ROBEX RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2005 and 2004

Robex Resources Inc.

Table of Contents

Deloitte

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Auditors' Report

To the Shareholders of
Robex Resources Inc.

We have audited the consolidated balance sheets of **Robex Resources Inc.** as at December 31, 2005 and 2004 and the consolidated statements of loss, deficit, contributed surplus, acquisition cost and deferred exploration and development expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 December 31, 2005 and 2004 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Samson Bélair
Deloitte & Touche s.e.n.c.r.l.

Chartered Accountants

April 10, 2006

ROBEX RESOURCES INC.

CONSOLIDATED STATEMENTS OF LOSS FOR THE YEARS ENDED DECEMBER 31

	2005	2004
	$	$
INCOME		
Interest	**31,148**	44,324
Investments	**42,288**	47,825
	73,436	92,149
EXPENSES		
Administration	**105,183**	110,355
Cost of stock option compensation	**93,155**	219,169
Professional fees	**255,455**	284,942
Interest and bank charges	**27,059**	27,314
Financial reporting and stock exchange fees	**52,813**	84,016
Financing solutions	**81,333**	82,430
Prospecting of property	**39,863**	---
Advertising and promotion	**98,698**	131,445
Telecommunications	**10,801**	12,668
Office	**10,122**	9,029
Depreciation of fixed assets	**2,838**	2,509
Loss on foreign exchange	**1,829**	15,922
	779,149	979,799
OPERATING LOSS	**705,713**	887,650
Write-off of mining rights and titles	**428 650**	---
NET LOSS	**1,134,363**	887,650
NET LOSS PER SHARE, BASIC (Note 11)	**0,026**	0,024

Reference:

Income taxes (Note 10)

CONSOLIDATED STATEMENTS OF DEFICIT
YEARS ENDED DECEMBER 31

	2005	2004
	$	$
Balance, beginning of year	**10,239,012**	9,082,954
Share issue expenses	**346,120**	268,408
Net loss	**1,134,363**	887,650
Balance, end of year	**11,719,495**	10,239,012

CONSOLIDATED STATEMENTS OF CONTRIBUTED SURPLUS
YEARS ENDED DECEMBER 31

	2005	2004
	$	$
Balance, beginning of year	**530,061**	322,642
Stock options carried to expenses during the year	**93,155**	219,169
Stock options included in the share issue expenses for the year	---	34,800
Stock options exercised during the year	---	(46,550)
Balance, end of the year	**623,216**	530,061

ROBEX RESOURCES INC.

CONSOLIDATED STATEMENTS OF ACQUISITION COST AND OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENSES YEARS ENDED DECEMBER 31

	2005	2004
	$	$
ACQUISITION COST		
Balance, beginning of year	**1,513,414**	1,251,881
Add:		
Acquisition cost of the year		
paid in cash	**392,113**	195,933
paid through share issuance	**105,250**	65,600
	497,363	261,533
	2,010,777	1,513,414
Write-off	**204,849**	---
Balance, end of year (Note 4)	**1,805,928**	1,513,414
DEFERRED EXPLORATION AND DEVELOPMENT EXPENSES		
Balance, beginning of year	**4,164,816**	2,648,213
Add:		
Management fees	**50,858**	101,652
Exploration expenses	**1,514,535**	1,013,839
Equipment - Note 4 (8)	**377,066**	127,586
Development fees	**58,235**	224,950
Travel expenses	**68,345**	37,182
Supplies and other	**192,357**	11,394
	2,261,396	1,516,603
	6,426,212	4,164,816
Write-off	**223,801**	---
Balance, end of year (Note 4)	**6,202,411**	4,164,816

CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31

	2005	2004
	$	$
ASSETS		
CURRENT		
Cash	**224,958**	2,198,257
Temporary investments, at cost	**1,417,750**	---
Accounts receivable - Note 3	**120,925**	129,968
Loan note, 4%	**---**	90,000
Deposit on acquisition of property	**---**	6,355
Prepaid expenses	**4,460**	6,747
	1,768,093	2,431,327
MINING RIGHTS AND TITLES - At cost - Note 4	**8,008,338**	5,678,230
LONG-TERM INVESTMENTS - At cost		
(market value - $157,622; 2004 - $145,739)	**115,705**	140,923
FIXED ASSETS - Note 5	**7,409**	10,132
	9,899,545	8,260,612
LIABILITIES		
CURRENT		
Accounts payable and accrued charges	**257,152**	73,028
Promissory note, 6%, matured on October 16, 1999 - Note 6	**452,050**	426,462
	709,202	499,490
MINORITY INTEREST	**938**	938
SHAREHOLDERS' EQUITY		
Share capital - Note 7	**18,677,684**	16,302,735
Stock purchase warrant - Note 7	**1,608,000**	1,166,400
Contributed surplus - Note 7	**623,216**	530,061
Deficit	**(11,719, 495)**	(10,239,012)
	9,189,405	7,760,184
	9,899,545	8,260,612

Contingency (Note 12)

Approved by the board

"Signed : Richard Savard" **, Director**

"Signed : Raymond Legault" **, Director**

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31

	2005	2004
	$	$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES :		
Operating		
Net loss	**(1,134,363)**	(887,650)
Adjustments for:		
Gain on disposal of long-term investments	**(42,288)**	(47,825)
Depreciation of fixed assets	**2,838**	2,509
Stock based compensation expense	**93,155**	219,169
Write-off of mining rights and titles	**428,650**	---
Changes in non-cash operating working capital items - Note 8	**227,397**	(65,054)
	(424,611)	(778,851)
Investing		
Disposal of long term investments	**78,392**	68,645
Disposal of temporary investments	**---**	400,000
Acquisition of long-term investements	**(10,886)**	(85,128)
Acquisition of fixed assets	**(115)**	(6, 935)
Addition to mining rights and titles	**(2,453,509)**	(1,712,536)
	(2,386,118)	(1,335,954)
Financing		
Issue of and subscription for common shares	**2,159,700**	2,687,200
Issue of stock purchase warrants	**355,300**	1,166,400
Share issue expenses	**(259, 820)**	(233,608)
	2,255,180	3,619,992
Increase (decrease) in cash and cash equivalents	**(555,549)**	1,505,187
Cash and cash equivalents, beginning of year	**2,198,257**	693,070
Cash and cash equivalents, end of year - (Note 8)	**1,642,708**	2,198,257

1 - DESCRIPTION OF BUSINESS

The Company, incorporated under Part 1A of the Companies Act (Québec), has interests in mining properties that are at the exploration stage and for which the profitability of operations has not yet been detemined.

2 - ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and include the following accounting policies:

Going concern

The consolidated financial statements are prepared in accordance with accounting principles applicable to a going concern, on the assumption that **Robex Resources Inc.** will continue its operations for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of business. The Company has incurred substantial operating losses in the past few fiscal years and has yet to determine if its mining properties contain ore reserves that could be commercially profitable.

The Company's viability is contingent on periodically obtaining new funding to pursue its activities. Even though the Company has been successful in obtaining support in the past, there is no guarantee that it will be able to do so in the future.

Although the Company has taken steps to verify the title to mining properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and may not be in compliance with regulatory requirements.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, Société *Robex N'Gary – SA*, in which the Company has an 85% interest and *Robex Resources Mali S.A.R.L*, a wholly-owned subsidiary.

2 - ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts presented in the financial statements and the accompanying notes. Although these estimates are based on management's knowledge of current events and the actions the Company could take in the future, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances and overdraft and highly liquid temporary investments with an initial maturity of no more than three months.

Long-term investments

Investments are recorded at cost.

Mining rights and titles

Costs related to the acquisition, exploration and development of mining properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are recognized, the capitalized costs of the related property will be transferred to mining assets and depreciated on the unit-of-production method. If it is determined that capitalized acquisition and exploration expenses are not recoverable over the useful economic life of the property, or if the project is abandoned, the project is written down to its net realizable value.

The recoverability of the amounts shown as mining properties depends on the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and future profitable production or the proceeds from the disposition thereof. The amounts shown for mining interests do not necessarily represent the current or future value.

2 - ACCOUNTING POLICIES (continued)

Fixed assets

Fixed assets are stated at cost and depreciated under the declining balance method at the following annual rates:

Office furniture	20 %
Computer equipment	30 %

Foreign currency translation

Transactions concluded in foreign currencies are translated as follows: monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date, and revenue and expenses are translated at the exchange rate in effect at the time of the transaction. Non-monetary assets and liabilities are translated at historical exchange rates. All resulting exchange gains and losses are included in the statement of loss.

Share capital

Shares issued in consideration of non-monetary items are recorded at the quoted market price of the shares during a reasonable amount of time preceding and following the announcement of the agreement on their issuance.

Stock option plan

The Company has a stock option plan, which is described in Note 7. The Company now accounts for stock options using the fair value method. Under this method, compensation expense in respect of stock options awarded since January 1, 2002 is measured at fair value at the grant date using the *Black Scholes* option pricing model and accounted for over the vesting period of the options granted.

Earnings per share

The Company uses the treasury stock method to calculate diluted earnings per share for warrants and stock options. Under this method, the weighted number of outstanding common shares used to calculate the diluted earnings per share is determined on the assumption that the proceeds receivable on the exercise of stock options will be used to purchase the common shares at their average market price during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2005 AND 2004

3 - ACCOUNTS RECEIVABLE

	2005 $	2004 $
Advances	**91,884**	99,583
Corporates taxes	**29,041**	22,055
Tax credits receivable	---	8,330
	120,925	129,968

4 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES

The acquisition cost and deferred exploration and development expenses by project are as follows:

	2005 $	2004 $
Roy-McKenzie Township		
100% undivided interest		
Acquisition	**10,000**	10,000
Exploration	**298,405**	298,405
Diangounté - Mali (1)		
85% undivided interest		
Acquisition	**1,187,075**	1,187,075
Exploration	**3,197,277**	3,034,595
Kolomba - Mali		
Undivided interest (2)		
Acquisition	**86,129**	66,865
Exploration	**1,043,175**	544,457
Dabiya - Mali		
Undivided interest (2)		
Acquisition	---	188,568
Exploration	---	141,328
Carried foward :	**5,822,061**	5,471,293

4 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES

	2005	2004
	$	$
Carried foward :	**5,822,061**	5,471,293
Kossaya - Mali		
Undivided interest (2)		
Acquisition	**54,192**	36,854
Exploration	**92,190**	56,833
Moussala - Mali		
Undivided interest (3)		
Acquisition	**24,052**	24,052
Exploration	**208,339**	89,198
Willi-Willi		
Undivided interest (4)		
Acquisition	**70,770**	---
Exploration	**25,497**	---
Willi-Willi West		
Undivided interest (4)		
Acquisition	**70,656**	---
Exploration	**14,071**	---
Mininko		
Options for undivided interest (5)		
Acquisition	**107,869**	---
Exploration	**1,217,830**	---
Kamasso		
Options for undivided interest (5)		
Acquisition	**106,211**	---
Exploration	**75,865**	---
Carried foward:	**7,889,603**	5,678,230

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2005 AND 2004

4 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES

	2005	2004
	$	$
Carried foward :	**7,889,603**	5,678,230
Sanoula		
Options for undivided interest (6)		
Acquisition	**88,974**	---
Exploration	**29,654**	---
Tintiba		
Exploration authorization (7)		
Acquisition	**---**	---
Exploration	**108**	---
	8,008,339	5,678,230

When totaled, the acquisition costs and exploration expenses respectively amount to $1,805,928 ($1,513,414 in 2004) and $6,202,411 ($4,164,816 in 2004).

(1) The mining rights of Diangounte are 100% held by the Société Robex N'Gary SA, a Malian company in which Robex holds 85% of the issued shares and in which N'Gary Transport holds 15%.

Under an agreement, the Company must pay a royalty of US$750,000 per million ounces of gold extracted in excess of 500,000 ounces. Pursuant to the terms of the agreement, the royalty is payable by way of 50% in cash and 50% in shares.

(2) On November 2003, the Company concluded an agreement to progressively acquire, over a five-year period, prospecting and exploration permits in the Republic of Mali. The balance of US$70,200 (US$246,500 in 2004) will be payable under the terms described in Note 13. The progressive acquisition shall transpire as follows:

4 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES (continued)

	Undivided interest	
First year	51%	**
Second year	61%	**
Third year	71%	May 2006
Fourth year	81%	May 2007
Fifth year*	91%	May 2008

* Excluding the permit for Kossaya, for which the acquisition for the fifth year will be 92.5%.

** With the first two year's payments having been made, the 61% interest was consequently acquired as at December 31, 2005.

(3) The Company holds 100% of exploration permits.

(4) On February 2005, the Company concluded an agreement to progressively acquire, over a four-year period, prospecting and exploration permits in the Republic of Mali. The balance of US$160,000 ($- in 2004) will be payable under the terms described in Note 13. The progressive acquisition shall transpire as follows:

	Undivided interest	
First year	55%	**
	65%	**
Second year	75%	December 2006
Third year	85%	December 2007
Fourth year	95%	December 2008

** With the first year's payments having been made, the 65% interest will be acquired when all exploration expenses have been incurred.

The seller will receive "net smelter return" (NSR) royalties of 2%, of which 1% is redeemable for US$1,000,000 for each of the properties.

4 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES (continued)

(5) On March 8, 2005, the Company entered into an agreement to acquire the Mininko and Kamasso properties. According to this agreement, to obtain an undivided interest of 51%, the Company will have to pay US$450,000 and spend an amount of US$1,440,000 on exploration work over a three-year period. Half of the US$450,000 will be payable in cash and the other half in shares. The initial payment of US$100,000, which was agreed upon during the signing of the agreement, was settled by way of a payment of US$50,000 in June 2005 and an issue of 161,750 shares, which were issued in March, 2005. In December 2005, a payment of US$75,000 was made to settle the cash portion of the second payment totalling US$150,000. An issue of 379,259 shares in January 2006 will complete the commitment of the second payment, which totals US$150,000 (see Note 15, Subsequent Events). At the end of the three-year period, the Company can acquire the remaining 49% undivided interest for US$480,000. The seller would subsequently receive "net smelter return" (NSR) royalties of 2% on which Robex will have a first refusal. As at December 31, the Company had spent $1,507,775.

(6) On March 8, 2005, the Company entered into an agreement to acquire the Sanoula property. Under this agreement, to obtain an undivided interest of 51%, the Company will have to pay US$175,000 and an amount of US$725,000 on exploration work over a three-year period. Half of the amount of US$175,000 will be payable in cash, and the other half will be payable in shares. The initial payment of US$75,000 was settled by way of a payment of US$37,500 and an issue of 185,015 shares, which were issued in November 2005. At the end of the three years, the Company can acquire the remaining 49% undivided interest for US$240,000. The seller would subsequently receive "net smelter return" (NSR) royalties of 2% on which Robex will have a first refusal. As at December 31th, the company has spent $118,628.

(7) On October 12, 2005, the Company concluded a 90-day agreement, renewable for one other 90-day period, authorizing the Company to explore the Tintiba property. The pre-emption right related to this authorization is not a right by which the Company can acquire the Tintiba property.

(8) On March 31, 2005, the Company entered into an agreement to acquire fixed assets for an amount of $300,000. The purchase price was settled for an amount of $200,000 through the issuance of 555,555 shares and for two cash payments of $50,000 each.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2005 AND 2004

5 - FIXED ASSETS

			2005	2004
			$	$
	Cost	Accumulated amortization	Net book value	Net book value
Office furniture	**10,943**	**9,188**	**1,755**	2,194
Computer equipment	**19,143**	**13,489**	**5,654**	7,938
	30,086	**22,677**	**7,409**	10,132

6 - PROMISSORY NOTE

The promissory note bearing interest at 6% expired on October 16, 1999. As of this date, the Company has not repaid the capital or the interest. The payment of this debt could be barred by statute.

7 - SHARE CAPITAL

Authorized:

Unlimited number of shares without par value :

Common

Preferred, non-voting, variable non-cumulative dividend not exceeding 14%, non-participating in the remaining assets, redeemable at the purchase price

Issued:	2005 $	2004 $
51,561,180 common shares (40,958,860 shares as at December 31, 2004)	**18,677,684**	16,302,735

During the year, the Company issued 9,700,000 common shares and 4,850,000 warrants bearing the terms described below for a cash consideration of $2,425,000. Of this amount, $355,300 was assigned to warrants. The issue expenses of these placements amount to $346,120, including an amount of $86,300 representing the fair value of the 664,000 issued agent warrants.

7 - SHARE CAPITAL - (continued)

During the year, the Company issued 346,765 common shares as consideration for the acquisition of property in Mali for an amount of $105,250 and 555,555 common shares as consideration for the acquisition of equipment in Mali for an amount of $200,000.

Under the stock option plan, the Company may assign options to certain directors, officers, key employees and suppliers. The total number of common shares in the Company's share capital that can be issued under this plan is 7,725,000 shares. The total number of common shares reserved for the exercising of options in favour of an option holder should not represent more than five percent (5%) of the Company's common shares issued and outstanding. At the time that options are granted, the Board of Directors determines their terms and exercise prices. The terms of issued options cannot exceed five years, and the exercise price of said options cannot be less than the closing price of the day preceding the grant date. Options granted under the terms of this plan are acquired for a period of 12 months at a rate of 25% per three-month period for financial advisers and for a period of 18 months at a rate of 16.67% per three-month period for all other holders.

During the year, the stock option plan was amended. If an employee, director, or member of management departs prematurely, resigns, or is dismissed, that party's options, in whole or in part, will be cancelled and withdrawn within 90 days of the departure, resignation, or dismissal or on the initial expiry date of the options.

During 2005, the Company granted 1,335,000 stock options at a weighted average exercise price of $0.33. The per-unit weighted average fair value of these options amounted to $0.16. The related compensation cost was recorded using the graded vesting approach and gave rise, in consideration of the cancelled options, to a $93,155 ($219,169 in 2004) expense, of which $6,014 went to salaried employees ($4,996 in 2004). Of the 1,335,000 options granted, none were issued for financing ($34,800 in 2004), and no amount was debited to the deficit account as share issue expenses.

The following table shows the average-weighted assumptions used to establish the stock-based compensation expense in accordance with the Black-Scholes valuation model.

	2005	2004
Risk-free interest rate	**3.70%**	3.50%
Volatility assumption	**71.00%**	75.00%
Expected dividend	**0%**	0%
Expected term	**5 years**	4.2 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2005 AND 2004

7 - **SHARE CAPITAL - (continued)**

The stock options changed as follows:

	2005		2004	
	Number	**Weighted average exercice price**	Number	Weighted average exercice price
Oustanding, beginning of year	**5,496,000**	**0,47**	4,652,000	0,45
Granted	**1,335,000**	**0,33**	1,258,000	0,57
Exercised	**---**	**---**	(402,000)	0,39
Cancelled or expired	**(1,347, 500)**	**0,52**	(12,000)	0,43
Oustanding, end of year	**5,483,500**	**0,43**	5,496,000	0,47
Exercisable	**4,392,167**	**0,45**	5,000,845	0,46

The following table summarizes certain information on the Company's stock options as at December 31, 2005:

	Outstanding Options as at December 31, 2005		**Exercisable Options as at December 31, 2005**	
Exercise price	**Number**	**Weighted average remaining contractual life (years)**	**Number**	**Weighted average remaining contractual life (years)**
From \$0.30 to \$0.34	735,000	4,9	25,000	4,9
From \$0.35 to \$0.39	2,085,000	3,4	1,818,333	3,4
From \$0.40 to \$0.44	280,000	1,7	280,000	1,7
From \$0.45 to \$0.49	140,000	3,5	140,000	3,5
From \$0.50 to \$0.54	1,477,500	1,2	1,427,500	1,2
From \$0.55 to \$0.59	188,000	3,6	156,667	3,6
From \$0.60 to \$0.64	578,000	3,8	544,667	3,8
	5,483,500		4,392,167	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2005 AND 2004

7 - SHARE CAPITAL - (continued)

The fair value of warrants, which was $355,300 ($1,166,400 in 2004), was estimated on the grant dates of each of the warrants using the Black and Scholes option pricing model and the following weighted average assumptions:

	2005	2004
Risk-free interest rate	**3.60%**	2.78%
Volatility assumption	**70%**	68%
Expected dividend	**0%**	0%
Expected term	**2 years**	2 years

Warrants experienced the following changes:

	2005		**2004**	
	Number	**Weighted average exercice price**	**Number**	**Weighted average exercice price**
Oustanding, beginning of year	**12,967,172**	**0,53**	5,499,642	0,45
Granted	**4,850,000**	**0,30**	8,508,958	0,63
Exercised	**---**	**---**	(570,000)	0,45
Expired	**(4,458, 214)**	**0,33**	(471,428)	0,51
Oustanding, end of year	**13,358,958**	**0,51**	12,967,172	0,53
Exercisable	**13,358,958**	**0,51**	12,967,172	0,53

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2005 AND 2004

7 - SHARE CAPITAL - (continued)

The following table summarizes certain information on the Company's warrants as at December 31, 2005:

Outstanding, exercisable warrants as at December, 31 2005

	Outstanding	Exercise price	Weighted Average Remaining Life (years)
(1)	4,850,000	$0.30	1,8
	1,775,625	$0.42	0,1
	5,000,000	$0.80	0,3
	1,733,333	$1.00	0,8
	13,358,958		

(1) Granted during this year.

The fair value of the agent's warrants, which was $86,300, was estimated on the grant dates of each of the agent's warrants using the Black and Scholes option pricing model and the following weighted average assumptions:

Risk-free interest rate	**3.60%**
Volatility assumption	**70%**
Expected dividend	**0%**
Expected term	**2 years**

The 664,000 agent's warrants issued during the year and outstanding as at December 31, 2005 can be exercised at a price of $0.25 on or before October 17, 2007. Each agent's warrant affords the right to purchase one unit. Each unit consists of a common share and a half warrant.

7 - SHARE CAPITAL - (continued)

The following table summarizes certain information about the Company's agent's warrants as at December 31, 2005:

Outstanding, exercisable agent's warrants as at December 31, 2005

	Number	Exercise price	Weighted Average Remaining Life (years)
(1)	664 000	$0.25	1,8

(1) Granted during this year.

8 - ADDITIONAL INFORMATION ON THE STATEMENTS OF CASH FLOWS

Changes in non-cash operating working capital items

	2005	2004
	$	$
Increase (decrease) in current assets		
Accounts receivable	**9,043**	(12,515)
Deposit on the acquisition of property	**6,355**	(6,355)
Prepaid expenses	**2,287**	(6,747)
Increase (decrease) in current liabilities		
Accounts payable	**184,124**	(65,395)
Promissory note	**25,588**	25,958
	227,397	(65,054)

Cash and cash equivalents

Cash	**224,958**	2,198,257
Temporary investments	**1,417,750**	---
	1,642,708	2,198,257

9 - RELATED PARTY TRANSACTIONS

The statements of loss and share issue expenses include an amount of $272,109 ($239,499 in 2004) incurred directly by directors and officers or by companies controlled by them. In addition, an amount of $544,440 ($67,420 in 2004) was capitalized to "mining rights and titles." These transactions occurred in the normal course of business and are measured at the exchange amount, which is the amount of the consideration established by the related parties.

10 - POTENTIAL TAX BENEFIT

For tax purposes, the year's operations resulted in a loss for which the potential tax benefit was not recorded. The Company therefore has tax losses available to reduce future taxable income. These losses expire as follows:

	$
2006	164,000
2007	173,000
2008	201,000
2009	286,000
2010	340,000
2014	645,000
2015	691,000
	2,500,000

The potential tax benefit has not been recorded.

In 2005, the tax value of mining assets exceeded the book value by approximately $2,506,000 ($2,077,000 in 2004). The difference between the tax value and the amounts capitalized to the consolidated financial statements results primarily from write-offs of mining assets.

For tax purposes, the unamortized balance of share issue expenses amounted to $488,390 ($291,746 in 2004) and will be deductible over the next four years.

11 - NET LOSS PER SHARE

The following table shows a reconciliation between the basic loss per share and the diluted loss per share:

	2005 $	2004 $
Net loss basic and diluted	**1,134,363**	887,650
Weighted number of outstanding basic shares	**43,397,828**	37,266,935
Stock options and warrants with dilutive effect (1)	**220,569**	4,178,045
Diluted weighted average number of shares outstanding	**43,618,397**	41,444,980
Net loss per share, basic and diluted (2)	**0,026**	0,024

(1) The calculation of the dilutive effects excludes all anti-dilutive options and warrants that would not be exercised because their price is higher than the average market value of the Company's common shares for each of the periods shown in the table. The average number of excluded options and warrants was 4,678,517 and 11,715,233, respectively, for the year ended December 31, 2005.

(2) Due to the net losses suffered during each of the years ended December 31, 2005 and 2004, all of the potentially dilutive securities were considered anti-dilutive.

12 - CONTINGENCY

The Company's operations are regulated by legislation on environmental protection. The environmental consequences of these operations are difficult to determine and their impact and duration hard to predict. To the best of management's knowledge, the Company's operations are compliant with all enacted laws and regulations. The potential cost of site restoration will be accounted for in income in the year in which a reasonable estimate of such costs can be made.

13 - COMMITMENT

Under contracts aimed at progressively acquiring prospecting and exploration permits from the Republic of Mali over a three to five-year period, the Company has committed to pay an amount of $677,768 (US$445,200) ($246,500 in 2004).

In addition, under contracts to acquire prospecting and exploration permits, the Company has committed to carry out exploration work for an amount of $1,389,264 (including US$1,194,522) ($ in 2004). Provided below are details about the balances of the commitments payable in cash and in shares as well as the exploration work to be carried out (in Canadian dollars at the closing rate):

	2006	2007	2008
	$	$	$
Progressive acquisition			
Payments in cash	268,991	87,912	59,190
Paiements in shares	261,675	---	---
	530,666	87,912	59,190
Exploration work to be carried out	814,422	304,328	270,514
	1,345,088	392,240	329,704

The grantors receive a solid commitment of $544,000 from the Company towards the government of the Republic of Mali with respect to the minimum exploration expenses that should have been incurred on the properties for which the Company holds a prospecting and exploration permit.

The grantors will receive "net smelter return" (NSR) royalties ranging between 1% and 2%, partially redeemable by the Company at US$2,300,000, that is, CDN$2,674,000 at the exchange rate of year-end 2005 ($961,600 in 2004).

14 - FINANCIAL INSTRUMENTS

Fair value

The fair value of cash, temporary investments, accounts receivable, the note loan, the deposit on the acquisition of property, and the accounts payable approximate their carrying value because of the short maturities of these instruments.

The fair value of the note payable was not measured because of its particular conditions.

14 - FINANCIAL INSTRUMENTS - (continued)

Interest rate risk

With respect to its promissory note, the Company uses a fixed rate that approximates the markets rate of similar borrowings.

Currency risk

The Company is exposed to the risk of foreign exchange fluctuations. It does not use derivative instruments to manage these risks.

Credit risk

With respect to its advances, the Company assesses, on a continuing basis, the potential losses and maintains a provision for losses based on their estimated realizable value.

15 - SUBSEQUENT EVENTS

On January 16, 2006, the Company issued 379,259 common shares of a deemed value of US$75,000 in order to complete the payment-in-shares component of the second payment totalling US$150,000 on the properties of Mininko and Kamasso.

On January 27, 2006, 1,775,625 warrants matured, with each one allowing holders to subscribe to a share for $0.42. None of these warrants were exercised.

On April 6, 2006, the Company entered into a private financing agreement of $5 million. The closing of the placement is scheduled for May 20, 2006 and is subject to approval from the financial authorities concerned and to a due diligence review that is satisfactory to the investors. The proceeds from this placement will be used to pursue exploration and drilling work and to acquire new properties, and a portion of this placement will be allocated to the Company's working capital. The private placement will consist of a maximum issuance of $20 million units at $0.25. Each unit entitles the holder to a common share and will be accompanied by a warrant, for a duration of two years, allowing the holder to subscribe to a share at $0.35. This financing arrangement will be concluded without a broker, but the Company anticipates paying a financial intermediation fee by way of an issue of warrants that would allow a number of shares equal to 20% of the number of sold units to be acquired. Each of these warrants could be exercised over a period of two years at a price of $0.25.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2005 AND 2004

16 - COMPARATIVE FIGURES

Certain figures for the year ended December 31, 2004 have been reclassified to conform with the presentation adopted in 2005.