

**RJK EXPLORATIONS LTD.****Consolidated Balance Sheet**

As at September 30, 2005 and December 31, 2004

<b>(Unaudited)</b>	September 30, 2005 \$	December 31, 2004 \$
<b>Current Assets</b>		
Cash and cash equivalents	11,138	79,453
GST recoverable	-42	9,188
	<b>11,096</b>	<b>88,641</b>
<b>Other Assets</b>		
Mineral properties and deferred expenditures	1,393,519	1,332,904
Capital assets	3,291	3,741
	<b>1,396,810</b>	<b>1,336,645</b>
	<b>1,407,906</b>	<b>1,425,286</b>
<b>Current Liabilities</b>		
Due to a related party	0	23,104
Accounts payable and accrued liabilities	156,666	89,061
	<b>156,666</b>	<b>112,165</b>
<b>Shareholders' Equity</b>		
Capital Stock Class A	17,057,049	17,055,549
Capital Stock Class B	427,070	427,070
Deficit	-16,232,879	-16,169,498
	<b>1,251,240</b>	<b>1,313,121</b>
	<b>1,407,906</b>	<b>1,425,286</b>

**RJK EXPLORATIONS LTD.****Consolidated Statement of Operations and Deficit**

For the Period Ended September 30

<b>(Unaudited)</b>	Three Months ended September 30, 2005	Three Months ended September 30, 2004	Nine Months ended September 30, 2005	Nine Months ended September 30, 2004
<b>Administrative expenditures</b>				
General and administrative	-2,466	15,095	2,573	51,388
Consulting	15,000	17,000	45,000	47,000
Bank charges	46	59	154	128
Professional fees	0	10,725	0	21,537
Travel, promotion and trade shows	-2,453	50	1,031	16,679
Shareholders' information	6,640	5,024	14,620	13,027
Financing fees	0	25,891	0	59,053
	<b>16,767</b>	<b>73,844</b>	<b>63,378</b>	<b>208,812</b>
<b>Loss for the period</b>	<b>16,767</b>	<b>73,844</b>	<b>63,378</b>	<b>208,812</b>
<b>Reduction of deficit to capital stock</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deficit - beginning of period</b>	<b>16,216,109</b>	<b>15,947,092</b>	<b>16,169,498</b>	<b>15,812,124</b>
<b>Deficit - end of period</b>	<b>16,232,876</b>	<b>16,020,936</b>	<b>16,232,876</b>	<b>16,020,936</b>
Loss per share	<b>\$0.001</b>	<b>\$0.004</b>	<b>\$0.004</b>	<b>\$0.012</b>

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

<b>(Unaudited)</b>	Three Months ended September 30, 2005	Three Months ended September 30, 2004	Nine Months ended September 30, 2005	Nine Months ended September 30, 2004
<b>Operating activities</b>				
Loss for the period	-16,767	-73,844	-63,378	-208,812
Add:				
Amortization	149	255	449	545
	<b>-16,618</b>	<b>-73,589</b>	<b>-62,929</b>	<b>-208,267</b>
GST recoverable	2,445	-303	9,230	8,828
Prepaid investor relations fee	0	25,890	0	46,602
Increase (decrease) in accounts payable and accrued liabilities	14,092	2,496	44,499	-17,686
Cash provided by (used in) operating activities	<b>-81</b>	<b>-45,506</b>	<b>-9,200</b>	<b>-170,523</b>
<b>Financing activities</b>				
Cash provided by issuance of class "A" subordinate voting shares	1,500	0	1,500	240,000
Cash provided by (used in) financing activities	<b>1,500</b>	<b>0</b>	<b>1,500</b>	<b>240,000</b>
<b>Investment activities</b>				
Mineral properties and deferred exploration expenditures	-7,163	-29,105	-60,615	-95,081
Cash provided by (used in) investing activities	<b>-7,163</b>	<b>-29,105</b>	<b>-60,615</b>	<b>-95,081</b>
Increase (decrease) in cash and cash equivalents	-5,744	-74,611	-68,315	-25,604
Cash and cash equivalents beginning of the period	16,882	279,597	79,453	230,590
Cash and cash equivalents end of period	<b>11,138</b>	<b>204,986</b>	<b>11,138</b>	<b>204,986</b>

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

<b>(Unaudited)</b>	Three Months ended September 30, 2005	Three Months ended September 30, 2004	Nine Months ended September 30, 2005	Nine Months ended September 30, 2004
Balance beginning period	1,387,856	1,314,286	1,332,904	1,248,310
Additions	5,663	29,105	60,615	95,081
Balance end of the period	<b>1,393,519</b>	<b>1,343,391</b>	<b>1,393,519</b>	<b>1,343,391</b>

# **RJK Explorations Ltd.**

## **Notes to Financial Statements**

(Unaudited)

**September 30, 2005**

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### **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 principles 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 nine months ended September 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 Multiple Voting Shares, and an unlimited number of Class C Preference Shares without par value. The holders of the Class A Subordinate Shares are entitled to one vote per share while the holders of the Class B Multiple Voting Shares are entitled to five votes per share. The Class A Subordinate Voting shares and the Class B Multiple Voting 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 Multiple Voting Shares may require the company to redeem, in whole or, any part of the Class B Multiple Voting Shares so held upon the payment of \$0.20 for each share redeemed. Any holder of Class B Multiple 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 Multiple 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)

**September 30, 2005**

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**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
	<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 nine Months Ended September 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	<u>2,020,000</u>	

As at September 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)

September 30, 2005

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c) Warrants outstanding at September 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/> <b>1,240,000</b>		

#### 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 nine month period ended September 30, 2005.

\$

Exploration management fees	45,000
Related party payables included in accounts payable	116,189

#### 7. COMMITMENT

As at September 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 fulfill obligations pursuant to flow-through share purchase agreements. The amount of \$1,820 is restricted for flow-through expenditures

#### 8. SUBSEQUENT EVENTS

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