GOLDEN ARROW RESOURCES CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

SEPTEMBER 30, 2004 and 2003

(Unaudited - Prepared by Management)

**MANAGEMENT'S COMMENTS ON UNAUDITED
INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim consolidated financial statements of Golden Arrow Resources Corporation for the nine months ended September 30, 2004 have been prepared by management and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

GOLDEN ARROW RESOURCES CORPORATION

INTERIM CONSOLIDATED BALANCE SHEETS

(Unaudited - Prepared by Management)

	September 30, 2004 $	December 31, 2003 $
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	771,170	31,908
Amounts receivable and prepaids	150,685	1,091
Marketable securities (Note 4)	548,840	543,460
	1,470,695	576,459
EQUIPMENT (Note 5)	4,286	4,286
MINERAL PROPERTIES AND DEFERRED COSTS (Note 6)	5,758,410	5,592,415
	7,233,391	6,173,160
L I A B I L I T I E S		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	11,088	8,260
S H A R E H O L D E R S' E Q U I T Y		
SHARE CAPITAL (Note 7)	11,699,377	10,441,578
DEFICIT	(4,477,074)	(4,276,678)
	7,222,303	6,164,900
	7,233,391	6,173,160

APPROVED BY THE BOARD OF DIRECTORS

"Joseph Grosso" , Director

"Art Lang" , Director

The accompanying notes are an integral part of these interim consolidated financial statements.

GOLDEN ARROW RESOURCES CORPORATION

INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

(Unaudited - Prepared by Management)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004 $	2003 $	2004 $	2003 $
EXPENSES				
Administrative and management services	22,500	32,634	70,042	92,093
Bank charges and interest	629	-	629	-
Corporate development and investor relations	1,500	49,977	72,540	136,597
Depreciation	-	2,814	2,962	8,444
General exploration	6,432	-	6,432	-
Office and sundry	127	8,832	14,425	22,045
Printing	-	14,885	10,498	22,337
Professional fees	8,340	60,674	83,856	85,171
Rent, parking and storage	6,000	6,882	23,806	20,638
Salaries and employee benefits	-	25,377	70,678	75,083
Telephone and utilities	30	4,588	7,280	14,640
Transfer agent and regulatory fees	15,093	-	15,093	-
Travel and accommodation	1,444	8,374	40,489	25,006
Cost recoveries	-	-	(17,119)	-
	62,095	215,037	401,611	502,054
LOSS BEFORE OTHER ITEMS	(62,095)	(215,037)	(401,611)	(502,054)
OTHER ITEMS				
Gain on disposition of mineral property and deferred costs	-	234,848	433,960	234,848
Provision on marketable securities	-	-	(336,325)	-
Gain on disposition of marketable securities	-	-	57,724	-
Foreign exchange	(7,651)	2,845	45,275	450
Interest and other income	581	-	581	-
	(7,070)	237,693	201,215	235,298
GAIN (LOSS) FOR THE PERIOD	(69,165)	22,656	(200,396)	(266,756)
DEFICIT - BEGINNING OF PERIOD	(4,407,909)	(3,596,915)	(4,276,678)	(3,307,503)
DEFICIT - END OF PERIOD	(4,477,074)	(3,574,259)	(4,477,074)	(3,574,259)

The accompanying notes are an integral part of these interim consolidated financial statements.

GOLDEN ARROW RESOURCES CORPORATION

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Prepared by Management)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004 $	2003 $	2004 $	2003 $
OPERATING ACTIVITIES				
Income (loss) for the period	(69,165)	22,656	(200,396)	(266,756)
Items not involving cash				
Gain (loss) allocated	-	(22,656)	131,231	266,756
	(69,165)	-	(69,165)	-
(Increase) decrease in amounts receivable and prepaids	(32,418)	-	(40,440)	-
Increase in accounts payable and accrued liabilities	9,688	-	9,688	-
	(91,895)	-	(99,917)	-
INVESTING ACTIVITY				
Expenditures on mineral properties and deferred costs	(13,880)	-	(13,880)	-
FINANCING ACTIVITIES				
Capital contribution	750,000	-	750,000	-
Issuance of common shares	103,059	-	103,059	-
	853,059	-	853,059	-
INCREASE IN CASH	747,284	-	739,262	-
CASH - BEGINNING OF PERIOD	23,886	-	31,908	-
CASH - END OF PERIOD	771,170	-	771,170	-

The accompanying notes are an integral part of these interim consolidated financial statements.

GOLDEN ARROW RESOURCES CORPORATION

CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES AND DEFERRED COSTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004

(Unaudited - Prepared by Management)

	Argentina					Peru	Total
	Lirio Group $	Rio de Las Taguas $	Evelina $	Laguna de Los Toros $	Other $	Rio Tabaconas $	$
Balance							
- beginning of period	1,327,315	545,063	391,302	140,867	23,314	3,164,554	5,592,415
Expenditures							
during the period							
Assays	-	-	851	851	-	-	1,702
Contractors	-	-	-	-	-	85,436	85,436
Field workers	-	-	-	-	-	2,339	2,339
Option payments	-	-	-	-	-	17,930	17,930
Office	-	-	-	-	-	9,083	9,083
Other	788	788	-	-	3,302	39,458	44,336
Vehicles	-	-	-	-	-	2,181	2,181
Foreign value added tax	-	-	-	-	-	2,988	2,988
	788	788	851	851	3,302	159,415	165,995
Balance - end of period	1,328,103	545,851	392,153	141,718	26,616	3,326,969	5,758,410

1. NATURE OF OPERATIONS

The Company is in the process of exploring its mineral properties in South America and evaluating other mineral properties. The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. The amounts shown as mineral properties and deferred costs represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral properties and deferred costs is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete development, and future profitable production.

The Company considers that it has adequate resources to maintain its core operations for the fiscal year. See also Note 10.

2. CORPORATE RESTRUCTURING

The Company commenced operations on July 7, 2004 as a result of the corporate reorganization (the “Reorganization”) of IMA Exploration Inc. (“IMA”) on the transfer of mineral properties and certain other assets from IMA. IMA’s assets were reorganized into two separate public companies, IMA and Golden Arrow Resources Corporation (“Golden Arrow” or the “Company”). The Reorganization was carried out via a statutory plan of arrangement. The Company’s Statement of Loss and Deficit for the nine months ended September 30, 2004 includes the allocation of IMA’s General and Administrative Expenses as well as the direct expenses incurred by the Company since July 7, 2004. The comparative nine months expenses for the period ended September 30, 2003 are the expenses that have been allocated from IMA. This allocation of expenses has been based on general and administrative expenses of IMA which pertain to the management of the assets transferred to the Company. Certain of the Other Income and Expense items have been allocated based on the nature of the income or expense. The Company’s Balance Sheet reflects IMA’s historical values. Management is of the opinion that this presentation is in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”) but cautions readers that the allocation of expenses does not necessarily reflect future General and Administrative expenses.

On completion of the Reorganization, the Company received from IMA:

i) all of IMA’s investment in its mineral properties, excluding the Navidad project;
ii) the assets and liabilities of IMPSA Resources (BVI) Inc., Inversiones Mineras Argentinas Holdings (BVI) Inc., both wholly-owned subsidiaries of IMA, and IMPSA Resources Corporation, an 80.69% owned subsidiary of IMA;
iii) marketable securities at their recorded values; and
iv) cash of $750,000, plus nominal cash held by the subsidiary companies.

2. CORPORATE RESTRUCTURING (continued)

The aggregate value of the net assets transferred from IMA to the Company was as follows:

	$
Cash and cash equivalents	773,886
Amounts receivable and prepaids	1,091
Equipment	1,324
Marketable securities	548,840
Mineral properties and deferred cost	5,850,123
Accounts payable and accrued liabilities	(1,400)
	7,173,864

These interim consolidated financial statements should be read in conjunction with the historical consolidated financial statements of IMA.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian GAAP. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The consolidated financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality.

Significant accounting policies include:

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Significant areas requiring the use of management estimates relate to the determination of environmental obligations and impairment of mineral properties and deferred costs. Actual results may differ from these estimates.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company, IMPSA Resources (BVI) Inc. (100%), Inversiones Mineras Argentinas Holdings (BVI) Inc. (100%), and IMPSA Resources Corporation (80.69%). All intercompany transactions and balances have been eliminated.

Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments maturing within 90 days of the original date of acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Marketable Securities

Marketable securities are carried at the lower of cost or market.

Mineral Properties and Deferred Costs

Direct costs related to the acquisition and exploration of mineral properties held or controlled by the Company are deferred on an individual property basis until the viability of a property is determined. Administration costs and general exploration costs are expensed as incurred. When a property is placed in commercial production, deferred costs will be depleted using the units-of-production method. Management of the Company periodically reviews the recoverability of the capitalized mineral properties. Management takes into consideration various information including, but not limited to, results of exploration activities conducted to date, estimated future metal prices, and reports and opinions of outside geologists, mine engineers and consultants. When it is determined that a project or property will be abandoned or its carrying value has been impaired, a provision is made for any expected loss on the project or property.

The Company also accounts for foreign value added taxes paid as part of mineral properties and deferred costs. The recovery of these taxes will commence on the beginning of foreign commercial operations. Should these amounts be recovered they would be treated as a reduction in carrying costs of mineral properties and deferred costs.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received.

Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recognized when a reasonable estimate of fair value can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenses using a systematic and rational method and is adjusted to reflect period-to-period changes in the liability resulting from passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow. As at September 30, 2004, the Company does not have any asset retirement obligations.

Long-Lived Assets Impairment

Long-lived assets are reviewed for impairment when changes in circumstances suggest their carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the estimated undiscounted future projected cash flows to result from the use of the asset and its eventual disposition. If impairment is deemed to exist, the assets will be written down to fair value. Fair value is generally determined using a discounted cash flow analysis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Translation of Foreign Currencies

The Company's foreign operations are integrated and translated using the temporal method. Under this method, the Company translates monetary assets and liabilities denominated in foreign currencies at period-end rates. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates in effect during the period except for depreciation and amortization which are translated at historical rates. The resulting gains or losses are reflected in the operating results in the period of translation.

4. MARKETABLE SECURITIES

	September 30, 2004		December 31, 2003	
	Recorded Value $	Fair Value $	Recorded Value $	Fair Value $
Ballad Gold & Silver Ltd.				
- 417,500 common shares	112,875	112,875	250,000	325,000
Amera Resources Corporation ("Amera")				
- 759,900 common shares	332,505	507,341	270,000	546,000
Cloudbreak Resources Ltd.				
- 500,000 common shares	80,000	80,000	-	-
Other	23,460	173,860	23,460	161,546
	548,840	874,076	543,460	1,032,546

The Company holds these marketable securities as a result of entering into option and sale agreements for certain of its non-core mineral property holdings. See also Note 6(d).

5. EQUIPMENT

	September 30, 2004 $	December 31, 2003 $
Office equipment and computers	26,927	26,927
Less accumulated depreciation	(22,641)	(22,641)
	4,286	4,286

6. MINERAL PROPERTIES AND DEFERRED COSTS

	September 30, 2004		
	Acquisition Costs $	**Deferred Exploration Costs $**	**Total $**
Argentina			
Lirio Group	221,020	1,107,083	1,328,103
Rio de las Taguas	133,262	412,589	545,851
Evelina	-	392,153	392,153
Laguna de los Toros	-	141,718	141,718
Other	11,639	12,015	23,654
	365,921	2,065,558	2,431,479
Peru			
Rio Tabaconas	759,223	2,567,708	3,326,931
	1,125,144	4,633,266	5,758,410

	December 31, 2003		
	Acquisition Costs $	**Deferred Exploration Costs $**	**Total $**
Argentina			
Lirio Group	221,020	1,106,295	1,327,315
Rio de las Taguas	133,262	411,801	545,063
Evelina	-	391,302	391,302
Laguna de los Toros	-	140,867	140,867
Other	11,639	11,675	23,314
	365,921	2,061,940	2,427,861
Peru			
Rio Tabaconas	741,293	2,423,261	3,164,554
	1,107,214	4,485,201	5,592,415

(a) Argentinean Properties

The Company has either staked, fully paid or holds options to acquire 100% working interests in mineral properties, located in San Juan Province and Chubut Province in Argentina.

As of September 30, 2004, the Company must make further payments with respect to option agreements on the Lirio Group of properties, totalling US $240,000, as follows:

Year	**US $**
2004	70,000
2005	170,000
	240,000

6. MINERAL PROPERTIES AND DEFERRED COSTS (continued)

The Company has also agreed to pay net smelter return royalties ("NSR") of up to US $7,000,000 once commercial production is achieved on the Lirio Group of properties.

(b) Rio Tabaconas, Peru

The Company holds an option to acquire a 100% interest in three concessions, in the Cajamarca Department of San Ignacio Province in northern Peru. In addition, the Company owns ten concessions, which surround and overlie the optioned concessions. Collectively these are known as the Rio Tabaconas Project.

Under the terms of the option agreement, the Company has paid US $185,000 and was required to make further payments of US $1,315,000 for a total of US $1,500,000. On June 28, 2002, the Company suspended further exploration activities at the Rio Tabacanos project. This decision was made in response to the local community expressing its concerns with mineral exploration activities. The Company has deferred any further exploration until an agreement with the local community has been finalized. As a result the Company declared force majeure, as allowed under its option agreement.

Accordingly, the Company and the optionor have deferred payment of the remaining option payments until the force majeure is discontinued. On August 1, 2003, the Company commenced paying US $1,500 per month to the optionor as compensation during this waiting period.

(c) The Company has agreements with Amera, a publicly-traded company with common management and directors, whereby the Company:

(i) optioned its Mogote Property in the NW San Juan Region of Argentina. Amera has the option to earn a 51% interest in the 8,009 hectare Mogote Property by issuing a total of 1,650,000 common shares of Amera to the Company and by incurring US $1.25 million of expenditures, including work programs and underlying option payments, all over a five year period ending July 1, 2007. Amera has also agreed to reimburse the IMA for past payments made and expenditures which had been incurred by the Company on the Mogote Property. As at June 30, 2004, the Company has also received 100,000 shares of Amera at a fair value of $45,000. In July 2004, the Company received 100,000 shares of Amera at a fair value of $40,000.

On April 8, 2004, the IMA and Amera entered into a further agreement whereby Amera can earn an additional 24% interest, for a total 75% interest, after earning the initial 51% interest, by issuing 300,000 shares of Amera (issued at a fair value of $279,000) and conducting an additional US $3 million of exploration expenditures over a three year period ending May 20, 2007.

(ii) sold a 100% undivided interest in three mineral properties, comprising 24,280 hectares (the "Chubut Properties"), located in Chubut Province, Argentina, for 500,000 common shares of Amera for a recorded amount of $225,000. In addition, in the event that a decision is made to place the Chubut Properties into commercial production, Amera will pay the Company a bonus of US$250,000 and a 3% net smelter returns royalty.

6. MINERAL PROPERTIES AND DEFERRED COSTS (continued)

(d) The Company has signed and will continue to sign joint venture agreements for certain of its non-core properties with other junior exploration companies. The Company normally receives shares in these companies as compensation along with their commitments for exploration expenditures. The issue of these marketable securities is subject to TSX Venture Exchange ("TSXV") approval. The intent is to sell these securities to maximize return to the Company.

7. SHARE CAPITAL

Authorized: unlimited common shares without par value

Issued:

	Shares	Amount $
Balance, July 7, 2004	4,144,837	10,846,318
Capital contribution by IMA		750,000
Issued during the period for:		
Exercise of warrants	206,118	103,059
Balance, September 30, 2004	4,350,955	11,699,377

(a) On July 7, 2004, the Company issued 4,144,837 common shares on completion of the Reorganization, described in Note 2.

(b) Warrants

Pursuant to the terms of the Reorganization the Company is required to issue one common share on the exercise of every ten IMA warrants which were outstanding on the date of the Reorganization. A summary of the number of common shares reserved pursuant to this requirement as at September 30, 2004, and the changes for the period from July 7, 2004 to September 30, 2004, is as follows:

	Number
Balance, July 7, 2004	360,595
Exercised	(206,118)
Expired	(2,110)
Balance, September 30, 2004	152,367

Common shares reserved pursuant to warrants outstanding at September 30, 2004 are as follows:

Number	Exercise Price $	Expiry Date
77,367	0.50	March 16, 2005
75,000	1.10	February 23, 2005
152,367		

(c) See also Note 10.

8. RELATED PARTY TRANSACTIONS

The Company shares office space with IMA and has entered into a contract with IMA pursuant to which IMA provides administrative management services on a cost plus 10% basis (initially $9,500 per month plus GST). During the period ended September 30, 2004, the Company paid IMA $28,500 for rent, administrative and management services.

9. SEGMENTED INFORMATION

The Company is involved in mineral exploration and development activities, which are conducted principally in Argentina and Peru. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for the nine months ended September 30, 2004.

The Company's total assets are segmented geographically as follows:

	September 30, 2004			
	Corporate Canada $	Mineral Operations Argentina $	Mineral Operations Peru $	Total $
Current assets	1,448,268	5,400	17,027	1,470,695
Equipment	-	-	4,286	4,286
Mineral properties and deferred costs	-	2,431,479	3,326,931	5,758,410
	1,448,268	2,436,879	3,348,244	7,233,391

10. SUBSEQUENT EVENT

Subsequent to September 30, 2004, the Company completed a private placement financing and issued 3,239,000 units at $0.63 per unit, to raise gross proceeds of $2,040,570. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitled the holder to purchase one additional common share of the Company at a price of $0.80 per share for a period of two years. The agent received a cash commission of $102,120 and agents warrants to purchase 323,900 common shares at a price of $0.80 per share for a period of two years. The agent also received a corporate finance fee of 20,000 units, having the same terms as the units offered under the financing and an administration fee of $3,000 in cash. In addition, a cash commission of $35,280 was paid and warrants to purchase 112,000 common shares of the Company were issued.

GOLDEN ARROW RESOURCES CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004

Introduction

The following management discussion and analysis and financial review should be read in conjunction with the Company's unaudited interim consolidated financial statements for the period ended September 30, 2004 and related notes. These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Except as otherwise disclosed all dollar figures in this report are stated in Canadian dollars. Additional information relevant to the Company can be found on the SEDAR website at www.sedar.com.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Corporate Reorganization

On May 3, 2004 IMA Exploration Inc. ("IMA") announced a corporate reorganization (the "Reorganization"). IMA's shareholders approved the Reorganization on June 24, 2004 and thereafter all necessary court and regulatory approvals were received. The Reorganization was effective on July 7, 2004.

The effect of the Reorganization was to transfer IMA's non-Navidad mineral properties to the Company along with $750,000 of operating cash, marketable securities and the joint venture agreements relating to the transferred properties (the "Transferred Assets"). IMA retained the Navidad mineral property and certain other mineral properties located in central Chubut Province and all other assets and liabilities. The Company was incorporated on May 11, 2004 for the sole purpose of the Reorganization and had no assets or operations prior to the Reorganization. The shareholders of IMA received shares in the Company which resulted in identical ownership by the shareholders before and after the Reorganization.

Canadian GAAP requires that the Company account for the Reorganization on a 'carve-out' basis; as if the Transferred Assets had always been Company assets. Note 2 to the September 30, 2004 financial statements discusses the accounting treatment of the Reorganization transaction.

Overview

The Company is a natural resource company engaged in the business of acquisition and exploration of mineral properties in Argentina and Peru. The Company's strategy is to acquire properties for the purpose of mineral exploration and exploitation. In the event the Company discovers mineralization capable of economic production, it intends to develop or seek a joint venture partner and/or to sell all or a portion of its interest in the subject property to finance the development of such property. At present the Company has no producing properties and consequently has no current operating income or cash flow. As of this date the Company is an exploration stage company and has not generated any revenues. There is no assurance that a commercially viable mineral deposit exists on any of the properties. Further exploration will be required before a final evaluation as to the economic and legal feasibility of any of the properties is determined.

Messrs. Carlson, Grosso, Angus, Idziszek, Hurd, Cacos, Lang, Terry and Horton were appointed to the Board of Directors. The officers appointed by the Board were Gerald Carlson as Chairman, Joseph Grosso as President, Art Lang as Vice-president and Chief Financial Officer, David Terry as Vice-president, Exploration and Nikolas Cacos as Corporate Secretary. Messrs. Carlson, Angus and Idziszek subsequently resigned as directors in October and Joseph Grosso was appointed Chairman.

Principal Properties

The following properties have been transferred to the Company effective on July 7, 2004 as a result of the Reorganization.

Chubut (Patagonia)

The Company has 100% interests in a number of claims in western Chubut Province. These properties include the Laguna de los Toros property. Together they cover an area of approximately 86,000 hectares. Several of these properties have been farmed-out to joint venture partners. Ballad Gold and Silver Ltd. carried out a surface sampling program on the Penascudo property in February-March 2004. All of these Chubut properties are in the exploration stage.

Valle de Cura

The Company has eight exploration properties in the Valle de Cura region. The Company is continuing to evaluate potential partners to advance the drill ready Rio de las Taguas and Porterillos properties and the other, more early-stage, exploration properties in the area. Cloudbreak Resources Ltd. has an option to earn up to a 75% interest in the Gollete property and they carried out a surface sampling program on the property in early 2004.

Northwest San Juan

The Company has three exploration properties in the northwestern corner of San Juan Province. IMA negotiated an amendment to the joint venture agreement with Amera Resources Corporation ("Amera") whereby Amera can earn an additional 24% interest (up to 75%) in the Mogote property. To earn this additional participation Amera has issued an additional 300,000 shares and must complete total work expenditures of US$3,00,000 over three years, with a minimum of US$1,000,000 by May 30, 2005. Amera launched a surface exploration program on Mogote in November 2004 to define targets for a planned drill program in early 2005 to test the Filo Este and Filo Central targets. There are no current plans for work on the other two properties in this area.

Gualcamayo

The Company has three exploration properties in the Gualcamayo area of San Juan in addition to retaining a 1% NSR on the Quebrada del Diablo deposit (1.2 million ounces of gold at approximately 1.1 grams per ton Au) held by Viceroy Exploration Ltd.

Rio Tabaconas (Peru)

The Company had previously declared force majeure, as allowed under the property option agreement, on the property payments for this project. There have been no recent developments concerning this project.

The Company has now hired an Argentina-based geologist and is evaluating a number of potential acquisitions. The Company is also planning exploration programs to assess a number of the properties currently in the portfolio and generative programs to identify targets in high-potential mineral districts in Argentina. The Company will continue to lever its exploration expenditures through joint-venturing projects with high quality partners.

Selected Annual Financial Information

Note 2 to the interim consolidated financial statements for the nine months ended September 30, 2004 discusses the development of the financial results for the periods before the Company commenced operations on July 7, 2004. To conform to Canadian GAAP management is required to allocate expenses and income items related to the Transferred Assets. These allocated expenses do not necessarily reflect future expenses of the Company.

The following selected consolidated financial information represents the allocation of IMA's General and Administrative Expenses and Other Items which relate to the assets transferred to the Company. The per share loss is based on the initial shares issued to Company shareholders on July 7, 2004. The information has been prepared in accordance with Canadian GAAP.

	Years Ended December 31,		
	2003 **$**	**2002** **$**	**2001** **$**
Income Statement Data:			
Total Revenues	Nil	Nil	Nil
General and Administrative Expenses	661,175	948,296	662,526
Net Income (Loss)	(969,175)	(954,775)	(669,144)
Net Income (Loss) per Common Share Basic and Diluted	(0.23)	(0.23)	(0.16)

Summary of Financial Results for the Nine Months Ended September 30, 2004

The Company reported a consolidated loss of $200,396 ($0.05 per share) in the current period.

Results Of Operations

Corporate Costs and Other Income

The Company's operating expenses for the nine months ended September 30, 2004 were $401,611. Included in these expenses are $339,516 of General and Administrative expenses which have been allocated to the Company from IMA's expenses to June 30, 2004. Additionally a net gain of $208,285 has also been allocated from IMA which included gains from the farm outs of certain of the Transferred Assets and gains on disposal of marketable securities less provision for write downs of marketable securities. General and Administrative expenses incurred directly by the Company since July 7, 2004 have been nominal.

Liquidity and Capital Resources

The Company's cash position at September 30, 2004 was $771,170 and had working capital of $1,459,607. The Company received $103,059 during the period from the issue of common shares on the exercise of IMA warrants.

Subsequent to September 30, 2004 the Company has received gross proceeds of $2,040,570 from a brokered private placement of 3,239,000 units at $0.63 per unit.

The Company considers that it has adequate resources to maintain its ongoing operations and budgeted exploration work and property commitments over the next twelve months. The Company will continue to rely on successfully completing additional equity financing and/or conducting joint venture arrangements to further exploration on its properties. There can be no assurance that the Company will be successful in obtaining the required financing or negotiating joint venture agreements. The failure to obtain such financing or joint venture agreements could result in the loss of or substantial dilution of its interest in its properties.

The Company's management may elect to acquire new projects, at which time additional equity financing may be required to fund overhead and maintain its interests in current projects, or may decide to relinquish certain of its properties. These decisions will be based on the results of ongoing exploration programs and the response of equity markets to the projects and business plan.

The Company does not know of any trends, demand, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the exploration programs or the acquisition of projects.

The Company does not now and does not expect to engage in currency hedging to offset any risk of currency fluctuations.

Related Party Transactions

The Company has certain common directors and officers with IMA and Amera.

The Company has an agreement with IMA whereby IMA provides office facilities, management and administrative services for a monthly fee, currently $9,500 per month plus GST. A total of $27,500 has been paid to September 30, 2004.

IMA and Amera have assigned the agreements related to the Mogote property to the Company. These agreements are discussed in Note 6 to the September 30, 2004 interim consolidated financial statements.

Operating Cash Flow

Cash outflow from operating activities in the nine months to September 30, 2004 were limited to the actual costs incurred since July 7, 2004, for General and Administrative expenses and mineral property costs.

Financing Activities

In the nine months to September 30, 2004 the Company received $750,000 from IMA as a contribution of capital, pursuant to terms in the Reorganization and $103,059 from the issue of common shares on exercise of IMA warrants. A portion of the proceeds from the exercise of the IMA Warrants is paid to the Company based on a formula. In November 2004 the Company received $2,040,570, less costs, from the issue of 3,239,000 units consisting of one common share and one warrant

Investing Activities

During the nine months ended September 30, 2004 there were limited investing activities. As at September 30, 2004 substantially all of the carrying value of the Company's mineral properties comprise the historical carrying values transferred from IMA see Note 2 to the September 30, 2004 interim consolidated financial statements.

Contractual Commitments

The Company has commitments for administrative and management services which are presently provided by IMA's management team. The Company also has commitments for payments on its mineral properties.

Critical Accounting Policies

Reference should be made to the Company's significant accounting policies contained in Notes 2 and 3 of the Company's interim consolidated financial statements. These accounting policies can have a significant impact of the financial performance and financial position of the Company.

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Significant areas requiring the use of management estimates relate to the determination of environmental obligations and impairment of mineral properties and deferred costs. Actual results may differ from these estimates.

Mineral Properties and Deferred Costs

Consistent with the Company's accounting policy disclosed in Note 6 of the consolidated financial statements, direct costs related to the acquisition and exploration of mineral properties held or controlled by the Company have been capitalized on an individual property basis. It is the Company's policy to expense any exploration associated costs not related to specific projects or properties. Management of the Company periodically reviews the recoverability of the capitalized mineral properties. Management takes into consideration various information including, but not limited to, results of exploration activities conducted to date, estimated future metal prices, and reports and opinions of outside geologists, mine engineers and consultants. When it is determined that a project or property will be abandoned or its carrying value has been impaired, a provision is made for any expected loss on the project or property. No write offs were required in the current quarter.

Risk Factors

The Company's operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. For a more complete discussion of these risks and others reference should be made to the Company's Annual Information Form.

Investor Relations

The Company currently does not engage the services of outside investor relations consultants. Mr. Sean Hurd, a director, acts as the Company's Investor Relations Manager and coordinates investor relations activities.

Outstanding Share Data

The Company's authorized share capital is an unlimited number of common shares without par value. As at September 30, 2004, there were 4,350,955 outstanding common shares. As at September 30, 2004, 152,367 common shares are reserved for issue for outstanding IMA warrants which expire at various times until March 16, 2005. More information on these warrants is set out in Note 6 to the September 30, 2004 interim consolidated financial statements