

ORKO GOLD CORPORATION
BALANCE SHEETS
AS AT JANUARY 31, 2006 AND OCTOBER 31, 2005
(UNAUDITED)

	January 31, 2006	October 31, 2005
	\$	\$
		(Audited)
ASSETS		
CURRENT ASSETS		
Cash	140,272	229,647
Accounts receivable	10,001	8,784
	150,273	238,431
INVESTMENTS	-	10,439
CAPITAL ASSETS	8,814	4,455
MINERAL PROPERTIES	42,000	42,000
	201,087	295,325
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	113,307	317,805
Bridge loan payable	300,000	-
	413,307	317,805
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	7,016,159	6,888,159
SHARE SUBSCRIPTIONS	796,700	-
CONTRIBUTED SURPLUS	450,770	461,770
DEFICIT	(8,475,850)	(7,372,409)
	(212,221)	(22,480)
	201,087	295,325

APPROVED BY THE BOARD

_____ **"Gary Cope"** Director

_____ **"Ross Wilmot"** Director

ORKO GOLD CORPORATION
STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2006 AND 2005
(UNAUDITED)

	Three months ended January 31,	
	2006	2005
	\$	\$
EXPLORATION AND DEVELOPMENT EXPENSES (Schedule 1)		
Drilling	686,551	-
Geological	56,676	15,550
Geophysical	-	20,637
Site costs	123,056	-
General exploration	38,710	-
	904,993	36,187
GENERAL EXPENSES		
Amortization	715	340
Bank charges and interest	54,400	155
Consulting fees	55,661	31,607
Exchange loss (gain)	(3,438)	(24)
Insurance	1,609	1,060
Investor and public relations	10,697	4,990
Management fees	32,450	25,600
Office and miscellaneous	16,229	8,133
Professional fees	9,876	-
Rent	6,000	6,000
Repairs and maintenance	2,467	719
Stock option compensation expense	-	6,973
Telephone	1,099	122
Transfer agent and filing fees	19,228	3,375
Travel and entertainment	40,445	9,402
	247,439	98,451
OTHER ITEMS		
Interest income	(867)	(165)
Gain on sale of shares	(48,124)	-
	(48,992)	(165)
NET LOSS FOR THE PERIOD	1,103,441	134,473
DEFICIT - BEGINNING OF PERIOD	7,372,409	4,441,426
DEFICIT - END OF PERIOD	8,475,850	4,575,899
BASIC AND DILUTED LOSS PER SHARE	0.03	0.01

ORKO GOLD CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2006 AND 2005
(UNAUDITED)

	Three months ended	
	January 31,	
	2006	2005
	\$	\$
CASH AND CASH EQUIVALENTS FROM (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	(1,103,441)	(134,473)
Items not involving cash		
Amortization	715	340
Stock option compensation	-	6,973
Interest	52,000	-
	(1,050,726)	(127,160)
Change in non-cash working capital items	(195,275)	6,819
	(1,246,001)	(120,341)
INVESTING ACTIVITIES		
Acquisition of equipment	(5,074)	-
FINANCING ACTIVITIES		
Issuance of shares for cash	65,000	230,000
Share subscriptions	796,700	-
Bridge loan	300,000	-
	1,161,700	230,000
INCREASE (DECREASE) IN CASH	(89,375)	109,659
CASH - BEGINNING OF PERIOD	229,647	43,591
CASH - END OF PERIOD	140,272	153,250

SCHEDULE 1**ORKO GOLD CORPORATION**
STATEMENT OF PROPERTY ACQUISITION AND EXPLORATION EXPENDITURES
FOR THE PERIOD ENDED JANUARY 31, 2006

PROPERTY ACQUISITION COSTS	LA PRECIOSA	SANTA MONICA	TOTAL
Balance, October 31, 2005	\$ 21,000	\$ 21,000	\$ 42,000
Additions in the period:	-	-	-
Balance, January 31, 2006	<u>\$ 21,000</u>	<u>\$ 21,000</u>	<u>\$ 42,000</u>

YEAR-TO-DATE EXPLORATION EXPENDITURES

Drilling	\$ 686,551	\$ -	\$ 686,551
Geological	56,676	-	56,676
Geophysical	-	-	-
Site costs	123,056	-	123,056
General exploration	38,710	-	38,710
Total Expenditures for the period	<u>\$ 904,993</u>	<u>\$ -</u>	<u>\$ 904,993</u>

TOTAL EXPLORATION EXPENDITURES TO DATE

Drilling	\$ 1,992,753	\$ -	\$ 1,992,753
Geological	257,135	-	257,135
Geophysical	96,712	-	96,712
Site costs	289,960	-	289,960
General exploration	102,949	-	102,949
Total Expenditures to date	<u>\$ 2,739,509</u>	<u>\$ -</u>	<u>\$ 2,739,509</u>

ORKO GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2006 AND 2005
(UNAUDITED – PREPARED BY MANAGEMENT)

1) BASIS OF PRESENTATION

The interim financial statements of Orko Gold Corporation (the “Company”) have been prepared by management in accordance with accounting principles generally accepted in Canada. These financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the fiscal year ended October 31, 2005, except as described below. The disclosures included below are incremental to those included with the annual financial statements. The interim financial statements should be read in conjunction with the audited annual financial statements and the notes thereto in the Company’s annual report for the year ended October 31, 2005.

2) NATURE OF OPERATIONS AND GOING CONCERN

The Company’s financial statements have been prepared on the basis of accounting principles applicable to a going concern which assume the realization of assets and discharge of liabilities in the normal course of business. The Company’s ability to continue as a going concern is dependent upon successful completion of additional financing, and continuing support of creditors. These financial statements do not give effect to any adjustments that would be necessary should the Company not be able to continue as a going concern.

3) SIGNIFICANT ACCOUNTING POLICIES

i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses for the periods reported. Although these financial statements have, in management’s opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below, actual results could differ from these estimates.

ii) Cash and Cash Equivalents

Cash equivalents are defined as highly liquid investments with maturities at acquisition of three months or less.

iii) Investments

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

iv) 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.

ORKO GOLD CORPORATION
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3) SIGNIFICANT ACCOUNTING POLICIES (continued)

v) Capital assets

Capital assets, which consists of computer hardware, is amortized on the declining balance basis at 30% per annum.

vi) Financial Instruments

The Company's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities and bridge loan payable.

It is management's opinion that the Company is not exposed to significant interest or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

vii) Income Taxes

The Company has unused tax losses, income tax reductions and deductible temporary differences. However, it will only recognize any future income tax benefit to the extent that these amounts will be more than likely realized.

viii) Stock Based Compensation

The Company uses the "fair value method" for all options granted. Under the fair value method, all stock-based payments are measured at the fair value of the equity instruments issued on the date of grant. 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.

ix) Earnings Per Share

The Company follows the "treasury stock method" in the calculation of diluted loss per share which requires the presentation of both basic and diluted loss per share on the face of the statement of operations and deficit regardless of the materiality of the difference between them.

ORKO GOLD CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2006 AND 2005
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4) SHARE CAPITAL

a) Authorized: 100,000,000 common shares without par value

b) Issued and Outstanding:

	No. of Shares	\$
Balance, October 31, 2004	19,558,384	4,429,559
Private placement	7,450,000	1,645,500
Shares issued for finders' fee	603,685	131,915
Shares issued for mineral property	100,000	42,000
Exercise of warrants	6,620,000	668,000
Exercise of options	690,000	72,600
Fair value of options exercised	-	30,500
Less: Share issue costs	-	(131,915)
Balance, October 31, 2005	35,022,069	6,888,159
Shares issued for bridge loan	100,000	52,000
Exercise of warrants	360,000	45,500
Exercise of options	100,000	19,500
Fair value of options exercised	-	11,000
Balance, January 31, 2006	35,582,069	7,016,159

c) Warrants outstanding:

As at January 31, 2006, warrants outstanding were as follows:

No. of Warrants	Exercise Price	Expiry Date
2,175,000	\$0.15	March 14, 2006
2,582,000	\$0.30	August 17, 2007
212,343	\$0.35	August 17, 2007
<u>4,969,343</u>		

d) Options outstanding:

As at January 31, 2006, options outstanding were as follows:

No. of Common Shares Issuable	Exercise Price	Date of Expiry
915,000	\$0.11	October 21, 2008
260,000	\$0.22	December 4, 2005
90,000	\$0.13	November 30, 2006
100,000	\$0.25	January 28, 2007
25,000	\$0.30	April 7, 2007
50,000	\$0.24	April 22, 2007
200,000	\$0.40	June 16, 2007
200,000	\$0.54	August 30, 2007
1,090,000	\$0.45	September 21, 2007
<u>2,155,000</u>		

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5) RELATED PARTY TRANSACTIONS

- a) During the period ended January 31, 2006, officers were paid \$32,450 (2005 - \$25,600) for management of the Company's affairs.
- b) Accounts payable at January 31, 2006 includes \$Nil (2005 - \$3,103) due to a company with a common director.