



**Consolidated Balance Sheet**

As at 30 June

Canadian Funds

<b>ASSETS</b>	<b>1999</b>	<b>1998</b>
<b>Current</b>		
Cash	\$ 854,157	\$ 36,426
Accounts receivable	257,505	37,618
Prepaid expenses	24	10,000
	<u>1,111,686</u>	<u>84,044</u>
<b>Cash in Trust</b>		
Reclamation bond	24,455	22,541
<b>Resources Property Costs</b> - <i>Statement 3</i>	<b>5,180,322</b>	<b>3,733,438</b>
<b>Capital Assets</b> (Net of accumulated amortization of \$15,785)	<u>15,736</u>	<u>146,554</u>
	<b>\$ 6,332,199</b>	<b>\$ 3,986,577</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable	\$ 208,541	\$ 97,189
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b>		
Authorized:		
100,000,000 common shares without par value		
Issued and fully paid:		
24,811,440 shares	10,593,231	7,854,026
<b>Deficit</b>	<u>(4,469,573)</u>	<u>(3,964,638)</u>
	<u>6,123,658</u>	<u>3,889,388</u>
	<b>\$ 6,332,199</b>	<b>\$ 3,986,577</b>

**Consolidated Statement of Loss and Deficit**

For the Six Months Ended 30 June

*Canadian Funds*

	1999		1998
<b>Revenue</b>			
Administration fees	\$ 19,291	\$	4,050
Interest and other	1,396		7,792
	<u>20,687</u>		<u>11,842</u>
<b>Administrative Expenses</b>			
Property investigation	80		872
Management fees	47,452		68,407
Legal, audit and other professional fees	80,229		38,941
Investor relations	51,581		21,506
Office and administration	29,579		51,213
Travel and accommodation	1,955		18,996
Salaries and benefits	13,360		---
Office rent	46,165		---
Filing fees	9,510		2,647
Transfer agent fees	4,480		3,691
Shareholder information	2,557		530
B.C. capital tax	---		6,509
Bank charges and interest	5,135		1,016
Amortization	1,859		9,276
Foreign exchange loss (gain)	(1,618)		12,726
	<u>292,324</u>		<u>236,330</u>
<b>Loss for the Period</b>	<b>271,637</b>		<b>224,488</b>
Deficit – beginning of period	4,197,936		3,740,150
<b>Deficit - End of Period</b>	<b>\$ 4,469,573</b>	\$	<b>3,964,638</b>
<b>Loss Per Share</b>	<b>\$ 0.01</b>	\$	<b>0.01</b>

**Consolidated Statement of Resource Property Costs**

For the Six Months Ended 30 June

Canadian Funds

	1999	1998
<b>Direct - Mineral</b>		
Takatu Project, Guyana		
Salaries and benefits	\$ ---	\$ 18,259
Geological and geochemical	293	329
Office and administration	39,906	14,002
Acquisition/option payments	18,346	52,548
Claim fees	---	1,050
Transportation	---	1,553
Equipment maintenance	---	281
Camp and general	1,735	9,684
Drilling and trenching	---	157
	<b>60,280</b>	<b>97,863</b>
Reconnaissance, Guinea Bissau, West Africa		
Salaries and benefits	---	37,477
Analysis	---	3,733
Legal, mining law	---	9,944
Housing rental	---	6,746
Office and administration	---	13,648
Technical consulting	---	44,771
Camp and general	---	15,899
Transportation	---	1,574
	---	133,792
Farim Project, Guinea Bissau, West Africa		
Drilling	218,582	113,348
Geological and geochemical	323,922	135,423
Office and administration	108,707	20,372
Engineering	26,660	---
Advance project studies	342,379	---
	<b>1,020,250</b>	<b>269,143</b>
El Rubi Property, Mexico		
Geological and geochemical	8,028	---
Office and administration	7,185	8,431
	<b>15,213</b>	<b>8,431</b>
<b>Costs for the Period</b>	<b>1,095,743</b>	<b>509,229</b>
Balance – Beginning of period	<b>4,084,579</b>	<b>3,224,209</b>
<b>Balance - End of Period</b>	<b>\$ 5,180,322</b>	<b>\$ 3,733,438</b>

**Consolidated Statement of Cash Flows**

For the Six Months Ended 30 June

Canadian Funds

<b>Cash Resources Provided By (Used In)</b>	<b>1999</b>	<b>1998</b>
<b>Operating Activities</b>		
Loss for the period	\$ (271,637)	\$ (224,488)
Items not affecting cash		
Amortization	1,859	9,276
Changes in non-cash working capital	42,404	(131,730)
	<u>(227,374)</u>	<u>(346,942)</u>
<b>Investing Activities</b>		
Cash paid for resource property costs	(1,080,188)	(484,480)
Proceeds on sale (purchase) of capital assets, net	(762)	7,149
Reclamation bond	430	(536)
	<u>(1,080,520)</u>	<u>(477,867)</u>
<b>Financing Activities</b>		
Shares issued for cash	2,107,550	52,650
	<u>2,107,550</u>	<u>52,650</u>
<b>Net Increase (Decrease) in Cash</b>	<b>799,656</b>	<b>(772,159)</b>
Cash position – Beginning of period	54,501	808,585
<b>Cash Position - End of Period</b>	<b>\$ 854,157</b>	<b>\$ 36,426</b>
<b>Supplemental Schedule of Non-Cash Transactions</b>		
Shares issued for resource property costs	\$ 15,555	\$ 24,750
Shares issued for loan	120,000	---