Interim Report to Shareholders

For the Quarter Ended March 31, 2005

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MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS
For the Fiscal Quarter Ended March 31, 2005
April 30, 2005

The following discussion and analysis is to be read in conjunction with the unaudited Consolidated Financial Statements for March 31, 2005 and 2004. Note: all dollar amounts are in Canadian dollars unless otherwise indicated.

DESCRIPTION OF BUSINESS & OVERVIEW

Mundoro Mining Inc. (the "Company") is a Yukon registered company, whose shares trade on the TSX, and is involved in the acquisition, exploration and development of mineral resource properties internationally. The Company's current focus is the advanced exploration stage Maoling Gold Project in Liaoning Province, China in which it first became involved in 1999. The Company executed a program of diamond drilling on the Zone 1 deposit at Maoling in 2004 that resulted in a new resource estimate by AMEC Americas Limited, as reported in the first quarter, showing *Indicated Resources* of 81.6 million tonnes grading 1.2 grams per tonne or 3.0 million ounces gold using a 0.75 grams gold per tonne cut-off grade, an increase of approximately 1.9 million ounces over earlier estimates. *Inferred Resources* in the new estimate amount to 45.3 million tonnes at a grade of 1.0 gram gold per tonne for 1.4 million ounces. Metallurgical testwork indicates that approximately 94% of the gold can be recovered from Zone 1 mineralization using a conventional milling/CIL plant. A pre-feasibility study using open-pit mining of Zone 1's *Indicated Resource* is underway with results expected in the second quarter. In addition to the Zone 1 resources a further 55.0 million tonnes grading 1.2 grams gold per tonne (2.1 million ounces) of *Inferred Resource,* outlined in the Zone 4 deposit represents additional opportunity for the project.

The Company resumed field activities in the first quarter including additional diamond drilling, baseline water sampling and geotechnical studies to supplement data for full feasibility study and to further delineate the deposits.

During the quarter, Mr. Robert van Doorn was appointed President of the Company effective February 1st. Mr. Colin McAleenan was appointed Chairman of the Board and retains the position of Chief Executive Officer. Mr. Frank Crerie, a founding director, stepped down as Chairman but continues to serve as a Director. Mr. Patrick Downey P.Eng. was appointed Director.

With the exception of interest earned on investments the Company does not have revenue and relies upon equity financings to fund its exploration work. The climate for raising equity financing for precious metals exploration companies remained strong in the first quarter and appears to be continuing into the second quarter as the price of gold ranges from $420 to $440. The Company has sufficient funds on hand to execute all planned activities at Maoling.

Further details of the results of operations for the first quarter of 2005 and 2004 are summarized in the following tables along with related comments on the changes.

FINANCIAL HIGHLIGHTS

- The consolidated loss for the quarter under Canadian GAAP was $1,178,898 or $0.04 per share compared with a loss of $1,047,586 or $0.04 per share during the same quarter of 2004.

- Mineral exploration costs for the quarter were $366,170 compared with $658,386 during the same quarter of 2004. All of the exploration costs were expended on the Maoling Gold Project, China.

- During the quarter, the Company raised $436,737 from the exercise of warrants and $24,750 from the exercise of stock options, resulting in a total of 26,419,728 shares issued as at March 31, 2005. Subsequent to the end of the quarter to April 30, 2005, the Company raised an additional $759,218 from the exercise of warrants and $144,000 from the exercise of stock options, resulting in a total of 27,102,102 shares issued. A total of 1,309,459 warrants and 3,753,500 options remain outstanding, representing potential additional cash resources of $ 6,471,565 if exercised.

- Income from interest in the quarter amounted to $44,898.

- The Company ended the quarter with $6,616,483 in working capital, compared with $6,937,915 at the end of 2004.

- The Company's 'Initial' Annual Information Form (AIF), filed pursuant to qualifying for POP-issuer status, was receipted by the British Columbia Securities Commission on April 18, 2005, and is available on SEDAR at www.sedar.com.

FINANCIAL RESULTS

Income

	3 Months Ended March 31		
	2005	**2004**	**Change**
Interest income	$44,898	$123,902	$ (79,004)
Gain on sale of bonds	–	$158,700	$(158,700)
Total	**$ 44,898**	**$282,602**	**$(237,704)**

The gain on sale of bonds in 2004 was a one time event. The reduction in interest income reflects the reduction in funds available for investment in 2005 as a result of financing exploration activity in 2004.

Mineral Exploration Costs

	3 Months Ended March 31		
	2005	**2004**	**Change**
Mineral exploration costs	$366,170	$658,386	$(292,216)

The breakdown of the above costs appears in note 2 to the financial statements. The reduction in exploration costs is due to an extended hiatus in this activity in 2005 for Chinese New Year and drill maintenance schedules. Part of this reduction was offset by a significant increase in technical services and project management costs in 2005 over 2004 as the pre-feasibility study work continued during the quarter.

On January 31, 2005 the Company and its joint venture partner agreed to raise the total investment amount of the exploration joint venture to US$10,000,000. According to the regulations governing Sino-Foreign Joint Ventures, Government approval is required to raise the total investment amount and accordingly, discussions with provincial authorities in Liaoning, including the local office of the Bureau of Foreign Trade and Economic Cooperation (BOFTEC) have been underway; however, a decision has been deferred pending discussions with higher level officials. In the meantime, Mundoro has been funding work activities directly. Once approved, the higher limits should allow the joint venture company to fund all activity on site until the construction phase.

The Company continues to follow the practice of expensing all exploration costs until a body of commercial ore is defined on the project.

Administrative Expenses

3 Months Ended March 31

		2005		2004		Change
Amortization	$	7,715	$	2,551	$	5,164
Accounting and audit		45,274		39,152		6,122
Corporate communications		88,157		136,672		(48,515)
Corporate development and governance		65,968		26,499		39,469
Directors' fees		27,565		25,000		2,565
Engineering project management		73,303		0		73,303
Exchange and regulation		25,947		138,052		(112,105)
Financing fees		0		5,000		(5,000)
Government Relations and Community Support		21,979		0		21,979
Office support		131,304		120,609		10,695
Stock-based compensation		380,188		199,636		180,552
Exchange loss (gain)		(9,774)		(21,369)		11,595
TOTAL	$	**857,626**	$	**671,802**	$	**185,824**

Accounting and Audit costs increased in the first quarter of 2005 over the same period in 2004 due mainly to increased preparation time for the Company's year end audit.

Corporate Communications provides for the flow of information about the Company to all stakeholders. The elimination of third party consulting fees ($18,782 in 2004), reductions in management's time ($29,647 in 2005 versus $59,614 in 2004) and in conventions attended ($10,318 in 2005 versus $17,048 in 2004) more than offset increases in printing costs ($15,456 in 2005 versus $7,453 in 2004) resulting in a net reduction of $48,515 for the period.

Corporate Development and Governance expenditures in the first quarter of 2005 increased $39,469 over the same period in 2004. Legal and corporate secretarial costs for the quarter increased by $36,565 due to the earlier timing of the annual shareholders meeting and handling a counter claim launched by a former employee of the Company.

Directors' Fees are paid to independent (non-management) directors and include a quarterly retainer, meeting and travel fees. An increase of $2,565 was recorded during the quarter over the same period in 2004 mainly due to an increase in the number of independent directors in early 2005.

Engineering Project Management is a new category of expense for 2005 and its creation reflects the increasing level of engineering oversight required for the Maoling Gold Project. The amount expended in the period reflects primarily the salary of the President of the Company, who will be coordinating the engineering aspects of the project, a one-time signing bonus associated with the President's employment agreement, and some third party outsourcing involved in the mining engineering studies.

Exchange and Regulation activity covers the filing and listing fees, legal costs of compliance and the services of the transfer agent. Listing and filing fees of $22,129 in the first quarter of 2005 were very much lower than the $104,337 expended in the comparable period in 2004 when the Company's shares were moved from the TSX-V to the TSX and a concomitant reduction in legal fees associated with regulatory issues of $22,466 over the comparable period of 2004 explains most of the net reduction in expenditures for the category of $112,105 for the quarter.

Office Support expenditures associated with project and corporate administrative overhead in both Vancouver and Shenyang increased by $10,695 in the first quarter over the same period of 2004. This was primarily due to expanded office space in Vancouver (net rent increase of $3,601) and a net increase of $12,280 in liability insurance costs in 2005 over the comparable period in 2004.

Stock-based Compensation costs, representing the fair value of stock options issued during the period, increased by $180,552 versus those issued in the comparable period in 2004. The fair value of the options was calculated using the Black-Scholes Option Pricing Model.

Exchange Loss (Gain) arises primarily from the foreign currency translation of US dollar and Chinese RMB currencies in preparing the consolidated financial statements. By the end of the first quarter, the Canadian dollar had weakened relative to the US currency, to which the Chinese RMB is pegged, and hence the exchange gain was reduced by $11,595 over that experienced in the comparable period in 2004.

Related party transactions are described in detail in the notes to the financial statements. Directors' fees are identified in the statement of operations and hence they do not appear in the related party note disclosure.

Loss for the Period

	3 Months Ended March 31		
	2005	**2004**	**Change**
(Loss) for the quarter	$(1,178,898)	$(1,047,586)	$ (131,312)
(Loss) per share	$ (0.04)	$ (0.04)	$ (0.00)

The overall small increase in the loss for first quarter of 2005 vs. 2004 is related to several offsetting items. Exploration expenditures declined, as did interest income. Stock based compensation increased, as did engineering project management with the executive reorganization plan.

SUMMARY OF QUARTERLY RESULTS

The following information has been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). All amounts are in $CDN.

	2005	2004				2003		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Income	**44,898**	47,618	50,901	40,180	282,602	45,926	132	410
Exploration costs	**388,149**	898,713	1,388,440	1,320,850	658,386	53,934	78,850	69,230
Administrative expenses	**835,647**	753,930	494,841	781,454	671,802	1,073,178	354,518	148,789
(Loss) for the period	**(1,178,898)**	(1,605,025)	(1,832,380)	(2,062,124)	(1,047,586)	(1,081,186)	(433,236)	(217,609)
(Loss) per share basic and diluted	**$(0.04)**	$(0.06)	$(0.07)	$(0.08)	$(0.04)	$(0.07)	$(0.04)	$(0.02)

The Company's sole source of income derives from cash management, and is generally predictable from quarter to quarter. The increased income amount for the first quarter of 2004 reflects a gain on sale of long term government bonds.

Exploration costs have risen significantly since the end of 2003, as the Company has been able to expand its scope of work at Maoling following its initial public offering. Through 2004, the bulk of these costs were incurred through an extensive drilling and sampling program undertaken on Zone 1, the temporary hiatus of which resulted in the reduced expenditure in the first quarter of 2005.

Administrative expenses, including stock based compensation costs determined using the Black-Scholes option pricing model, have remained consistent over the past eight quarters, with the exception of the fourth quarter of 2003, when additional costs were incurred pursuant to the initial public offering and subsequent exchange listing.

During the period, the Company reported no discontinued operations or extraordinary items.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

	At March 31, 2005	2004	Change
Working capital	$6,616,483	$11,600,867	$(4,984,384)
Total Assets	$7,076,160	$12,101,638	$(5,025,478)

The decreases in both working capital and assets over this 12 month period reflect the financing of major exploration activity and pre-feasibility studies completed on the Maoling Gold Project during the year and the associated overhead costs. While some income was earned, and some financing was provided by the exercise of warrants, these sources were relatively modest when set against the cash requirements.

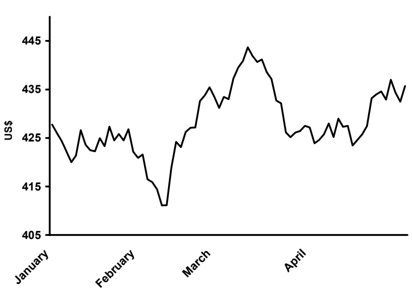
	For Three Months Ended March 31, 2005	2004	Change
Cash flow from financing activities	$461,487	$145,312	$316,175

The increase in cash flow arises from an increase in the exercise of warrants as the expiry date for these warrants approaches. The 2005 total also included the exercise of some stock options. A total of $3,887 in non-cash compensation was transferred from contributed surplus to share capital related to the exercise of these options.

During the quarter, the Company raised $436,737 from the exercise of warrants and $24,750 from the exercise of stock options, resulting in a total of 26,419,728 shares issued as at March 31, 2005. Subsequent to the end of the quarter to April 30, 2005, the Company raised an additional $759,218 from the exercise of warrants and $144,000 from the exercise of stock options, resulting in a total of 27,102,102 shares issued. A total of 1,309,459 warrants and 3,753,500 options remain outstanding, representing potential additional cash resources of $6,471,565 if exercised.

THE GOLD MARKET

From a price of US$428 per ounce at the start of the first quarter the price of gold reached a low of US$411 per ounce in February and a high of $443 per once in March. As of the date hereof, the price of gold is quoted at US$434 per ounce



Gold price chart, Jan 1 to April 30, 2005

The strength of the US dollar continues to be the single most influential factor in the market pricing of gold. Many commentators believe that the US dollar will continue to weaken against most other major currencies in the short to medium term. This trend, combined with strong basic market fundamentals for gold, is expected to support the gold price for the medium term. These factors should provide further support for Mundoro as the Company focuses on advancing Maoling to development.

RISKS AND UNCERTAINTIES

Exploration Risk
The Company's only current property is the Maoling Property and while this property contains defined mineral resources it is currently without a known body of commercial ore. Furthermore, there are no guarantees that the Company's future exploration and testing activities will result in the definition of a body of commercial ore on this property.

Title to Properties
A legal title opinion has been rendered on the Maoling Property that supports the Company's position. However, there is no guarantee that challenges to title will not be made in the future.

Financial Capability and Additional Financing
The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects. Although the Company has been successful in the past in financing its activities through the sale of equity securities there can be no assurance that it will be able to obtain sufficient financing in the future to execute its business plan with respect to the Maoling Project.

Fluctuating Prices
The Company's revenues, if any, are expected to be in large part derived from the sale of gold and possibly other metals. The price of gold and other commodities has fluctuated widely in recent years and is affected by factors beyond the control of the Company including, but not limited to, international economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply of gold due to new mine developments, mine closures as well as advances in various production and use technologies of gold. All of these factors will have impacts on the viability of the Company's exploration projects that are impossible to predict.

Environment
Both the exploration and production phases of the Company's operations will be subject to environmental protection regulations in the jurisdictions in which it operates. Globally, environmental legislation is evolving towards stricter standards and enforcement, more stringent environmental impact assessments of new mining projects and increasing liability exposure for companies and their directors and officers. China is not immune to environmental risk and consequently during the second quarter the Company initiated discussions with government and community stakeholders. There is no assurance that future environmental regulations will not adversely affect the Company's operations.

Political Conditions
Regardless of the economic viability of the Company's property interests factors such as political instability, terrorism, expropriation by governments or the imposition of new regulations or tax laws may prevent or restrict mining of some or all of the Corporation's deposits. All of the Company's property interests are located in China and, consequently, if a dispute were to arise between the Company and its joint venture partners the Company would be obliged to depend on the courts of China for adjudication and, if successful, would be obliged to depend upon those courts for any judgment in the Company's favour.

Currency Exchange Rates
The Company maintains its accounts in US dollar, Canadian dollar and Renminbi (RMB) denominations. The government of China has maintained the exchange rate between the RMB and the US dollar as a constant over the past few years and thus exchange rates between the Canadian dollar and the RMB have fluctuated in tandem with the changing exchange rates between the US and Canadian dollars. There is no guarantee that this situation will remain static in the future and possible future uncoupling of the RMB from the US dollar could materially affect the Company's financial position and results.

OUTLOOK

We look forward to completing the pre-feasibility study and commencing the final feasibility study in the second quarter of 2005.

The Company will continue to build its profile in the investment community in North America and plans to commence marketing activities in Europe. In addition, the Company intends to further raise its profile in China's mining sector through various means including such sponsorships as the China Mining 2005 convention to be held in November in Beijing.

MUNDORO MINING INC.

Interim Consolidated Financial Statements
(unaudited, prepared by management; expressed in Canadian Dollars)
For the three month period ending March 31, 2005

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MUNDORO MINING INC.
Interim Consolidated Balance Sheet
As at March 31, 2005
(unaudited, prepared by management)
(expressed in Canadian Dollars)

		March 31, 2005 Unaudited		December 31, 2004 Audited
ASSETS				
Current assets				
Cash and cash equivalents	$	6,612,244	$	7,931,922
Accounts receivable		82,958		150,644
Prepaid expenses and deposits		47,604		51,996
		6,742,806		8,134,562
Mineral interests (Note2)		100		100
Equipment and vehicles (Note3)		333,254		349,045
	$	7,076,160	$	8,483,707
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	126,323	$	1,196,647
SHAREHOLDERS' EQUITY				
Share capital (Note4)		19,451,565		18,986,191
Contributed surplus		1,700,973		1,324,672
Deficit		(14,202,701)		(13,023,803)
		6,949,837		7,287,060
	$	7,076,160	$	8,483,707

Approved by the Directors: "Patrick Downey" "Colin H. McAleenan"

Patrick Downey Colin H. McAleenan

MUNDORO MINING INC.
Interim Consolidated Statements of Operations and Deficit
For three month period ending March 31, 2005 and 2004

(unaudited, prepared by management and expressed in Canadian Dollars or numbers of common shares)

	2005	2004
Income		
Interest income	$ 44,898	$ 123,902
Gain on sale of bonds	-	158,700
	44,898	282,602
Mineral exploration costs	366,170	658,386
Administrative expenses		
Accounting and audit	45,274	39,152
Amortization	7,715	2,551
Corporate communications	88,157	136,672
Corporate development and governance	65,968	26,499
Directors' fees	27,565	25,000
Engineering project management	73,303	-
Exchange and regulation	25,947	138,052
Financing fees	-	5,000
Government Relations and Community Support	21,979	-
Office support	131,304	120,609
Stock based compensation	380,188	199,636
Foreign exchange loss (gain)	(9,774)	(21,369)
	857,626	671,802
Loss for the period	(1,178,898)	(1,047,586)
Deficit, beginning of year	(13,023,803)	(6,476,688)
Deficit, end of period	$ (14,202,701)	$ (7,524,274)
Loss per share - basic and diluted	$ (0.04)	$ (0.04)
Weighted average number of common shares outstanding – basic and diluted	26,219,529	25,513,847

MUNDORO MINING INC.
Interim Consolidated Statements of Cash Flows
For the three month period ending March 31, 2005 and 2004

(unaudited, prepared by management and expressed in Canadian Dollars)

	2005	2004
Cash flows from (used in) operating activities		
Loss for the year	$ (1,178,898)	$ (1,047,586)
Adjustments for items not involving cash:		
- amortization	20,882	2,551
- stock-based compensation	380,188	199,636
	(777,828)	(845,399)
Change in non-cash working capital:		
- other receivables	67,686	(99,072)
- prepaid expenses and deposits	4,392	(33,468)
- accounts payable and accrued liabilities	(1,070,324)	414,954
	(1,776,074)	(562,985)
Cash flows from financing activities (Note 4)		
Proceeds from issuance of shares	461,487	145,312
Cash flows used in investing activities		
Sale of marketable securities	-	5,878,550
Acquisition of equipment and vehicles	(5,091)	(174,924)
	(5,091)	5,703,626
Increase in cash and cash equivalents	(1,319,678)	5,285,953
Cash and cash equivalents, beginning of period	7,931,922	4,078,637
Cash and cash equivalents, end of period	$ 6,612,244	$ 9,364,590

(unaudited, prepared by management; expressed in Canadian Dollars)

1. Basis of Presentation

These interim consolidated financial statements have been prepared using the same accounting policies and methods of their application as the most recent annual consolidated financial statements of the Company. These interim consolidated financial statements do not include all disclosures normally provided in the annual consolidated financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2004. In management's opinion, all adjustments necessary for fair presentation have been included in these interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the fiscal year. Certain comparative figures have been reclassified to conform to the current period's presentation.

2. Mineral Interests

The Company follows the practice of expensing all exploration costs until proven mineral reserves have been established. Exploration costs incurred in the quarter ended March 31, 2005 including pre-feasibility work amounted to $388,149 (2004, $658,386) as detailed below:

Mineral Exploration costs:	**2005**	**2004**
Core drilling and related costs	$ 12,819	$ 511,650
Assaying and analytical	42,901	22,205
Technical services and project management	223,530	77,560
Amortization	13,167	3,584
Shipping, travel, office and all other costs	73,753	43,387
Total	$ 366,170	$ 658,386

On June 10, 2001, the Company entered into a Cooperative Joint Venture Agreement with Liaoning Aidi Resources Company Ltd. ("Aidi"), a company incorporated under the Business Law of Liaoning Province, China. Pursuant to the Cooperative Joint Venture Agreement, the Company is required to fund all work on Maoling Gold Project through to production and thereby earns a 79% profit interest in the joint venture. Aidi's contribution consists of all the work completed to 2001 on the project as well as the exploration license for the Maoling area.

The Company has made registered capital contributions and direct payments on behalf of the joint venture amounting to US $4.19 million to March 31, 2005 (March 31, 2004 US$ 1.84 million).

Under Chinese mining laws and regulations, exploration licenses have a three year term and have two two-year extensions. The Joint Venture's license for Maoling for the first two year extension expires in November 2005 and the Company intends to apply for a further extension.

3. Equipment and Vehicles

	2005	2004
	March 31	December 31
Cost:		
Computers	$ 63,873	$ 61,039
Furniture and fixtures	25,379	25,379
Office and technical equipment	112,995	111,486
Vehicles	176,407	176,407
Leasehold improvements	47,211	46,463
	425,865	420,774
Less: Accumulated amortization	(92,611)	(71,729)
Net book value	$333,254	$349,045

4. Share Capital

(a) Authorized: Unlimited number of common shares without par value.

(b) Issued:

	Shares	Amount
Balance, December 31, 2004	26,039,479	$18,986,191
Issued pursuant to exercise of warrants	363,749	436,737
Issued pursuant to exercise of stock options	16,500	24,750
Reclassification of contributed surplus on exercise		3,887
Balance, March 31, 2005	26,419,728	$19,451,565

(c) 93,750 of the shares issued are held in court. The release of these shares is subject to the outcome of the legal proceeding.

(d) Stock Options

A summary of the status of options granted under the Company's 2004 plan is presented below. A total of 16,500 options were exercised in the period.

	Shares	Weighted Average Exercise Price
Options outstanding at December 31, 2004	3,415,000	$ 1.11
Granted	430,000	$ 2.59
Exercised	(16,500)	$ 1.50
Options outstanding at March 31, 2005	3,828,500	$ 1.27

Options Outstanding	Options Exercisable
Weighted	

Range of Exercise Prices	Number Outstanding	Average Remaining Contractual Life (yr)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$0.16 - $1.24	1,062,500	2.13	$0.16	1,062,500	$0.22
$1.25 - $1.92	2,236,000	3.86	$1.45	1,921,834	$1.39
$1.93 - $2.83	100,000	4.25	$2.73	66,667	$2.78
$2.42 - $3.04	430,000	4.88	$2.59	143,333	$2.59
	3,828,500	3.51	$1.27	3,194,334	$1.10

In 2003, the Company adopted the fair value method of accounting for all stock-based payments to employees and directors. Under this method the fair value of stock options is calculated and expensed at date of grant, with the offsetting credit to contributed surplus. If the stock options are exercised the proceeds are credited to share capital.

The Company uses the Black-Scholes option pricing model to calculate the fair value of all stock options. In doing so, management is required to estimate future stock price volatility and the period within which the stock options will be exercised. The assumptions made will likely change from time to time. At the time the fair value is determined, the methodology used is based on historical information as well as anticipated future events.

(e) Warrants outstanding as at March 31, 2005:

Number Of Warrants	Exercise Price Per Warrant	Expiry Date
1,534,419	$1.25 (1st &2nd year)	June 15, 2005
	$1.87 (3rd year)	June 15, 2006
6,392	$0.31	June 16, 2005
10,656	$1.25	November 12, 2005
365,366	$1.25	November 24, 2005
1,916,833		Balance outstanding

Each warrant entitles the holder to acquire one common share of the Company.

Subsequent to March 31, 2005 and before April 30, 2005 the Company issued the following shares, pursuant to the exercise of warrants and options:

	No. of Shares Issued	Exercise Price	Amount
Warrants	607,374	$1.25	$759,218
Options	75,000	$1.92	$144,000

5. Related Party Transactions

The Company incurred the following expenses to certain directors or companies controlled by certain directors of the Company: Project management fees relate to the geological and administrative professional services rendered by the Chief Executive Officer on the Maoling project in the normal course of his duties. The engineering project management costs relate to the technical expertise and services of the President of the Company. The management fees, all incurred in the normal course of business operations, include the executive management services of the CEO and the administrative services of the Company's Chief China Representative.

	2005	2004
	March 31	March 31
Project management	$ 18,334	$ 13,300
Engineering project management	73,303*	-
Management fees	39,321	49,733
	$130,958	$ 63,033

* includes a one-time signing bonus of $50,000.

6. Geographical Information

The Company's business is considered as operating in one segment and the geographical division of the total assets of the Company is as follows:

	2005	2004
	March 31	December 31
Canada	$6,559,752	$7,890,621
China	516,408	593,086
	$7,076,160	$8,483,707