

ORKO GOLD CORPORATIONQuarterly Report to Shareholders for the 1st Quarter Ended January 31, 2005

BC FORM 51-901F

QUARTERLY REPORT

Incorporated as part of:

 Schedule A
 Schedule C – MD&A**ISSUER DETAILS:**

Name of Issuer	ORKO GOLD CORPORATION
For Quarter Ended	January 31, 2005
Date of Report	March 28, 2005
Issuer Address	2610 – 1066 West Hastings Street Vancouver, BC V6E 3X2
Issuer Fax Number	(604) 684-4601
Issuer Telephone Number	(604) 684-4691
Contact Name	Gary Cope
Contact Position	Director
Contact Telephone Number	(604) 684-4691
Contact Email Address	N/A
Web Site Address	N/A

CERTIFICATE

THE TWO SCHEDULES REQUIRED TO COMPLETE THIS REPORT ARE ATTACHED AND THE DISCLOSURE CONTAINED THEREIN HAS BEEN APPROVED BY THE BOARD OF DIRECTORS. A COPY OF THIS REPORT WILL BE PROVIDED TO ANY SHAREHOLDER UPON REQUEST.

Gary Cope	<i>“Gary Cope”</i>	2005/03/28
Name of Director	<i>Sign (typed)</i>	Date Signed (YY/MM/DD)

Ross Wilmot	<i>“Ross Wilmot”</i>	2005/03/28
Name of Director	<i>Sign (typed)</i>	Date Signed (YY/MM/DD)

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SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2005 AND JANUARY 31, 2004

(Dated March 28, 2005)

DESCRIPTION OF BUSINESS

In 2002, the Company had negotiated a 60% interest in the Red Lake property located in Northern Ontario. In the third quarter of 2003, the drilling program was completed and a final report was received summarizing all of the results. Although some encouraging intersections were encountered, the program did not find any definable reserves. After reviewing the report and recommendations early this year, management engaged an independent professional geologist to provide a review assessment of the results. His report recommended that no further work be done on the property, and on this basis, management decided not to proceed further, and all costs were written off in the first quarter of this year.

On December 1, 2003, the Company entered into a joint venture with Minas Sanluis S.A. de C.V., a subsidiary of Wheaton River Minerals Ltd., with Luisman, S.A. de C.V., and with Minera Thesalia, S.A. de C.V. to acquire an interest in the La Preciosa gold/silver project located in the State of Durango, Mexico. Under the terms of the agreement, Orko can earn a 51 percent interest in the project by incurring exploration and development expenditures of US\$1 million over the next five years. The Company will also issue 50,000 common shares to Minas Sanluis upon TSX Venture Exchange approval, and a further 50,000 common shares 12 months following the acceptance date.

The La Preciosa project hosts tertiary-aged gold and silver bearing epithermal quartz vein systems, associated with barite and minor quantities of base metals. The vein trend is principally north/south, although there are subordinate, mineralized vein systems that run in an east/west direction. These east/west veins typically average 2.5 meters in width and yield higher gold values. The La Preciosa claims cover over 1,300 hectares and are located about an hour and a half from Durango, Durango State, Mexico.

On June 21, 2004, the Company announced that it had acquired an option for a 51% participation in a second property from Wheaton through its subsidiary, Minas de Sanluis S.A. de C.V. The terms of this second option are similar to those of the first with Wheaton on the La Preciosa property. The Company is required to make expenditures of US\$1 million over the next five years and to issue 100,000 common shares, the first 50,000 shares upon acceptance by the TSX Venture Exchange and the remaining 50,000 shares after one year from the date of approval.

The property, termed "Santa Monica", covers 16,000 hectares and is located in the Municipality of Panuco de Coronado, Durango State, Mexico, and is adjacent to the La Preciosa property.

In January, the Company had retained a geophysics contractor to conduct an IP survey on the La Preciosa property. At this time, the survey has been completed and management is awaiting the results. In February, management signed an agreement with Major Drilling de Mexico, S.A. de C.V. to undertake the drilling program, expected to commence this month and estimated at approximately 5,000 metres. Most recently, drilling commenced to test a 4.5km multiple-vein system on the La Preciosa property. Management intends to focus initially on the northern half of the system and to track it further to the north.

Results of Operations for the first quarters ended January 31, 2005 and January 31, 2004:

During the first quarter of 2005, the Company incurred exploration costs on the La Preciosa property of \$36,187, whereas in the comparative quarter of 2004, no such expenditures were incurred. Of the total, approximately \$20,000 was advanced to start the IP survey and at present, the results are pending from this work. The remaining costs were incurred for general geological work. In the first quarter of the prior year, the Company wrote off its investment in the Red Lake property, which amounted to \$66,000.

In general, the Company incurred other operating costs aggregating \$98,475, which is just slightly less than the level for the comparable quarter of 2004 of \$98,901. In the current quarter, consulting fees of \$31,357, were more than twice the amount incurred in the prior year first quarter of \$15,000. The higher fees this year reflect the Company's higher activity level over that of the prior year. Also shareholder relations of \$7,861 was significantly higher than that of the prior period at \$2,337, as was stock-option compensation at \$6,973, up from the much lower amount of \$2,127 in the 2004 first quarter. Offsetting these increases, no professional fees were incurred in the current quarter, whereas fees of \$26,592 were incurred in the prior period when the Company was securing the rights to the La Preciosa property.

Overall, for the first quarter of 2005, the Company incurred a loss of \$134,473 or \$0.01 per share, which is 18 per cent lower than the loss incurred in the comparable quarter of 2004 of \$164,037 or \$0.01 per share. The higher loss in 2004 was primarily attributable to the impact of the write-off of the Red Lake property.

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Statement Of Mining And Exploration Expenditures For The Three-Month Period Ended January 31, 2005

MINING PROPERTIES		LA PRECIOSA		SANTA MONICA		TOTAL
Balance, October 31, 2004	\$	-	\$	-	\$	-
Additions in the period:		-		-		-
Balance, January 31, 2005	\$	-	\$	-	\$	-
EXPLORATION EXPENDITURES						
Geophysical	\$	20,637	\$	-	\$	20,637
Geochemical		-		-		-
Geological-general		15,550		-		15,550
Total Expenditures for the period	\$	36,187	\$	-	\$	36,187

Selected annual financial information:

	For the year ended October 31, 2004	For the year ended October 31, 2003	For the year ended October 31, 2002
Total revenues	Nil	Nil	Nil
Loss before discontinued operations and extraordinary items:			
(i) total for the year	465,567	465,402	423,369
(ii) per share	0.02	0.04	0.04
(iii) per share fully diluted	0.02	0.04	0.04
Net income or loss:			
(i) total for the year	465,567	465,402	423,369
(ii) per share	0.02	0.04	0.04
(iii) per share fully diluted	0.02	0.04	0.04
Total assets	64,756	346,224	137,114
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared per-share	Nil	Nil	Nil

Selected quarterly financial information:

	4th Quarter Ended October 31, 2005	3rd Quarter Ended July, 2005	2nd Quarter Ended April 30, 2005	1st Quarter Ended January 31, 2005
(a) Revenue	-	-	-	Nil
(b) Loss for period	-	-	-	134,473
(c) Loss per share	-	-	-	0.01
	4th Quarter Ended October 31, 2004	3rd Quarter Ended July, 2004	2nd Quarter Ended April 30, 2004	1st Quarter Ended January 31, 2004
(a) Revenue	Nil	Nil	Nil	Nil
(b) Loss for period	131,570	73,218	96,742	164,037
(c) Loss per share	0.006	0.004	0.005	0.01
	4th Quarter Ended October 31, 2003	3rd Quarter Ended July, 2003	2nd Quarter Ended April 30, 2003	1st Quarter Ended January 31, 2003
(a) Revenue	Nil	Nil	Nil	Nil
(b) Loss for period	121,551	124,712	214,239	4,900
(c) Loss per share	0.01	0.01	0.02	0.01

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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	<u>21,858,384</u>	<u>4,659,559</u>

Warrants outstanding:

	No. of Warrants	Exercise Price	Expiry Date
Private placement	4,400,000	\$0.10	October 31, 2005

Options outstanding:

Number of common shares issuable	Exercise Price	Date of Expiry
260,000	\$0.22	December 4, 2005
350,000	\$0.08	October 6, 2006
100,000	\$0.13	November 30, 2006
<u>1,245,000</u>	<u>\$0.11</u>	<u>October 21, 2008</u>
1,955,000		

Summary of Financial Position:

The Company's financial position strengthened somewhat from the opening level of \$43,591 at the beginning of the year to the period end level of \$153,250. The increase of \$109,659 arose from the exercise of 2,300,000 warrants, each priced at \$.10 per share, to yield proceeds of \$230,000 in the quarter. This increase served to fund the operating loss of \$134,473, which was reduced to a net cash requirement of \$120,341, after accounting for the changes in non-cash expenses and working capital items.

As part of the acquisition terms, the Company has commitments for both the La Preciosa and the Santa Monica properties, and must issue 50,000 common shares to the optionor upon acceptance by the TSX Venture Exchange and an additional 50,000 common shares for each property following one year from the date of approval. Also, as stated above, the agreement requires that the Company incur expenditures over the next five years amounting to US\$1 million to earn its working interest on each property. The required expenditures are as follows:

	La Preciosa	Santa Monica
Year 1	\$ 50,000	\$ 75,000
2	100,000	100,000
3	150,000	125,000
4	250,000	250,000
5	450,000	450,000

While the schedule calls for the project expenditure level to grow, management is planning for a more aggressive exploration program and expects that additional financing will be necessary this year. To date, the Company has incurred aggregate expenditures on the La Preciosa property of CDN\$36,187, while it has incurred no expenditures as yet on the Santa Monica property.

To continue to fund these commitments, the Company announced on January 12, 2005 its intent to raise additional funds through a private placement of units, each unit consisting of one common share and one non-transferable warrant to purchase another common share for an additional \$0.15 per share if exercised in the first year, and \$0.20 in the second year from the date of closing of the placement. The securities issued under the private placement will be subject to a four-month hold period from closing. On January 17, 2005, the Company announced that it intended to increase the size of the placement to 2.2 million units, with all of the other terms unchanged. Subsequent to the period end, on March 14, the Company closed this placement issuing 2,250,000 units to the places and a further 195,000 units as a finder's fee. Consequently, total cash proceeds of CDN\$337,500 were received.

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Related Party Transactions:

For the first quarter, the Company paid management fees amounting to \$25,600 to two officers for services provided. The comparable amount reported in the first quarter of 2004 was \$30,800. No director fees were paid in the quarter. An amount of \$4,708 payable to an officer is included in accounts payable at January 31, 2005, whereas fees accrued and unpaid of \$1,605 were included in the payable balance for the first quarter of 2004.

Subsequent Events:

As reported above, the Company closed a private placement issuing 2,250,000 units to the placees and a further 195,000 units as a finder's fee, and received total cash proceeds of CDN\$337,500.