

ORKO GOLD CORP.
STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE AND SIX MONTH PERIODS ENDED APRIL 30, 2005 AND 2004
(Unaudited)

	Three months ended		Six months ended	
	April 30,		April 30,	
	2005	2004	2005	2004
	\$	\$	\$	\$
EXPLORATION (Schedule 1)	<u>359,798</u>	<u>3,573</u>	<u>395,985</u>	<u>3,573</u>
GENERAL EXPENSES				
Bank charges and interest	204	124	359	356
Consulting fees	33,411	15,875	64,769	30,875
Depreciation	340	428	679	857
Management fees	26,600	22,500	52,200	53,300
Office and miscellaneous	7,589	10,499	15,002	17,392
Professional fees	19,675	4,954	19,675	31,546
Rent	6,000	6,000	12,000	12,000
Shareholder relations	47,809	500	55,671	2,837
Stock option compensation expense	10,515	6,177	17,488	8,304
Transfer agent and filing fees	11,012	14,888	14,387	17,060
Travel and entertainment	30,396	11,536	39,798	17,855
	<u>193,552</u>	<u>93,481</u>	<u>292,028</u>	<u>192,382</u>
OTHER ITEMS				
Exchange (loss) gain	(3,377)	(41)	(3,352)	(33)
Interest Income	734	353	898	1,210
(Loss) on Abandoned property	-	-	-	(66,000)
	<u>(2,643)</u>	<u>312</u>	<u>(2,454)</u>	<u>(64,823)</u>
NET LOSS FOR THE PERIOD	<u>555,993</u>	<u>96,742</u>	<u>690,467</u>	<u>260,778</u>
DEFICIT - BEGINNING OF PERIOD			<u>4,441,426</u>	<u>3,975,860</u>
DEFICIT - END OF PERIOD			<u>5,131,893</u>	<u>4,236,638</u>
EARNINGS PER COMMON SHARE:				
Basic	<u>\$ (0.02)</u>	<u>\$ (0.005)</u>	<u>\$ (0.03)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>24,323,103</u>	<u>19,558,384</u>	<u>22,383,577</u>	<u>19,558,384</u>

ORKO GOLD CORP.
STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTH PERIODS ENDED APRIL 30, 2005 AND 2004
(Unaudited)

	Three months ended April 30,		Six months ended April 30,	
	2005	2004	2005	2004
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Loss for the period	\$ (555,993)	\$ (96,742)	(690,467)	(260,778)
Depreciation	340	428	679	857
Stock option compensation	10,515	6,177	17,488	8,304
Change in non-cash working capital items	<u>187,219</u>	<u>(28,436)</u>	<u>194,040</u>	<u>2,943</u>
Cash available from operating activities	<u>(357,919)</u>	<u>(118,573)</u>	<u>(478,260)</u>	<u>(248,674)</u>
INVESTING ACTIVITIES				
Mineral properties abandoned	-	-	-	66,000
Property costs deferred	-	(4,917)	-	(4,917)
Capital equipment purchased	<u>-</u>	<u>-</u>	<u>-</u>	<u>(408)</u>
	<u>-</u>	<u>(4,917)</u>	<u>-</u>	<u>60,675</u>
FINANCING ACTIVITIES				
Issuance of shares for cash	<u>493,000</u>	<u>-</u>	<u>723,000</u>	<u>130,000</u>
	<u>493,000</u>	<u>-</u>	<u>723,000</u>	<u>130,000</u>
INCREASE/DECREASE IN CASH DURING THE PERIOD	135,080	(123,490)	244,739	(57,999)
CASH - BEGINNING OF PERIOD	<u>153,250</u>	<u>317,690</u>	<u>43,591</u>	<u>250,072</u>
CASH - END OF PERIOD	<u><u>288,330</u></u>	<u><u>194,200</u></u>	<u><u>288,330</u></u>	<u><u>192,073</u></u>
NON-CASH FINANCING ACTIVITIES:				
Shares issued on conversion of units	-	-	-	374,000
Shares issued for settlement of debt	-	-	-	32,000
Shares issued as finder's fee	29,250	-	29,250	-

SCHEDULE 1

ORKO GOLD CORPORATION
STATEMENT OF PROPERTY ACQUISITION AND EXPLORATION EXPENDITURES
FOR THE SIX MONTH PERIOD ENDED APRIL 30, 2005

PROPERTY ACQUISITION COSTS	LA PRECIOSA	SANTA MONICA	TOTAL
Balance, October 31, 2004	\$ -	\$ -	\$ -
Additions in the period:	-	-	-
Balance, April 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPLORATION EXPENDITURES			
Drilling	\$ 215,219	\$ -	\$ 215,219
Geophysical	92,617	-	92,617
Geological	73,749	-	73,749
Exploration - Other	14,400	-	14,400
Total Expenditures for the period	<u>\$ 395,985</u>	<u>\$ -</u>	<u>\$ 395,985</u>

ORKO GOLD CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTH PERIODS ENDED APRIL 30, 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 hardware and computer software, are amortized on the declining balance basis at 20% and 30% per annum respectively.

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:

	Number of Shares	\$
October 31, 2004	19,558,384	4,429,559
Private placement	2,445,000	337,500
Exercise of warrants	3,855,000	385,500
April 30, 2005	<u>25,858,384</u>	<u>5,152,559</u>

Warrants:

Warrants have been granted and are exercisable in whole or in part allowing the holders to purchase a total of 9,145,000 shares as follows. Of these warrants issued 5,290,000 warrants remain outstanding as at April 30, 2005.

Warrants Issued	Exercise Price	Expiry Date	Warrants Exercised	Balance
6,700,000	\$0.10	October 31, 2005	3,855,000	2,845,000
<u>2,445,000</u>	\$0.15	March 14, 2006	0	<u>2,445,000</u>
<u>9,145,000</u>				<u><u>5,290,000</u></u>

Options:

Options have been granted and are exercisable in whole or in part allowing the holders to purchase a total of 2,230,000 shares as follows:

Number of Options	Exercise Price	Expiry Date
1,245,000	\$0.11	October 21, 2008
260,000	\$0.22	December 4, 2005
350,000	\$0.08	October 5, 2006
100,000	\$0.13	November 30, 2006
100,000	\$0.20	January 19, 2007
100,000	\$0.25	January 28, 2007
25,000	\$0.30	April 7, 2007
50,000	\$0.24	April 22, 2007
<u>2,230,000</u>		

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5. Related Party Transactions

a) Included in the net loss year to date, 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	52,200	53,300

b) Included in accounts payable is \$3,103 (2004: \$2,033) due to this company at standard trade terms.