

ORKO GOLD CORPORATION
STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2005 AND 2004
(Unaudited)

	Three months ended January 31,	
	2005	2004
	\$	\$
EXPLORATION (Schedule A)	36,187	-
EXPENSES		
Bank charges and interest	155	232
Consulting fees	31,357	15,000
Management fees	25,600	30,800
Office and miscellaneous	7,752	7,321
Professional fees	-	26,592
Rent	6,000	6,000
Shareholder relations	7,861	2,337
Stock-option expense	6,973	2,127
Transfer agent and filing fees	3,375	2,172
Travel and entertainment	9,402	6,320
	98,475	98,901
OTHER ITEMS		
Exchange (loss) gain	24	8
Interest	165	856
(Loss) on property abandonment	-	(66,000)
	189	(65,136)
NET LOSS FOR THE PERIOD	134,473	164,037
DEFICIT - BEGINNING OF PERIOD	4,441,426	3,975,860
DEFICIT - END OF PERIOD	4,575,899	4,139,897
LOSS PER SHARE: (Basic and fully diluted)	\$ 0.01	\$ 0.01

ORKO GOLD CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2005 AND 2004
(Unaudited)

	Three months ended January 31,	
	2005	2004
	\$	\$
OPERATING ACTIVITIES		
Loss for the period	(134,473)	(164,037)
Non-cash adjustments:		
Add back depreciation	340	-
Add back stock-option expense	6,973	2,127
Change in non-cash working capital items	<u>6,819</u>	<u>1,936</u>
Cash available from operating activities	<u>(120,341)</u>	<u>(159,974)</u>
INVESTING ACTIVITIES		
Capital asset purchases	-	(408)
Mineral properties	<u>-</u>	<u>66,000</u>
	<u>-</u>	<u>65,592</u>
FINANCING ACTIVITIES		
Exercise of warrants	<u>230,000</u>	<u>162,000</u>
	<u>230,000</u>	<u>162,000</u>
INCREASE / (DECREASE) IN CASH DURING THE PERIOD	109,659	67,618
CASH - BEGINNING OF PERIOD	<u>43,591</u>	<u>250,072</u>
CASH - END OF PERIOD	<u><u>153,250</u></u>	<u><u>317,690</u></u>
NON-CASH FINANCING ACTIVITIES:		
None		

SCHEDULE A

ORKO GOLD CORPORATION
STATEMENT OF PROPERTY ACQUISITION AND EXPLORATION EXPENDITURES
FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2005

PROPERTY ACQUISITION COSTS	LA PRECIOSA	SANTA MONICA	TOTAL
Balance, October 31, 2004	\$ -	\$ -	\$ -
Additions in the period:	<u>-</u>	<u>-</u>	<u>-</u>
Balance, January 31, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPLORATION EXPENDITURES			
Geophysical	\$ 20,637	\$ -	\$ 20,637
Geochemical	-	-	-
Geological-general	<u>15,550</u>	<u>-</u>	<u>15,550</u>
Total Expenditures for the period	<u>\$ 36,187</u>	<u>\$ -</u>	<u>\$ 36,187</u>

ORKO GOLD CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2005 AND 2004
(expressed in Canadian dollars)
(Unaudited – Prepared by Management)

1. Nature of Operations

The Company is in the business of acquiring and exploring mineral properties.

Interim financial statements

These interim financial statements should be read in conjunction with the audited annual financial statements of the Company for the year ended October 31, 2004. Management has prepared these interim statements using the same accounting policies and methods of computation as those used in the audited annual financial statements.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles in Canada, on the assumption that the Company is a going concern.

Because a precise determination of the value of certain assets and liabilities is dependent on future events, the preparation of the financial statements involves the use of estimates based on careful judgement. These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

a) Investments

Investments in marketable securities are carried at the lower of cost or quoted market value.

b) Mineral Properties, Exploration and Development expenditures

Costs for the acquisition of mineral properties are initially deferred. All exploration costs are expensed. Following a determination as to the economic viability of a property, all development expenditures on that property are capitalized. All such deferred property and capitalized development costs will be amortized following commencement of production, using the unit of production basis.

Each quarter, the recorded values assigned to each mineral property and any associated capitalized development costs are tested to ensure that each such aggregate value is appropriate in relation to the property's stage of exploration or development and the current economic viability of the property. When a property is determined, as a result of this review, to be overvalued or no longer of interest, its carrying value is adjusted to reflect the net realizable value to the Company.

c) Capital assets

Capital assets, which consist of computer equipment, are amortized on the declining balance basis at 30% per annum.

d) Loss per share

The Company uses the treasury stock method for the calculation and presentation of both basic and fully diluted loss per share.

e) Fair market value of financial instruments

The carrying value of accounts receivable and accounts payable approximate fair market value because of the short maturity of those instruments.

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f) Stock-based compensation

Effective November 1, 2003, the Company adopted the fair value method for all options granted on a prospective basis. Under the fair value method, all stock-based payments are measured at the fair value of the equity instruments issued. The fair value of stock-based payments is periodically re-measured until counter-party performance is complete, and any change therein is recognized over the period and in the same manner as if the Company had paid cash instead of paying with or using equity instruments. The cost of stock-based payments that are fully vested and non-forfeitable at the grant date is measured and recognized at that date.

g) Income taxes

The Company uses the liability method for recording income taxes and records future income tax liabilities or assets for temporary differences between the tax basis of an asset or liability and its carrying amount on the balance sheet, using tax rates anticipated to apply in the periods that the differences are expected to reverse.

3. Capital Stock

Authorized:

100,000,000 Common shares without par value

Issued:	#	\$
October 31, 2004	19,558,384	4,429,559
Exercise of warrants	2,300,000	230,000
January 31, 2005	21,858,384	4,659,559

Warrants:

Warrants have been granted and are exercisable in whole or in part allowing the holders to purchase 6,700,000 shares at \$0.10 per share expiring on October 31, 2005. As of January 31, 2005, 2,300,000 warrants have been exercised.

Options:

Options have been granted and are exercisable in whole or in part allowing the holders to purchase a total of 1,955,000 options as follows: 1,245,000 shares at \$0.11 per share expiring on October 21, 2008, 260,000 at \$0.22 per share expiring on December 4, 2005, 350,000 at \$0.08 per share expiring on October 6, 2006, and 100,000 at \$0.13 per share expiring on November 30, 2006.

5. Related Party Transactions

a) Included in the net loss for the period, at their exchange amounts, are the following items paid or payable to related parties:

	2005	2004
	\$	\$
ii) To a director and a company related by one or more common directors:		
Management fees	25,600	30,800

b) Included in accounts payable is \$4,708 (2004: \$1,605) due to this company at standard trade terms.