
GOLDEN PEAKS RESOURCES LTD.

(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
JULY 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 three months ended July 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.
(An Exploration Stage Company)
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited - Prepared by Management)

	July 31, 2005	April 30, 2005
	\$	\$
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	2,936,167	3,138,126
Amounts receivable and prepaids (Note 6)	84,721	118,009
Marketable securities (Note 3)	<u>14,168</u>	<u>14,168</u>
	3,035,056	3,270,303
EQUIPMENT , net of accumulated amortization of \$89,045 (2004 - \$79,465)	13,725	15,361
MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (Note 4 and Schedule)	<u>1,008,917</u>	<u>795,044</u>
	<u><u>4,057,698</u></u>	<u><u>4,080,708</u></u>
L I A B I L I T I E S		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	<u>202,967</u>	<u>61,836</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	13,059,449
CONTRIBUTED SURPLUS	525,189	512,802
DEFICIT	<u>(9,729,907)</u>	<u>(9,553,379)</u>
	<u>3,854,731</u>	<u>4,018,872</u>
	<u><u>4,057,698</u></u>	<u><u>4,080,708</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.
(An Exploration Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
FOR THE THREE MONTHS ENDED JULY 31

(Unaudited - Prepared by Management)

	2005 \$	2004 \$
EXPENSES		
Accounting and administration	1,575	1,075
Advertising	19,011	6,727
Amortization	1,425	1,147
Consulting	10,450	30,000
Filing fees and transfer agent	824	962
General exploration	68,054	-
Legal	2,440	673
Management fees	22,500	22,500
Office and general	11,040	5,412
Office rent	5,016	4,896
Shareholder communications	2,891	1,705
Salaries and benefits	15,618	14,262
Stock-based compensation	12,387	-
Travel and related costs	3,770	1,403
	<u>177,001</u>	<u>90,762</u>
LOSS BEFORE THE FOLLOWING	(177,001)	(90,762)
INTEREST AND OTHER INCOME	16,625	20,428
FOREIGN EXCHANGE LOSS	<u>(16,152)</u>	<u>(4,710)</u>
LOSS FOR THE PERIOD	(176,528)	(75,044)
DEFICIT - BEGINNING OF PERIOD	<u>(9,553,379)</u>	<u>(6,976,728)</u>
DEFICIT - END OF PERIOD	<u><u>(9,729,907)</u></u>	<u><u>(7,051,772)</u></u>
 BASIC AND DILUTED LOSS PER COMMON SHARE	 <u><u>\$(0.01)</u></u>	 <u><u>\$(0.00)</u></u>
 WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	 <u><u>20,074,644</u></u>	 <u><u>20,019,944</u></u>

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

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JULY 31

(Unaudited - Prepared by Management)

	2005 \$	2004 \$
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Loss for the period	(176,528)	(75,044)
Items not involving cash		
Amortization	1,425	1,147
Stock-based compensation	12,387	-
	(162,716)	(73,897)
Decrease (increase) in amounts receivable and prepaids	33,288	(12,882)
Increase (decrease) in accounts payable and accrued liabilities	141,131	(29,212)
	11,703	(115,991)
INVESTING ACTIVITIES		
Expenditures on mineral properties and deferred exploration costs	(213,123)	(133,973)
Equipment purchases	(539)	-
	(213,662)	(133,973)
DECREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD		
	(201,959)	(249,964)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	3,138,126	4,528,822
CASH AND CASH EQUIVALENTS - END OF PERIOD	2,936,167	4,278,858
CASH AND CASH EQUIVALENTS COMPRISED OF:		
Cash	90,167	113,213
Term deposits	2,846,000	4,165,645
	2,936,167	4,278,858
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid in cash	-	-
Income taxes paid in cash	-	-

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

GOLDEN PEAKS RESOURCES LTD.*(An Exploration Stage Company)***INTERIM CONSOLIDATED SCHEDULE OF
MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS***(Unaudited - Prepared by Management)*

	Three Months Ended July 31, 2005						Year Ended April 30, 2005
	Lonco \$	Oro \$	La Fortuna \$	Nik \$	Others \$	Total \$	Total \$
BALANCE - BEGINNING OF PERIOD	<u>39,365</u>	<u>41,862</u>	<u>412,069</u>	<u>214,840</u>	<u>86,908</u>	<u>795,044</u>	<u>1,678,473</u>
EXPENDITURES DURING THE PERIOD							
EXPLORATION COSTS							
Accounting	1,710	-	1,711	1,291	-	4,712	22,619
Amortization	-	-	-	-	750	750	3,441
Assaying	-	-	1,237	-	-	1,237	57,771
Communications	175	-	267	-	-	442	2,365
Drilling	-	-	-	-	-	-	237,413
Equipment and supplies	1,032	-	1,256	2,159	-	4,447	15,008
Field personnel and supervision	2,259	-	26,775	4,777	-	33,811	138,557
Geological	4,316	-	27,063	-	-	31,379	82,542
Geophysics	-	-	68,136	-	-	68,136	80,522
Land management	-	-	-	1,001	-	1,001	4,759
Legal	2,611	-	2,611	7,511	-	12,733	44,061
Travel and transportation	4,162	-	12,001	-	-	16,163	110,766
Foreign value added tax	-	-	-	-	38,372	38,372	77,600
	<u>16,265</u>	<u>-</u>	<u>141,057</u>	<u>16,739</u>	<u>39,122</u>	<u>213,183</u>	<u>877,424</u>
ACQUISITION COSTS	<u>-</u>	<u>-</u>	<u>690</u>	<u>-</u>	<u>-</u>	<u>690</u>	<u>177,079</u>
	<u>16,265</u>	<u>-</u>	<u>141,747</u>	<u>16,739</u>	<u>39,122</u>	<u>213,873</u>	<u>1,054,503</u>
BALANCE BEFORE WRITE-OFF	<u>55,630</u>	<u>41,862</u>	<u>553,816</u>	<u>231,579</u>	<u>126,030</u>	<u>1,008,917</u>	<u>2,732,976</u>
LESS: WRITE-OFF	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,937,932)</u>
BALANCE - END OF PERIOD	<u><u>55,630</u></u>	<u><u>41,862</u></u>	<u><u>553,816</u></u>	<u><u>231,579</u></u>	<u><u>126,030</u></u>	<u><u>1,008,917</u></u>	<u><u>795,044</u></u>

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

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 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 2006 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 July 31, 2005</u>		<u>As at April 30, 2005</u>	
	Number of Shares	Amount \$	Number of Shares	Amount \$
Resources Investment Trust PLC	<u>7,999</u>	<u>14,168</u>	<u>7,999</u>	<u>14,168</u>

As at July 31, 2005, the quoted market value of the Resources Investment Trust PLC shares was \$20,334 (April 30, 2005 - \$21,305).

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2005
(Unaudited - Prepared by Management)

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

	July 31, 2005			April 30, 2005		
	Mineral Property	Deferred Exploration Costs (See Schedule)	Total Costs	Mineral Property	Deferred Exploration Costs (See Schedule)	Total Costs
	\$	\$	\$	\$	\$	\$
Lonco	20,406	35,224	55,630	20,406	18,959	39,365
Oro	20,406	21,456	41,862	20,406	21,456	41,862
La Fortuna	137,101	416,715	553,816	136,411	275,658	412,069
Nik	-	231,579	231,579	-	214,840	214,840
Others	-	126,030	126,030	-	86,908	86,908
	<u>177,913</u>	<u>831,004</u>	<u>1,008,917</u>	<u>177,223</u>	<u>617,821</u>	<u>795,044</u>

(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) *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:

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2005
(Unaudited - Prepared by Management)

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (continued)

<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 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 Neuvo 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 -

	<u>Three Months Ended July 31, 2005</u>	
	<u>Shares</u>	<u>\$</u>
Balance - beginning and end of period	<u>20,074,644</u>	<u>13,059,449</u>

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2005
(Unaudited - Prepared by Management)

5. SHARE CAPITAL (continued)

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

	Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	1,320,000	0.88
Granted	50,000	0.60
Expired	<u>(25,000)</u>	0.85
Balance, end of period	<u>1,345,000</u>	0.87

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

Exercise Price \$	Number of Options	Expiry Date
0.56	400,000	October 24, 2005
1.00	600,000	September 1, 2006
1.05	245,000	November 18, 2006
1.15	50,000	March 18, 2006
0.60	<u>50,000</u>	May 19, 2007
	<u>1,345,000</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	2.74%
Estimated volatility	73.61%
Expected life	1 year
Expected dividend yield	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 consultants was \$0.25 per share. The Company charged \$12,387 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.

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2005
(Unaudited - Prepared by Management)

5. SHARE CAPITAL (continued)

- (b) As at July 31, 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 until 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:

	Warrants Outstanding
Balance, beginning and end of period	<u><u>4,854,728</u></u>

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

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

6. RELATED PARTY TRANSACTIONS

During the three months ended July 31, 2005 the Company was charged a total of \$45,075 by companies controlled by directors and officers of the Company for accounting, administrative, management and project supervision. As at July 31, 2005, \$7,534 remained unpaid and is included in accounts payable and accrued liabilities.

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.

	July 31, 2005		
	Canada	Argentina	Total
	\$	\$	\$
Identifiable assets			
Current assets	2,987,163	47,893	3,035,056
Equipment	10,032	3,693	13,725
Mineral properties and deferred exploration costs	-	1,008,917	1,008,917
	<u>2,997,195</u>	<u>1,060,503</u>	<u>4,057,698</u>
Mineral property and deferred exploration costs additions	-	213,873	213,873

GOLDEN PEAKS RESOURCES LTD.
(An Exploration Stage Company)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2005

(Unaudited - Prepared by Management)

7. SEGMENTED INFORMATION (continued)

	April 30, 2005		
	Canada	Argentina	Total
	\$	\$	\$
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.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED JULY 31, 2005

Background

This discussion and analysis of financial position and results of operation is prepared as at September 27, 2005 and should be read in conjunction with the interim consolidated financial statements and the accompanying notes for the three months ended July 31, 2005 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 gold and silver mineral exploration, with its primary assets located 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.

In September 2005, the Company announced that work had resumed on the project after the winter break and that diamond drilling will resume upon establishment of a full camp facility and infrastructure. Exploration crews have mobilized to the project to (1) complete detailed mapping and sampling of the CR and CB gold-mineralized structures, work which was interrupted by the early on-set of winter; (2) re-establish drill roads and other infrastructure; and (3) mark out new drill roads and trenches for development. The Company also announced the results of a recently completed program of check assaying. Alex Stewart (Assayers) Argentina S.A. is the Company's primary laboratory. Rejects of 58 samples with assays ranging from 0.02 to 45.95 g/t gold were selected for check assaying at ALS GEOLAB S.R.L. Both laboratories used the same assaying protocol. Overall, there is good correlation between the results from the two laboratories. Such variation as is observed may be attributable to nugget effect. The results are presented below.

Initial Assay	Check Assay	Initial Assay	Check Assay
Gold g/t	Gold g/t	Gold g/t	Gold g/t
0.41	0.28	25.68	20.70
9.96	8.79	39.47	38.00
14.12	17.50	17.37	17.00
5.00	5.18	3.28	3.36
6.36	6.93	30.76	29.10
13.66	12.80	1.40	1.33
7.37	9.85	2.58	2.72
22.84	22.00	0.96	0.86
0.12	0.04	14.83	11.60
0.04	0.25	24.49	22.80
18.99	17.50	6.59	6.34
10.80	11.15	0.08	0.14
10.36	9.36	0.14	0.09
9.64	8.88	0.02	0.02
0.02	0.03	0.05	0.05
15.02	14.85	8.53	7.84
34.83	36.30	2.31	1.56
0.09	0.06	4.50	7.07
0.27	0.32	2.11	5.71
0.06	0.08	12.73	14.40
0.13	0.31	1.08	1.25
0.05	0.05	4.14	2.75
0.21	0.29	0.34	0.56
2.62	1.97	18.60	20.50
2.31	2.25	1.20	0.89
1.74	1.60	4.37	3.71
3.51	3.24	20.65	19.90
2.25	2.03	45.95	0.00
3.31	2.89	4.10	4.75

Tanque Negro Project, Rio Negro Province, Argentina

The Company has terminated the option and the project has been returned to Rio Tinto Mining and Exploration Limited.

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. The Company plans additional field work.

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. The Company plans additional field work now that winter is past and the project is again accessible.

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 at this time on the two remaining dispositions.

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 2006	Fiscal 2005				Fiscal 2004			
	Jul 31 \$	Apr. 30 \$	Jan. 31 \$	Oct. 31 \$	Jul. 31 \$	Apr. 30 \$	Jan. 31 \$	Oct. 31 \$	
Operations:									
Revenues	-	-	-	-	-	-	-	-	
Net income (loss)	(176,528)	(2,007,547)	(286,592)	(207,468)	(75,044)	(147,878)	(3,011,660)	(104,208)	
Basic and diluted loss per share	(0.01)	(0.11)	(0.01)	(0.01)	(0.00)	(0.01)	(0.19)	(0.01)	
Dividends per share	-	-	-	-	-	-	-	-	
Balance Sheet:									
Working capital	2,832,089	3,208,467	3,656,370	4,095,646	4,363,091	4,570,961	871,631	1,037,868	
Total assets	4,057,698	4,080,708	6,148,857	6,201,936	6,221,286	6,325,542	2,501,830	5,441,241	
Total long-term liabilities	-	-	-	-	-	-	-	-	

Results of Operations

During the three months ended July 31, 2005 ("2005"), the Company reported a loss of \$176,528, an increase in loss of \$101,484 from the loss of \$75,044 for the three months ended July 31, 2004 ("2004"). During 2005 the net loss included the \$68,054 (2004 - \$nil) general exploration and the recognition of \$12,387 (2004 - \$nil) for non-cash stock-based compensation on the granting of stock options.

General and administrative expenses incurred during 2005 were \$177,001, an increase of \$86,239 from the \$90,762 incurred in 2004. Although most categories were relatively stable, the Company did experience significant variances in the following: i) the Company paid \$19,011 (US \$15,000) in 2005 for advertising in industry magazine publications. \$6,727 was incurred in 2004 for general advertising; ii) in 2005 the Company recognized \$12,387 of non-cash stock-based compensation arising from the granting of stock options. No options were granted 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; iii) in 2005 the Company incurred \$68,054 general exploration costs related to the Tanque Negro Project which had been written-off at the end of the fiscal year ended April 30, 2005. In 2004, activities relating to Tanque Negro were capitalized. During 2005 the Company paid \$10,450 for consulting services provided by arms-length parties and \$30,000 was paid in 2004.

During 2005, the Company earned \$16,625 interest income compared to \$20,428 in 2004. The decrease in 2005 was due to the decreased funds held in 2005. During 2005 the Company did not conduct any equity financing.

During 2005, the Company incurred \$16,739 in exploration expenditures and acquisition costs on the Nik Claim, \$141,747 on the La Fortuna Project, \$16,265 on the Lonco Project, and \$39,122 on other minor properties. Detailed discussion of the Company's exploration activities conducted are discussed in AExploration 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 July 31, 2005, the Company had working capital of \$2,832,089. 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 Note 2 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 the three months ended July 31, 2005, the Company was charged a total of \$45,075 by companies controlled by directors and officers of the Company for accounting, administrative, management, project supervision and directors fees. As at July 31, 2005 \$7,534 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 three months ended July 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 September 22, 2005, there were 20,074,644 common shares issued, 1,345,000 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.