)	32,406	(6,804)
DECREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	(337,203)	(85,360)	(812,085)	(633,016)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	4,053,940	978,890	4,528,822	1,526,546
CASH AND CASH EQUIVALENTS - END OF PERIOD	3,716,737	893,530	3,716,737	893,530
CASH AND CASH EQUIVALENTS COMPRISED OF:				
Cash			722,137	345,402
Term deposits			2,994,600	548,128
			3,716,737	893,530

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

GOLDEN PEAKS RESOURCES LTD.
INTERIM CONSOLIDATED SCHEDULE OF DEFERRED EXPLORATION COSTS
FOR THE NINE MONTHS ENDED JANUARY 31
(Unaudited - Prepared by Management)

	2005					2004	
	Sierra de las Minas \$	Tanque Negro \$	La Fortuna \$	Nik \$	Others \$	Total \$	Total \$
BALANCE - BEGINNING OF PERIOD	524,202	379,857	75,600	152,402	47,410	1,179,471	3,335,406
EXPENDITURES DURING THE PERIOD							
Accounting and audit	-	2,329	2,329	3,466	4,425	12,549	13,150
Airfares and travel	-	29,472	25,800	-	17,308	72,580	32,527
Amortization	-	-	-	2,580	-	2,580	2,171
Assaying	-	10,759	33,653	-	-	44,412	19,931
Communications	-	279	600	31	-	910	3,057
Drilling	-	116,087	-	-	-	116,087	139,717
Equipment and supplies	-	-	-	-	-	-	2,035
Field personnel and supervision	-	53,315	39,915	23,981	25,089	142,300	110,510
Geochemistry	-	-	-	-	-	-	2,067
Geophysics	-	21,560	-	-	-	21,560	-
IVA tax	-	-	-	4,729	19,919	24,648	40,207
Sampling	-	-	-	-	-	-	62,367
Satellite imaging	-	-	-	-	-	-	5,489
Land management	-	-	-	1,285	-	1,285	6,677
Legal	-	7,573	7,573	17,203	8,821	41,170	16,015
Magnetic/IP survey	-	30,323	27,240	-	-	57,563	24,900
Maps, logs and related costs	-	1,760	4,523	7,146	2,919	16,348	13,500
Project management	-	-	-	-	-	-	22,500
Transportation	-	5,239	2,542	-	4,507	12,288	15,132
	-	278,696	144,175	60,421	82,988	566,280	531,952
LESS: WRITE-OFF	-	-	-	-	(64,860)	(64,860)	(2,877,302)
	-	278,696	144,175	60,421	18,128	501,420	(2,345,350)
BALANCE - END OF PERIOD	<u>524,202</u>	<u>658,553</u>	<u>219,775</u>	<u>212,823</u>	<u>65,538</u>	<u>1,680,891</u>	<u>990,056</u>

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

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2005
(Unaudited - Prepared by Management)

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 2005 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

The interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the interim financial statements and accompanying notes. Actual results could differ from those estimates. The interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality. These interim consolidated financial statements should be read in conjunction with the most recent annual consolidated financial statements. The significant accounting policies follow that of the most recently reported annual financial statements.

3. MARKETABLE SECURITIES

	<u>As at January 31, 2005</u>		<u>As at April 30, 2004</u>	
	Number of Shares	Amount \$	Number of Shares	Amount \$
Resources Investment Trust PLC	<u>19,999</u>	<u>35,423</u>	<u>19,999</u>	<u>35,423</u>

As at January 31, 2005, the quoted market value of the Resources Investment Trust PLC shares was \$51,043.

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2005
(Unaudited - Prepared by Management)

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

	January 31, 2005			April 30, 2004		
	Mineral Property	Deferred Exploration Costs <i>(see schedule)</i>	Total Costs	Mineral Property	Deferred Exploration Costs	Total Costs
	\$	\$	\$	\$	\$	\$
Sierra de las Minas	475,798	524,202	1,000,000	475,798	524,202	1,000,000
Tanque Negro	8,773	658,553	667,326	-	379,857	379,857
La Fortuna	135,026	219,775	354,801	20,473	75,600	96,073
Nik	-	212,823	212,823	-	152,402	152,402
Others	24,544	65,538	90,082	2,731	47,410	50,141
	<u>644,141</u>	<u>1,680,891</u>	<u>2,325,032</u>	<u>499,002</u>	<u>1,179,471</u>	<u>1,678,473</u>

(a) *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.

In February 2003, the Company received notice from Mitsubishi that it was divesting itself of all junior exploration projects. On April 15, 2004, the Company entered into an agreement with Mitsubishi whereby the Company could acquire a 100% undivided interest in the Corral 1 and Corral Nuevo claims (2,660 hectares) forming 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.

No exploration was conducted on the Sierra de las Minas Project during the nine months ended January 31, 2005.

(b) *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 may acquire an initial 70% interest in the property by expending US \$1 million on exploration and making option payments totalling US \$70,000, as follows:

<u>Date</u>	<u>Option Payments</u> US \$	<u>Work Expenditures</u> US \$	
September 13, 2003	-	100,000	(incurred)
September 13, 2004	-	200,000	(incurred)
September 13, 2005	30,000	300,000	
September 13, 2006	<u>40,000</u>	<u>400,000</u>	
	<u>70,000</u>	<u>1,000,000</u>	

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2005
(Unaudited - Prepared by Management)

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (continued)

Upon earning the initial 70% interest, the Company may elect to earn a 100% interest in the Tanque Negro Property by completing a bankable feasibility study over three years, or may elect to fund its 70% share of a joint venture with Rio Tinto. If the Company acquires a 100% interest in the Tanque Negro Property, Rio Tinto will retain a 2% net smelter royalty, half of which can be purchased for US \$1 million within 90 days of the completion of the bankable feasibility study.

(c) *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 La Fortuna 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	<u>170,000</u>
	<u><u>350,000</u></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.

(d) *Nik Claim*

The Nik Claim consists of one cateo acquired by the Company, comprising 2,900 hectares located in the province of La Rioja, Argentina.

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(Unaudited - Prepared by Management)

5. SHARE CAPITAL

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

Issued -	Shares	\$
Balance, beginning of period	20,019,944	13,014,416
Issued during the period		
For cash		
Exercise of warrants	<u>36,400</u>	<u>32,406</u>
Balance, end of period	<u>20,056,344</u>	<u>13,046,822</u>

(a) A summary of the Company's stock options at January 31, 2005 and the changes for the nine months ended January 31, 2005 is presented below:

	Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	625,000	0.62
Granted	845,000	1.01
Cancelled	<u>(200,000)</u>	0.70
Balance, end of period	<u>1,270,000</u>	0.87

The following table summarizes information about the stock options outstanding and exercisable at January 31, 2005:

Exercise Price \$	Options Outstanding	Expiry Date
0.85	25,000	June 30, 2005
0.56	400,000	October 24, 2005
1.00	600,000	September 1, 2006
1.05	<u>245,000</u>	November 18, 2006
	<u>1,270,000</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 period:

Risk-free interest rate	2.58% - 2.89%
Estimated volatility	61.24% - 73.47%
Expected life	1 year
Expected dividend yield	0%

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2005
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5. SHARE CAPITAL (continued)

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 consultants was \$0.32 per share. The Company charged \$266,557 stock-based compensation to operations.

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.

- (b) As at January 31, 2005, the Company had outstanding warrants issued pursuant to private placements, which may be exercised to purchase 5,507,328 shares. The warrants expire at various times until April 8, 2006 and may be exercised at prices ranging from \$0.69 per share to \$2.00 per share.

Details of warrants outstanding are as follows:

	Warrants Outstanding
Balance, beginning of period	5,751,728
Exercised	(36,400)
Expired	<u>(208,000)</u>
Balance, end of period	<u><u>5,507,328</u></u>

The following table summarizes information about the warrants outstanding and exercisable at January 31, 2005:

Warrants Outstanding	Exercise Price	Expiry Date
616,000	\$1.50	February 8, 2005
459,480	\$2.00	March 28, 2005
36,600	\$0.69	April 3, 2005
<u>4,395,248</u>	\$1.25 / \$1.50	April 8, 2005 / April 8, 2006
<u><u>5,507,328</u></u>		

6. RELATED PARTY TRANSACTIONS

During the nine months ended January 31, 2005 the Company was charged a total of \$143,600 by companies controlled by directors and officers of the Company for accounting, administrative, management and project supervision. As at January 31, 2005, \$1,734 remained unpaid and is included in accounts payable and accrued liabilities.

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2005
(Unaudited - Prepared by Management)

7. 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.

	January 31, 2005		
	Corporate \$	Mineral Operations \$	Consolidated \$
Identifiable assets			
Current assets	3,758,189	48,006	3,806,195
Equipment	12,327	5,303	17,630
Mineral properties and deferred exploration costs	-	2,325,032	2,325,032
	<u>3,770,516</u>	<u>2,378,341</u>	<u>6,148,857</u>
Mineral property and deferred exploration costs additions	<u>-</u>	<u>724,784</u>	<u>724,784</u>
	April 30, 2004		
	Corporate \$	Mineral Operations \$	Consolidated \$
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>

8. SUBSEQUENT EVENT

On March 18, 2005, the Company granted stock options to a consultant to purchase 50,000 common shares of the Company at an exercise price of \$1.15 per share for a period of one year.

GOLDEN PEAKS RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED JANUARY 31, 2005

Background

This discussion and analysis of financial position and results of operation is prepared as at March 23, 2005 and should be read in conjunction with the unaudited interim consolidated financial statements and the accompanying notes for the nine months ended January 31, 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 "GL". 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. Two large gold-mineralized structures (the CB (1,200 meters long) and CR (2,700 meters long)) were initially recognized and major new structures were identified for ground follow-up through analysis of satellite imagery. All of the structures have associated gold-in-stream sediment anomalies.

In February 2004, the Company conducted confirmation sampling on the CR structure. This sampling confirmed the gold bearing character of the 2,700 meter long structure. The structure comprises quartz veining, brecciation and silicification. Primary sulphides are rare but the structure is heavily gossaned after sulphides. The B zone is variably developed across a width of approximately 500 meters suggesting a significant zone of dilation on the structure. Overall, the results of the Company's sampling are equal to or better than the historical samples obtained by Minera Mincorp S.A.

In July 2004, the Company discovered a new gold mineralized structure on the La Fortuna Project. The A structure was identified through analysis of satellite imagery, and was confirmed through ground prospecting and mapping. The structure lies to the north of the CB and CR structures. The A structure is approximately 5 kilometers long. Exposure is limited because of extensive talus cover. Different styles of mineralization have been identified along the structure ranging from strong silicification in the northwest through quartz veins/breccia in the central sector to high level clay alteration with anomalous gold at the southeast end. The central sector appears to be the best mineralized, however, this may be a function of exposure. Wider zones of low grade gold are found at the southeast end.

In September 2004, the Company announced the discovery of the ML structure, located approximately 6 kilometers south of the A structure and approximately 4 kilometers south of the CR structure. The structure comprises extensive to massive silicification. Reconnaissance sampling returned gold values up to 3.88 g/t as well as very anomalous values of silver, arsenic, mercury, lead and antimony. The silicification may represent a silica cap over deeper mineralization.

In September-October 2004, the Company reported the results from the induced polarization ("IP") and ground magnetic surveys (64 km) conducted on the project. The gradient IP surveys (37.5 km) show strong and extensive chargeability and resistivity anomalies associated with segments of the A, CR, CB and ML structures. In addition, selected areas were surveyed with pole-dipole induced polarization to test for large mineralized targets to depths of up to 300 metres (10.1 km).

Highlights include:

- A 1,000 metre long zone of coincident chargeability and resistivity at the northwest end of the A structure. Prospecting prior to the geophysical surveys had identified silicified zones and structures, with anomalous gold and silver values, in this area. Pole-dipole surveys show the zone to be approximately 400 metres wide and to extend to depths exceeding 250 metres. The zone plunges gently to the southeast.
- Strong chargeability and resistivity anomalies associated with mineralization at the north end of the CR structure over a distance of approximately 800 metres. The anomalies encompass the surface gold mineralization.
- Coincident chargeability and resistivity anomalies associated with mineralization at the south end of the CR structure over a distance of approximately 1,300 metres. The anomalies encompass the surface gold mineralization in the A, B and F zones as well as extensions of the F zone to the southeast.

- Coincident chargeability and resistivity anomalies over a distance of approximately 600 meters on the CB structure. The anomalies encompass the gold-silver mineralization in the old workings. A pole-dipole survey shows the strongest part of the chargeability anomaly is down dip from the old workings.

The coincidence of surface mineralization with the geophysical anomalies is very encouraging .

Four significant gold mineralized structures (the A, CR, CB and ML) have now been identified and all have been surveyed with ground magnetic and induced polarization/resistivity. A number of drill targets have already been established coincident with significant surface gold mineralization, and gold mineralization associated with old underground workings. The geophysical surveys will aid in the identification of additional drill targets for the Company's planned diamond drilling program which will test the various gold-mineralized structures.

The Company plans detailed mapping of the CR, A and CB structures before commencing a diamond drilling program.

Tanque Negro Project, Rio Negro Province, Argentina

In 2004 a PIMA survey of drill core identified the presence of dickite in holes TNDH-2 and 3. This may be indicative of high-sulphidation mineralization. These two holes, drilled on section and 100 meters apart, intersected a wide replacement zone (up to 32 meters true width) in porous volcanics. The zone, which carries highly anomalous gold, silver and mercury values associated with dickite alteration, dips gently to the east. The feeder zone has not been located or drilled.

In September-October 2004, additional geophysical surveys were completed on the project. A pole-dipole IP /resistivity survey (28.4 km), designed to test for large mineralized targets to depths of approximately 300 metres, was completed, as well as a limited gradient IP survey (4.4 km). A ground magnetic survey (44.4 km) was completed to map hitherto un-surveyed portions of the mineralized system, as well as to map new areas of interest indicated by the reconnaissance pole-dipole survey. A reconnaissance electromagnetic survey was also completed (15 km). New targets were identified in addition to the geological targets already recognized.

In November - December 2004 and January - February 2005, the Company conducted a diamond drilling program. The Company is awaiting assays.

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 prospect evaluation. It is too early at this time to comment on the results.

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 5 separate prospects. The project covers volcanic and intrusive terrain prospective for epithermal precious metal mineralization. The Company plans a program of prospect evaluation in 2005.

La Dorada Property, Nequen Province, Argentina

This project was terminated in December 2004.

Selected Financial Data

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				Fiscal 2003
	Jan. 31 \$	Oct. 31 \$	Jul. 31 \$	Apr. 30 \$	Jan. 31 \$	Oct. 31 \$	Jul. 31 \$	Apr. 30 \$
Operations:								
Revenues	-	-	-	-	-	-	-	-
Net income (loss)	(286,592)	(207,468)	(75,044)	(147,878)	(3,011,660)	(104,208)	(54,320)	(86,392)
Basic and diluted loss per share	(0.01)	(0.01)	(0.00)	(0.01)	(0.19)	(0.01)	(0.00)	(0.01)
Dividends per share	-	-	-	-	-	-	-	-
Balance Sheet:								
Working capital	3,656,370	4,095,646	4,363,091	4,570,961	871,631	1,037,868	1,445,389	1,635,047
Total assets	6,148,857	6,201,936	6,221,286	6,325,542	2,501,830	5,441,241	5,532,373	5,599,727
Total long-term liabilities	-	-	-	-	-	-	-	-

Results of Operations

During the nine months ended January 31, 2005 ("2005"), the Company reported a loss of \$569,104, a decrease in loss of \$2,601,084 from the loss of \$3,170,188 during the nine months ended January 31, 2004 ("2004"). The major factors for the decrease in loss was i) the \$2,877,302 write-off of mineral properties and deferred explorations costs in 2004 and only \$78,225 in 2005; and ii) the \$21,146 provision and \$8,760 in loss on sale of the Company's holdings in Resources Investments Trust PLC in 2004.

General and administrative expenses incurred during 2005 were \$552,491, an increase of \$282,702 from the \$269,789 incurred in 2004. Although most categories were relatively stable, the Company did experience significant variances in the following: i) during 2005 the Company paid \$42,500 for general corporate financing fees provided by an arms-length party; ii) during 2005 and 2004 the Company paid \$67,500 to private corporations owned by the Chairman of the Company. In 2004, \$22,500 was capitalized to mineral properties as project management fees and \$45,000 was expensed. In 2005, all of the payments were expensed; iii) \$11,471 paid in 2005 for attendance at an investment conference and associated travel costs; iv) in 2005 the Company recognized \$266,557 of non-cash stock-based compensation arising from the granting of stock options. Only \$88,905 was recognized in 2004; and v) the Company incurred \$19,807 travel and related costs in 2005 and \$12,069 in 2004. The increase of \$7,738 was attributed to travel by the Company management to investment conferences and review of financing opportunities available to the Company.

During 2005, the Company earned \$60,851 interest income compared to \$18,556 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 \$60,421 in exploration expenditures on the Nik Claim, \$278,696 on the Tanque Negro Project, \$144,175 on the La Fortuna Project and \$82,988 on other minor properties. During the nine months ended January 31, 2005, the Company terminated the La Dorada Project and recorded \$78,225 write-off of mineral properties and deferred exploration costs. 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 January 31, 2005, the Company had working capital of \$3,656,370. 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, 2004 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 \$143,600 by companies controlled by directors and officers of the Company for accounting, administrative, management and project supervision. As at January 31, 2005 \$1,734 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 nine months ended January 31, 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 March 23, 2005, there were 20,074,644 issued common shares. As at January 31, 2005, there were 1,270,000 stock options outstanding and exercisable, with exercise prices ranging from \$0.56 to \$1.05 per share. In addition there were 5,507,328 warrants outstanding, with exercise prices ranging from \$0.69 to \$2.00 per share. On March 18, 2005, the Company granted stock options to a consultant to purchase 50,000 common shares of the Company at an exercise price of \$1.15 per share, for a period of one year.