



FIRST QUARTER REPORT

For the three months period ended February 28, 2006 and 2005

(Canadian \$)

- Notice to Reader
- Interim Consolidated Balance Sheets
- Interim Consolidated Statements of Operations and Deficit
- Interim Consolidated Statements of Cash Flows
- Notes to the Interim Consolidated Financial Statements



Notice to Reader

The accompanying unaudited interim consolidated financial statements and all information in the Quarter Report have been prepared by and are the responsibility of the management of the Company.

The Audit Committee of the Board of Directors, consisting of three members, has reviewed the financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

The Company's independent auditors, Manning Elliott, Chartered Accountants, have not performed a review of these consolidated financial statements.

"Robert Wasylshyn"
Robert Wasylshyn, President

"Glen Dickson"
Glen Dickson, Chairman

GOLD-ORE RESOURCES LTD.
INTERIM CONSOLIDATED BALANCE SHEETS (Unaudited)
AS AT FEBRUARY 28, 2006

	Feb 28, 2006	Nov 30, 2005
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,346,926	\$ 88,464
Accounts receivable and refundable taxes	70,685	21,784
Prepaid expenses	3,135	3,135
	<u>3,420,746</u>	<u>113,383</u>
PROPERTY AND EQUIPMENT (Note 3)	13,060	13,897
MINERAL PROPERTIES (Note 4)	–	11,050
DEFERRED CHARGES (Note 5)	2,087,801	200,119
	<u>2,087,801</u>	<u>211,169</u>
	<u>\$ 5,521,606</u>	<u>\$ 338,449</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 146,729	\$ 85,860
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 6)	8,772,916	3,618,684
CONTRIBUTED SURPLUS (Note 7)	179,150	102,650
DEFICIT	(3,577,189)	(3,468,745)
	<u>5,374,878</u>	<u>252,589</u>
	<u>\$ 5,521,606</u>	<u>\$ 338,449</u>

See accompanying notes

On behalf of the Board:

"Bob Wasylyshyn"
 Bob Wasylyshyn, Director

"Glen Dickson"
 Glen Dickson, Director

GOLD-ORE RESOURCES LTD.**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT (Unaudited)****FOR THE THREE MONTHS ENDED FEBRUARY 28, 2006 AND FEBRUARY 28, 2005**

	Three Months ended February 28	
	2006	2005
	\$	\$
INCOME		
Interest and Other Income	2,387	4,722
	<hr/> 2,387	<hr/> 4,722
EXPLORATION EXPENSES		
Assaying	–	96
Consulting	1,837	32,944
Field Equipment and Supplies	613	571
Field Labour	39	83
Field Office	–	531
Surveying and Mapping	243	–
Travel and Accommodation	2,789	10,236
Vehicles and Fuel	199	2,157
Licenses, Taxes and Permits	11,728	109
	<hr/> 17,488	<hr/> 46,727
ADMINISTRATION EXPENSES		
Accounting and Legal	13,532	1,951
Amortization	836	644
Bank Charges and Commissions	262	138
Foreign Exchange	2,412	(652)
Insurance	–	1,568
Filing and Transfer Agent Fees	4,258	3,799
Management Fees	54,300	28,410
Office, Rent, and Printing	11,470	15,231
Salaries	3,715	2,879
Travel and Accommodation	2,597	–
	<hr/> 93,382	<hr/> 53,968
<hr/>		
TOTAL EXPENSES	110,830	100,695
<hr/>		
NET LOSS FOR THE PERIOD	108,443	95,973
DEFICIT – BEGINNING OF PERIOD	3,468,745	2,660,584
DEFICIT – END OF PERIOD	<hr/> 3,577,189	<hr/> 2,756,557
<hr/>		
Basic and Diluted Loss per Share	(0.01)	(0.01)
<hr/>		
Weighted Average Number of Shares Outstanding for the Period	26,053,539	22,482,705

See accompanying notes

GOLD-ORE RESOURCES LTD.**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)****FOR THE THREE MONTHS ENDED FEBRUARY 28, 2006 AND FEBRUARY 28, 2005**

	Three Months ended February 28	
	2006	2005
CASH FROM (USED IN):	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(108,443)	(95,973)
Items not involving cash		
Amortization	837	644
	(107,606)	(95,329)
Change in non-cash working capital items		
Accounts receivable and refundable taxes	(48,900)	(6,681)
Prepaid expenses and deposits	–	1,563
Accounts payable and accrued liabilities	60,869	(3,300)
	(95,638)	(103,747)
FINANCING ACTIVITIES		
Capital stock issued	4,036,250	–
Financing costs	(382,318)	–
	3,653,932	–
INVESTING ACTIVITIES		
Proceeds on sale of marketable securities	–	145,365
Purchase of property and equipment	–	(9,131)
Proceeds on sale of property	11,050	–
Purchase of mineral claims and option payments	(300,000)	(1,948)
Exploration costs	–	(15,341)
Corporate costs deferred	(10,882)	–
	(299,832)	118,945
INCREASE (DECREASE) IN CASH DURING THE PERIOD	3,258,462	15,198
CASH – BEGINNING OF PERIOD	88,464	28,098
CASH – END OF PERIOD	3,346,926	43,296
NON-CASH FINANCING ACTIVITIES		
20,000 shares were issued for acquisition of Nicaraguan property	–	4,300
5,840,000 shares were issued for Option in Sweden property	1,576,800	–
	1,576,800	4,300

See accompanying notes

GOLD-ORE RESOURCES LTD.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****FOR THE THREE MONTHS ENDED FEBRUARY 28, 2006 AND FEBRUARY 28, 2005**

1. BASIS OF PRESENTATION

These unaudited Interim Consolidated Financial Statements have been prepared pursuant to the accounting standards established by the Canadian Institute of Chartered Accountants (CICA) for "Interim Financial Statements".

The disclosures in these Interim Consolidated Financial Statements do not conform in all respects to the requirements of Canadian generally accepted accounting principles for annual financial statements and they should be read in conjunction with the most recent annual financial statements and notes included in the Company's annual report for the year ended November 30, 2005.

Except as otherwise disclosed in these notes, the Interim Consolidated Financial Statements follow the same accounting policies and methods as the most recent annual financial statements, and include all adjustments necessary to present fairly the results for the interim periods. The results of operations for the three months period ended February 28, 2006 are not necessarily indicative of results to be expected for the entire year ending November 30, 2006.

2. NATURE OF OPERATIONS

Gold-Ore Resources Ltd. ("the Company" or "Gold-Ore") was incorporated on October 22, 1996 under the Business Corporations Act (Alberta). On December 16, 1996 the Company was extra-provincially registered under the Company Act of British Columbia. The Company's principal business activities include the acquisition, exploration and development of mineral properties domiciled in Central America, the United States, and Sweden. The Company is in the exploration stage and has not yet determined whether any of these properties contain ore reserves that are economically recoverable.

These financial statements have been prepared on a consolidated basis and include the assets, liabilities and operations of the Company and its 100% owned U.S. subsidiary, La Plata Minerals Limited, and its 100% owned Honduran subsidiary, Recursos Santana S.A. de C.V. All material intercompany balances and transactions have been eliminated.

3. PROPERTY AND EQUIPMENT

			Feb 28, 2006	Nov. 30, 2005
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 23,121	\$ 10,061	\$ 13,060	\$ 13,897
	<u>\$ 23,121</u>	<u>\$ 10,061</u>	<u>\$ 13,060</u>	<u>\$ 13,897</u>

4. MINERAL PROPERTIES**(a) Central America**

During the Quarter, the Company notified Glencairn Gold Corporation that it was not continuing the option agreement on the Tatascame Gold Project in Nicaragua. The Company retains no interest in the Project.

In January 2005, the Company formed a syndicate with two arm's length parties to explore for uranium in Central America. Under terms of the agreement the Company will be carried for the

GOLD-ORE RESOURCES LTD.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****FOR THE THREE MONTHS ENDED FEBRUARY 28, 2006 AND FEBRUARY 28, 2005**

initial \$1 million expenditure by the two other companies. Thereafter, each of the three companies will share equally in further expenditures. Mineral Concessions covering the area of interest were granted by the Ministry of Mines in February 2006. A prospecting and sampling program was carried out in March 2006. Results from this program are pending.

(b) USA

The La Plata mineral claims in Colorado were sold in December of 2005 to Jackson Ventures Inc. of Vancouver, B.C. The Company transferred 100% undivided interest in 12 unpatented lode claims and one patented claim for the sum of \$11,050 (US\$9,500).

Period ended February 28, 2006	Nicaragua	USA (La Plata)	Total
Exploration Costs - Beginning of Period	\$ -	\$ 11,050	\$ 11,050
Exploration Costs			
Consulting	-	-	-
Field equipment and supplies	-	-	-
Field office	-	-	-
Field wages	-	-	-
Travel and accommodation	-	-	-
Vehicles and fuel	-	-	-
Sale of La Plata property	-	(11,050)	(11,050)
Exploration Costs - End of Period	-	-	-
Acquisition Costs - Beginning of Period	-	-	-
Acquisition During the Period	-	-	-
Acquisition and Exploration Costs - End of Period	\$ -	\$ -	\$ -

Period ended February 28, 2005	Nicaragua	USA (La Plata)	Total
Exploration Costs - Beginning of Period	\$ 65,998	\$ 0	\$ 65,998
Exploration Costs			
Consulting	11,186	-	11,186
Field equipment and supplies	103	-	103
Field office	68	-	68
Field wages	817	-	817
Travel and accommodation	2,472	-	2,472
Vehicles and fuel	695	-	695
	15,341	-	15,341
Exploration Costs - End of Period	81,338	-	81,338
Acquisition Costs - Beginning of Period	-	-	-
Acquisition During the Period	6,248	-	6,248
Acquisition and Exploration Costs - End of Period	\$ 87,587	\$ -	\$ 87,587

GOLD-ORE RESOURCES LTD.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****FOR THE THREE MONTHS ENDED FEBRUARY 28, 2006 AND FEBRUARY 28, 2005**

5. OPTION TO ACQUIRE MINING OPERATIONS

On January 23, 2006, the Company signed an Exclusive Option Agreement (the "Option") to purchase 100% of the share capital of Bjordalsgruvan AB of Sweden ("Bjordalsgruvan") from Minmet plc of Dublin, Ireland ("Minmet").

In consideration for the option, the Company issued to Minmet 5.84 million common shares of the Company and became operator of the project. The Company has committed US\$ 1.5 million to Bjordalsgruvan by way of an unsecured loan, to be provided as soon as possible, but no later than June 30, 2006. The proceeds of the loan will be directed towards exploration activities conducted on the properties. In addition, the Company and Minmet will make available a standby loan facility of US\$ 1.5 million to finance any operating shortfalls. Under the terms of the loan facility, the initial US\$500,000 would be advanced by the Company, while the remaining US\$ 1 million would be advanced equally by the Company and Minmet. As at February 28, the Company had advanced \$300,000 for exploration activities and has incurred and deferred \$1,787,801 for incremental costs related to the transaction. The option will expire on December 31, 2007.

Upon exercising the option, the Company will be required to pay Minmet US\$ 2.0 million cash, issue to Minmet the greater of 4,000,000 common shares of the Company and the number of common shares of the Company equally US\$2.0 million based on the value of the closing price of the Company's common shares on the date of exercise, and take assignment of any funds advanced by Minmet to Bjorkdalsgruvan under the standby loan facility. Minmet will retain a sliding-scale net smelter royalty ("NSR") of between 0.50% and 1.75%, which changes based on gold prices. The Company may purchase the NSR for US\$1.0 million at anytime after exercising the option.

The assets of Bjorkdalsgruvan include an operating mine, plant, reserves/resources and exploration properties of the Bjorkdal gold mine ("Bjorkdal") located in northern Sweden. Bjorkdal is located 30 kilometres northwest of the city of Skelleftea and 750 kilometres north of Stockholm, Sweden. The area has a long history of mining and has developed functional infrastructure including paved roads, low cost hydropower and a skilled labour force. In 2005 the Company conducted independent technical due diligence of the mine site and corporate due diligence on Bjordalsgruvan AB. A National Instrument 43-101 compliant report on the resources defined in the pit area of the mine was prepared.

6. CAPITAL STOCK

Authorized:

Unlimited common shares, voting, without par value

Unlimited preferred shares, non-voting, without par value

Issued and Outstanding:

	Number of shares	Value
<i>Balance, November 30, 2003</i>	19,980,838	\$ 2,873,528
Shares issued during 2004:		
For cash		
Exercise of warrants	2,013,187	539,844
Exercise of agent options	484,625	18,630
<i>Balance, November 30, 2004</i>	22,478,650	\$ 3,432,002

GOLD-ORE RESOURCES LTD.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****FOR THE THREE MONTHS ENDED FEBRUARY 28, 2006 AND FEBRUARY 28, 2005**

Shares issued during 2005:

For mineral properties (i)	20,000	4,300
For cash – private placement, net of share issue costs (ii)	1,000,000	182,382
For services – share issue costs	50,000	–
<i>Balance, November 30, 2005</i>	23,548,650	3,618,684

Shares issued during 2006:

For mineral properties (iii)	5,840,000	1,576,800
For cash		
Exercise of warrants	150,000	36,250
Private placement, net of shares issue costs (iv)	20,000,000	3,541,182
<i>Balance, February 28, 2006</i>	49,538,650	8,772,916

- (i) On December 16, 2004, the Company issued 20,000 common shares to Glencairn Gold Corporation under the terms of a Definitive Agreement signed to explore the Tatascome Project in the northern portion of the La India Gold District, Nicaragua.
- (ii) On March 30, 2005 the Company issued 1,000,000 units at a price of \$0.20 per unit for gross proceeds of \$200,000. Each unit consisted of one common share and one non-transferable share purchase warrant. Each share purchase warrant is exercisable to purchase one common share of the Company at a price of \$0.25 expiring March 29, 2006, and thereafter at a price of \$0.30 expiring March 29, 2007. The Company paid commissions of \$10,000 and 10,000 common shares at a value of \$0.20 per share, together with agent options to acquire 50,000 units, carrying terms similar to those units issued in the private placement.
- (iii) On February 17, 2006, the Company issued 5,840,000 common shares to Minmet under the terms of the HOA (Note 5) to complete the acquisition of an exclusive option to purchase 100% of the share capital of Bjorkdalsgruvan.
- (iv) On February 17, 2006, the Company issued 20,000,000 units at \$0.20 per unit for gross proceeds of \$4,000,000. 10,000,000 units were issued pursuant to a short form offering document and 10,000,000 units were issued pursuant to brokered private placement. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.30 per share expiring February 21, 2008. In the event that the Company's shares trade at a price of \$0.45 or more for a period of at least 20 consecutive trading days, the Company will have the right to reduce the exercise period of the warrants to 30 days, after such period. The Company paid a cash commission of \$260,000, issued 975,000 agent warrants with an exercise price of \$0.20 expiring February 21, 2008, and 525,000 agent options entitling the agent to acquire one unit with terms similar to those units issued under the brokered private placement.

GOLD-ORE RESOURCES LTD.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****FOR THE THREE MONTHS ENDED FEBRUARY 28, 2006 AND FEBRUARY 28, 2005**

STOCK OPTIONS, WARRANTS AND AGENT OPTIONS

No options were granted during the period and no shares were held in escrow or subject to pooling.

At February 28, 2006, the Company had the following options, warrants and agent options outstanding:

Security	Number	Exercise Price	Expiry Date
Options	250,000	\$0.10	Feb. 08, 2007
Options	650,000	\$0.10	Apr. 12, 2007
Options	400,000	\$0.10	Jan. 16, 2008
Options	500,000	\$0.23	Mar. 18, 2010
Warrants	900,000	\$0.25	Mar. 28, 2007
Warrants	5,000,000	\$0.30	Feb. 21, 2008

Agent Options

During 2005, the Company issued 50,000 agent options to acquire 50,000 units in connection with the financing described in note 6 (ii). The options are exercisable at a price of \$0.20 per unit expiring on March 29, 2006. At February 28, 2006, 25,000 of these options remain unexercised.

During the first quarter 2006, the Company issued 975,000 agent warrants with an exercise price of \$0.20, expiring February 17, 2008 and 525,000 agent options to acquire 525,000 units in connection with the financing described in note 6 (iv).

7. CONTRIBUTED SURPLUS

Consist of unexercised fair value of stock options and share purchase warrants as follows:

	Feb. 28, 2006	Nov. 30, 2005
Balance, beginning of year	\$ 102,650	\$ 24,000
FV of stock options	-	78,650
FV of agent options	76,500	-
Balance, end of period	\$ 179,150	\$ 102,650

8. RELATED PARTY TRANSACTIONS

The following related party transactions were recorded at their exchange amounts:

The Company also paid \$60,000 (Feb 28, 2005: \$45,000) in management and consulting fees to two Directors as compensation for services performed.

9. SEGMENTED INFORMATION

In the opinion of management, the Company operates in one industry segment, the exploration and development of mineral properties. Management of the Company makes decisions about allocating resources based on the one operating segment.

GOLD-ORE RESOURCES LTD.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****FOR THE THREE MONTHS ENDED FEBRUARY 28, 2006 AND FEBRUARY 28, 2005**

A geographic summary of mineral properties and property, plant and equipment by country is as follows:

	Mineral Properties		Property and Equipment	
	Feb 28, 2006	Nov. 30 , 2005	Feb 28, 2006	Nov. 30 , 2005
United States	\$ —	\$ 11,050	\$ —	\$ —
Canada	—	—	13,060	13,897
TOTAL	\$ —	\$ 11,050	\$ 13,060	\$ 13,897

10. SUBSEQUENT EVENTS

- a) On March 29, 2006 the Company granted incentive stock options to directors of the Company and Company consultants, to purchase up to 1,700,000 common shares at an exercise price of \$0.34. The options are exercisable for a period of five years ending on March 27, 2011.
- b) On April 19, 2006 Company engaged Harbour Financial to support the Company's investor relations. Under terms of the engagement, the Company granted Harbour incentive stock options to purchase 200,000 common shares at a price of \$0.44 for a period of 3 years and agreed to a six month initial term with a monthly fee of \$5,000.



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED FEBRUARY 28, 2006

PRELIMINARY INFORMATION

The following Management Discussion and Analysis ("MD&A") of Gold-Ore Resources Ltd. (the "Company") is intended to supplement and complement the accompanying unaudited interim consolidated financial statements and notes for the period ended February 28, 2006 ("First Quarter 2006"), and should be read in conjunction with the annual audited consolidated financial statements and related MD&A's for the year ended November 30, 2005, which is available at the SEDAR website at www.sedar.com.

All financial information in this MD&A is prepared in accordance with Canadian generally accepted accounting principles, and all dollar amounts are expressed in Canadian dollars unless otherwise indicated. Significant accounting policies are set out in Note 2 of the audited annual consolidated financial statements.

All information contained in this MD&A is as of April 25, 2006 unless otherwise indicated.

Forward-looking statements

The following MD&A contains assumptions, estimates, and other forward-looking statements regarding future events. Such forward-looking statements involve inherent risks and uncertainties and are subject to factors, many of which are beyond the Company's control that may cause actual results or performance to differ materially from those currently anticipated in such statements. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include among others metal price volatility, economic and political events effecting the awarding of concessions, mechanical and technical difficulties, and availability of financing on acceptable terms. Readers are cautioned not to put undue reliance on these forward-looking statements.

OVERVIEW

Gold-Ore Resources Ltd. was incorporated on October 22, 1996 under the Business Corporations Act (Alberta). On December 16, 1996 the Company was extra-provincially registered under the Company Act of British Columbia.

The Company is a mineral exploration company engaged in the acquisition, exploration and development of mineral properties. During the quarter the Company continued its activities to northern Sweden. The Company continues limited activities for base and precious metals and uranium targets in Central America. The Company has no other sources of revenue other than interest on cash and marketable securities.

The Company has a wholly owned Honduran subsidiary, Recursos Santana SA de CV, that enables the Company to hold mining concessions in that country. In addition, the Company has a wholly owned American subsidiary, La Plata Minerals Limited.

Exploration Activities

Bjorkdal Gold Project, Sweden

During the quarter the Company commenced a Phase I exploration program on the Bjorkdal Project in northern Sweden. The goal of the program is to expand the measured and indicated resource categories of the deposit. The property is fully permitted for mining, and the on-site plant is producing gold at the rate of 20,000 ounces per year from surface stockpiles. Current in situ measured and indicated gold resources (NI 43-101 compliant) are 2,175,000 tonnes grading 2.53 g/t (176,940 oz) and inferred 7,841,000 tonnes grading 2.53 g/t (637,870 oz). Gold-Ore has an option to purchase 100% interest in the project from Minmet plc of Dublin, Ireland.



**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED FEBRUARY 28, 2006**

An aggressive exploration program has been designed to develop the resources of the northern extension of the orebody mined during the 1980's and 1990's. The gold-bearing quartz vein stockwork is well exposed in the pit walls and historic drill holes clearly demonstrate that the mineralized corridor continues to the north for at least 200 metres where the drilling ends.

The work commenced on a 900 metre tunneling program that will provide access for underground drilling and detailed sampling. The initial cross-cut tunnel has started in the deepest section of the open pit and will advance at an average rate of 7 metres per day. On-vein drives will be turned off at 90 degrees to gain access for an 8,000 metre diamond drill campaign.

The 5 metre by 5 metre tunnel will provide a 60,000 tonne bulk sample that will be processed in the plant in several lots of 6,000 tonnes per campaign. This bulk sample will provide an accurate grade determination that can be reconciled with drilling and underground sampling. The gold produced from the bulk sample will be sold through the Bjorkdal refinery contract, and the revenue from gold sales will be used to offset the cost of the tunnel.

The tunnel will provide access for underground diamond drilling to test an area 400 by 250 by 100 metres. Drill stations will be established on 30 metre spaced sections and each station will be drilled in a radial-fan fashion. The area to be drill-tested contains a conceptual target of 27 million tonnes that is large enough to host 500,000 to 1,000,000 ounces of gold.

La Plata Copper Project, Colorado

The La Plata mineral claims in Colorado were sold in December 2005 to Jackson Ventures Inc. of Vancouver, B.C. The Company transferred 100% undivided interest in 12 unpatented lode claims and one patented claim for the sum of \$11,050 (US\$9,500).

Guatemala

In January 2005, the Company formed a syndicate with two arm's length parties to explore for uranium in Central America. Under terms of the agreement the Company will be carried for the initial \$1 million expenditure by the two other companies. Thereafter, each of the three companies will share equally in further expenditures. Two mineral concessions covering the area of interest were granted by the Ministry of Mines in February 2006. A prospecting and sampling program was carried out in March 2006. Results from this program are pending.

SELECTED FINANCIAL INFORMATION:

First Quarter of 2006 – Three Months ended February 28, 2006 compared to February 28, 2005

	Feb. 28, 2006	Feb. 28, 2005
	\$	\$
Interest Income	2,387	4,722
Write-off acquisition and exploration costs	-	-
Loss before other items	138,411	95,973
Net loss for the period	138,411	95,973
Net loss per common share, basic and diluted	0.01	0.01
Total Assets	5,521,606	766,451
Total Long Term Liabilities	-	-
Shareholder's Equity	5,374,878	703,745
Working Capital	3,274,017	601,998



**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED FEBRUARY 28, 2006**

Expenses

As of the end of the period ended February 28, 2006, the Company spent a total of \$110,830 (\$100,695 in 2005) on other property investigations and for administration. Of that total, \$17,448 (\$46,727, in 2005) was spent on other property investigations, primarily in Guatemala and \$93,382 (\$53,968 in 2005) was spent on administration expenses in Vancouver. There was an overall decrease in exploration expenses, as the Company is concentrating its efforts in the Bjorkdal project in Sweden, which costs are being deferred. Administration expenses increased as a result of increases in management fees and accounting (auditing) and legal fees. Once again, there were no investor relations expenses incurred.

The Company received \$2,387 as interest income from investments in one-month banker's acceptances.

SUMMARY OF QUARTERLY RESULTS

The following table provides selected financial information of the Company for each of the last eight quarters ending with the quarter ended February 28, 2006:

	2006 Q1 \$	Q4 \$	Q3 \$	2005 Q2 \$	Q1 \$	Q4 \$	2004 Q3 \$	Q2 \$
Interest and other income	2,387	820	2,060	3,211	4,722	2,453	5,010	7,358
Write-off Acquisition and Deferred costs	-	40,852	290,785	-	-	1,492,852	-	-
Loss before other items	108,443	91,303	151,603	137,645	95,973	71,544	58,651	66,961
Net loss (gain)	108,443	132,155	442,388	137,645	95,973	1,564,396	58,651	66,961
Net loss (gain) per share, basic and diluted	0.01	0.01	0.02	0.01	0.01	0.08	0.01	0.01

LIQUIDITY AND CAPITAL RESOURCES:

Operating Cash Flow

The operating cash outflow after allowing for changes in non-cash working capital accounts was \$95,638 in the First Quarter 2006, as compared to the operating cash outflow in the same period of 2005 of \$103,747.

Investing Activities

During the first quarter 2006 the Company focused its efforts on the Bjorkdal Gold Mine in northern Sweden (see Note 5 in accompanying FS), advancing \$300,000 to Bjorkdalsgruvan for exploration activities and spending \$10,882 in related costs. The Company also received \$11,050 (US\$9,500) from the sale of the La Plata property in the United States.

Financing Activities

On February 21, 2006, the Company issued 20,000,000 units at \$0.20 per unit for gross proceeds of \$4,000,000. 10,000,000 units were issued pursuant to a short form offering document and 10,000,000 units were issued pursuant to brokered private placement. Each unit consisted of one common share and one-half



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED FEBRUARY 28, 2006

of one common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.30 per share expiring February 21, 2008. In the event that the Company's shares trade at a price of \$0.45 or more for a period of at least 20 consecutive trading days, the Company will have the right to reduce the exercise period of the warrants to 30 days, after such period. The Company paid a cash commission of \$260,000, issued 975,000 agent warrants with an exercise price of \$0.20 expiring February 21, 2008, and 525,000 agent options entitling the agent to acquire one unit with terms similar to those units issued under the brokered private placement.

The Company also received \$36,250 from the exercise of warrants.

Cash Resources and Liquidity

As of the end of the first quarter 2006, the Company had working capital of \$3,274,017 compared to working capital of \$601,998 at the end of the first quarter 2006.

TRANSACTIONS WITH RELATED PARTIES

The Company paid a total of \$60,000 (\$45,000 in 2005) in management and consulting fees to two Directors as compensation for services performed.

SUBSEQUENT EVENTS

On March 29, 2006 the Company granted incentive stock options to directors of the Company and Company consultants, to purchase up to 1,700,000 common shares at an exercise price of \$0.34. The options are exercisable for a period of five years ending on March 27, 2011.

On April 19, 2006 Company engaged Harbour Financial to support the Company's investor relations. Under terms of the engagement, the Company granted Harbour incentive stock options to purchase 200,000 common shares at a price of \$0.44 for a period of 3 years and agreed to a six month initial term with a monthly fee of \$5,000.

OTHER INFORMATION

Outstanding Share Data

Authorized:

Unlimited common shares, voting, without par value

Unlimited preferred shares, non-voting, without par value

As of April 25, 2006, the Company had the following common shares, options, warrants, and agents options outstanding:

▪ Common Shares	50,101,150
▪ Share Purchase Options	3,500,000
▪ Warrants	5,362,500
▪ Agent Options	1,500,000
▪ Agent Warrants	287,500



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED FEBRUARY 28, 2006

DIRECTORS

Glen D. Dickson – Chairman

Alvin W. Jackson

Ron A. Ewing - Secretary/Treasurer

Robert S. Wasylyshyn – President

Donald A. Sawyer

David F. Mullen

OUTLOOK

The Company will continue to be dependent on additional equity financing, as market conditions permit, to fund its exploration activities. Those exploration activities will focus in Sweden.