

RJK EXPLORATIONS LTD.

Consolidated Balance Sheet

As at June 30, 2005 and December 31, 2004

	June 30, 2005	December 31, 2004
(Unaudited)	\$	\$
Current Assets		
Cash and cash equivalents	16,882	79,453
GST recoverable	2,403	9,188
	19,285	88,641
Other Assets		
Mineral properties and deferred expenditures	1,387,856	1,332,904
Capital assets	3,441	3,741
	1,391,297	1,336,645
	1,410,582	1,425,286
Current Liabilities		
Due to a related party	23,104	23,104
Accounts payable and accrued liabilities	119,468	89,061
	142,572	112,165
Shareholders' Equity		
Capital Stock Class B	427,070	427,070
Capital Stock Class A	17,057,049	17,055,549
Deficit	-16,216,109	-16,169,498
	1,268,010	1,313,121
	1,410,582	1,425,286

RJK EXPLORATIONS LTD.

(Amalgamated under the Canadian Business Corporations Act)

Consolidated Statement of Operations and Deficit

For the Period Ended June 30

	Three Months ended	Three Months ended	Six Months ended	Six Months ended
(Unaudited)	June 30, 2005	June 30, 2004	June 30, 2005	June 30, 2004
Administrative expenditures				
General and administrative	1,292	12,743	5,039	36,293
Consulting	15,000	12,000	30,000	30,000
Professional fees	0	6,431	0	10,812
Financing fees	0	17,628	0	33,162
Travel, promotion and trade shows	3,101	2,932	3,484	16,629
Shareholders' information	3,819	3,624	7,980	8,003
Bank charges	30	36	108	69
	23,242	55,394	46,611	134,968
Loss for the period	23,242	55,394	46,611	134,968
Deficit - beginning of period	16,192,867	15,891,698	16,169,498	15,812,124
Deficit - end of period	16,216,109	15,947,092	16,216,109	15,947,092
Loss per share	\$0.001	\$0.003	\$0.003	\$0.008

RJK EXPLORATIONS LTD.**Consolidated Cash Flow Statement****For the Period Ended June 30**

	Three Months ended June 30, 2005	Three Months ended June 30, 2004	Six Months ended June 30, 2005	Six Months ended June 30, 2004
(Unaudited)				
Operating activities				
Loss for the period	-23,242	-55,394	-46,611	-134,968
Add:				
Amortization	150	107	300	290
	-23,092	-55,287	-46,311	-134,678
Decrease (increase) in other receivables	-965	21,316	6,785	29,843
Increase (decrease) in accounts payable and accrued liabilities	16,459	-11,520	30,407	-20,182
Cash provided by (used in) operating activities	-7,598	-45,491	-9,119	-125,017
Financing activities				
Cash provided by issuance of common shares	0	240,000	0	240,000
Cash provided by (used in) financing activities	0	240,000	0	240,000
Investment activities				
Mineral properties and deferred exploration expenditures	-37,645	-7,901	-53,452	-65,976
Cash provided by (used in) investing activities	-37,645	-7,901	-53,452	-65,976
Increase (decrease) in cash and cash equivalents	-45,243	186,608	-62,571	49,007
Cash and cash equivalents beginning of the period	62,125	92,989	79,453	230,590
Cash and cash equivalents end of period	16,882	279,597	16,882	279,597

RJK EXPLORATIONS LTD.**Consolidated Statement of Mineral Properties and Deferred Expenditures****For the Period Ended June 30**

	Three Months ended June 30, 2005	Three Months ended June 30, 2004	Six Months ended June 30, 2005	Six Months ended June 30, 2004
(Unaudited)				
Balance beginning period	1,348,711	1,306,385	1,332,904	1,248,310
Expenditures	39,145	7,901	54,952	65,976
Balance end of the period	1,387,856	1,314,286	1,387,856	1,314,286

RJK Explorations Ltd.

Notes to Financial Statements

(Unaudited)

June 30, 2005

1. NATURE OF OPERATIONS

RJK Explorations Ltd. (RJK) is incorporated under the laws of Ontario. The Company's principal business activity is that of a junior mineral exploration company with its major activity being acquisition and exploration of mineral properties. Currently the Company maintains its primary focus of exploration within Canada.

The Company does not generate sufficient cash flow from operations to adequately fund its exploration activities and has therefore relied principally upon the issuance of equity securities for financing. The Company continues to rely on upon the issuance of securities to finance its operations and exploration activities to the extent that such instruments are issuable under terms favorable to the Company. Accordingly, the Company's interim financial statements are presented on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its liabilities in the normal course of operations. If such future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case the realizable values of its assets may decline materially from current estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim financial statements are prepared in accordance with Canadian generally accepted accounting principals for interim financial statements. These interim financial statements should be read in conjunction with the Company's annual audited financial statements as at and for the year ended December 31, 2004. All material adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods have been reflected. The results for the six months ended June 30, 2005 are stated utilizing the same accounting policies as those applicable to the most recent annual financial statements, but are not necessarily indicative of the results to be expected for the full year.

3. MINERAL PROPERTIES AND DEFERRED EXPENDITURES

The Company enters into exploration agreements with other companies whereby the parties to the agreement may earn an interest in certain mineral properties by issuing common shares and/or making options payments and/or incurring expenditures in varying amounts by varying dates. Failure by a party to meet such requirements in certain circumstances can result in a reduction of ownership interest.

4. SHARE CAPITAL

RJK's authorized share capital consists of an unlimited number of Class A Subordinate Voting Shares, 854,140 Class B Voting Shares, and an unlimited number of Class C Preference Shares without par value. The holders of the Class C Subordinate Shares are entitled to one vote per share while the holders of the Class B Voting Shares are entitled to five votes per share. The Class B and C Shares rank equally as to dividends. The Class C Preference Shares are issuable in series with the rights, privileges, restrictions, and conditions designated by the Directors at the time the particular series is created.

At any time, a holder of Class B Voting Shares may require the company to redeem, in whole or, any part of the Class B Voting Shares so held upon the payment of \$0.20 for each share redeemed. Any holder of Class B Voting Shares is entitled, at the holder's option, to convert any number of the Class B Shares into Class A Subordinate Voting Shares on a 1:1 basis. The Class B Voting Shares will be deemed to be converted into Class A Subordinate Voting Shares under a take-over bid that is at a price above the market price of the Class A Subordinate Voting Shares.

RJK Explorations Ltd.

Notes to Financial Statements

(Unaudited)

June 30, 2005

5. SHARE CAPITAL *(Continued)*

a) The issued **Class A Subordinate Voting Share** capital is as follows:

	Number of Shares	Amount \$
Issued at December 31, 2004.	27,933,529	17,055,549
Issued for; Mineral property acquisition / payments	30,000	1,500
Private placements		
Private placements (flow-through)		
Exercise of warrants		
Exercise of options		
	<u>27,963,529</u>	<u>17,057,049</u>

b) Stock Options

RJK has a stock option plan pursuant to which options to purchase Class A Subordinate Voting Common Shares may be granted to certain officers, directors and employees. A continuity of the unexercised options to purchase Class A Subordinate Voting Common Shares is as follows:

		For the six Months Ended June 30, 2005
	Number of Shares	Weighted Average Exercise Price \$
Fixed options:		
Balance at beginning of period	1,120,000	0.27
Granted during period	900,000	0.15
Expired/Cancelled		
Exercised		
Outstanding and exercisable at end of period	2,020,000	

As at June 30, 2005, the weighted-average remaining contractual life of the outstanding stock options is 4.10 years

The fair value has been determined using the Black-Scholes Option Pricing Model with the following assumptions: a risk free interest rate of 4.2%; an expected stock price volatility of 125.44%; an expected option life of 5 years; and no expectation for the payment of dividends

Option pricing models require the input of highly subjective assumptions, including the expected volatility of the stock price. Changes in these subjective input assumptions can materially affect the fair value estimate, and therefore in management's opinion the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

RJK Explorations Ltd.

Notes to Financial Statements

(Unaudited)

June 30, 2005

c) Warrants outstanding at June 30, 2005.

Number Outstanding	Exercise Price \$	Expiry Date
100,000	0.20	October 2005
1,000,000	0.25	December 2005
140,000	0.20	May 2006
<hr/> 1,240,000		

6. RELATED PARTY TRANSACTIONS

All transactions with related parties have incurred in the normal course of operations and are measured at fair value as determined by management. The period end balances referred to below are non-interest bearing, unsecured, payable on demand and have risen from the provision of services and outstanding expense reimbursements net of advances.

Transactions during the six month period ended June 30, 2005.

	\$
Exploration management fees	30,000
Related party payables included in accounts payable	101,189

7. COMMITMENT

As at June 30, 2005, the Company is committed, on a best efforts basis to incur \$240,000 in eligible exploration expenditures prior to December 31, 2005 in order to fulfil obligations pursuant to flow-through share purchase agreements. The amount of \$840.90 is restricted for flow-through expenditures

8. SUBSEQUENT EVENTS

Subsequent to June 30, 2005 no additional events have occurred within the Company.