

Currie Rose Resources Inc.

Financial Statements

For the years ended December 31, 2004 and 2003

Auditors' Report

**To the Shareholders of
Currie Rose Resources Inc.**

We have audited the balance sheets of **Currie Rose Resources Inc.** as at December 31, 2004 and 2003 and the statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2004 and 2003 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

English & Jones LLP

ENGLISH & JONES LLP
Chartered Accountants

St. Catharines, Ontario
March 17, 2005

Currie Rose Resources Inc.
Balance Sheet

December 31	2004	2003
Assets		
Current		
Cash	\$ 119,323	\$ 38,216
Accounts receivable	106,492	100,000
GST recoverable	2,661	3,714
Prepaid expenses	1,576	-
	230,052	141,930
Investments (Note 4)	99,566	65,000
Mining Claims (Note 5)	199,448	570,500
Deferred Exploration Expenditures (Note 6)	522,849	907,121
	\$ 1,051,915	\$ 1,684,551
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued expenses	\$ 58,284	\$ 45,823
Shareholders' Equity		
Share Capital (Note 7)		
Common shares	5,381,329	5,306,479
Warrants	-	3,500
Prepaid expenses on common shares to be issued	(21,352)	-
	5,359,977	5,309,979
Contributed surplus (Note 7)	277,772	274,272
Deficit	(4,644,118)	(3,945,523)
	993,631	1,638,728
	\$ 1,051,915	\$ 1,684,551

On behalf of the Board:

Harold Smith _____ Director
"Signed"

Art Ellis _____ Director
"Signed"

Currie Rose Resources Inc.
Statements of Operations and Deficit

For the years ended December 31	2004	2003
Revenue		
Production penalty revenue	\$ 100,000	\$ 100,000
Option revenue	-	115,000
	100,000	215,000
Expenditures		
Listing and filing fees	9,020	6,537
Management fees	-	30,000
Office, bank charges and miscellaneous	460	2,725
Office rent	-	12,000
Professional services	16,398	21,990
Share issue and transfer agent fees	11,593	10,470
Shareholders' information	3,475	6,620
Telephone	661	522
Travel	99	-
	41,706	90,864
Other Income (Expenses)		
Other income (Note 8)	42,000	-
Write-off of mining claims and deferred exploration expenditures	(798,889)	-
	(698,595)	124,136
Net Income (Loss) for the Year	(698,595)	124,136
Deficit, beginning of year	3,945,523	4,069,659
Deficit, end of year	\$ 4,644,118	\$ 3,945,523
Earnings (Loss) per common share: (Note 10)		
Basic	\$ (0.04)	\$ 0.01
Diluted	(0.04)	0.01

Currie Rose Resources Inc.
Statement of Cash Flows

For the years ended December 31	2004	2003
Cash Provided By (Used In)		
Operating Activities		
Net income (loss) for the year	\$ (698,595)	\$ 124,136
Items not involving cash:		
Option revenue	-	(65,000)
Other income	(42,000)	-
Write-off of mining claims and deferred exploration expenditures	798,889	-
Changes in non-cash working capital balances:		
Accounts receivable	(6,492)	(100,000)
GST recoverable	1,053	(3,072)
Prepaid expenses	(1,576)	-
Accounts payable and accrued expenses	54,461	40,513
Cash Generated By (Used In) Operating Activities	105,740	(3,423)
Investing Activities		
Advances of loan receivable	(34,566)	-
Deferred exploration expenditures	(43,565)	(31,689)
Cash Used In Investing Activities	(78,131)	(31,689)
Financing Activities		
Advances of related party loans	-	32,000
Repayments of related party loans	-	(32,000)
Shares issued, net of issuance costs	74,850	63,051
Prepaid expenses on common shares to be issued	(21,352)	-
Warrants issued	-	3,500
Cash Provided By Financing Activities	53,498	66,551
Increase in Cash During the Year	81,107	31,439
Cash, beginning of year	38,216	6,777
Cash, end of year	\$ 119,323	\$ 38,216

Currie Rose Resources Inc.

Notes to Financial Statements

December 31, 2004 and 2003

1. Nature of the Business

Currie Rose Resources Inc. is incorporated under the Canada Business Corporations Act and its principal business activities include exploration for minerals and mine development.

2. Basis of Presentation

These financial statements have been prepared on the going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. The application of the going concern concept is dependent on the Company's ability to pay its liabilities through future operations of its mining properties and financial support through future equity offerings.

3. Significant Accounting Policies

Revenue Recognition

Revenue is recognized when earned as per contractual agreements.

Investments

Investments are recorded at cost and are written down only if there is a decline in the market value which is other than temporary.

Mining Claims

Mining claims are recorded at cost. In the event of an abandonment or the expiration of an area of claims, the cost will be written off against income.

Deferred Exploration Expenditures

The cost of exploration expenditures on mining claims is deferred and, in the event a commercial ore deposit is located, the cost will be amortized against income by the unit of production method. In the event of an abandonment or the expiration of an area of mining claims, the expenditures will be written off against income.

Income Tax

The company follows the liability method of income tax allocation. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Currie Rose Resources Inc.
Notes to Financial Statements

December 31, 2004 and 2003

3. Significant Accounting Policies (continued)

Use of Estimates

The preparation of the company's financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from such estimates.

Mining claims and deferred exploration expenditures do not necessarily reflect present or future values. The ultimate recovery of such amounts depends on the discovery of economic reserves and the successful commercial development of the related properties and the actual realization of these costs may vary by a material amount.

Comparative Figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

4. Investments

	<u>2004</u>	<u>2003</u>
200,000 common shares of JML Resources Limited	\$ 65,000	\$ 65,000
Loan receivable, non-interest bearing, no fixed terms of repayment, unsecured	34,566	-
	<u>\$ 99,566</u>	<u>\$ 65,000</u>

The 200,000 common shares of JML Resources Limited were obtained as part of the proceeds of the option agreement for 50% of mining claims re Scadding Township as described in Note 5. The cost of the investment was obtained using the fair value of common shares on the date of the issuance of the common shares.

The market value of the common shares at December 31, 2004 is \$30,000 (2003 - \$42,000). Management believes given the historical performance of North American stock exchanges and the fact that downturns in the stock market are generally only temporary and should reverse within a few years, that the fair value of these common shares should increase and eventually exceed the carrying amount.

As disclosed in Note 13, subsequent to year end, the company has obtained regulatory approval to enter into a joint venture and a concurrent option agreement with another party regarding properties in Tanzania. The loan receivable represents amounts advanced to the other party, in contemplation of the approval of these agreements. It is expected that these monies advanced will be utilized to fund the company's share of exploration expenditures on these properties as required per these agreements. The fair value of this loan receivable is not readily determinable.

Currie Rose Resources Inc.
Notes to Financial Statements

December 31, 2004 and 2003

5. Mining Claims

	Opening	Additions	Disposals	Write-offs	Closing
2004					
Laonil Lake	\$ -	\$ -	\$ -	\$ -	-
Wawa	371,052	-	-	371,052	-
Scadding Township	99,448	-	-	-	99,448
Scadding & Davis Townships	100,000	-	-	-	100,000
	\$ 570,500	\$ -	\$ -	\$ 371,052	\$ 199,448

2003

Laonil Lake	\$ -	\$ -	\$ -	\$ -	-
Wawa	371,052	-	-	-	371,052
Scadding Township	99,448	-	-	-	99,448
Scadding & Davis Townships	-	100,000	-	-	100,000
	\$ 470,500	\$ 100,000	\$ -	\$ -	\$ 570,500

Laonil Lake

Net profit interest in 3 gold mining claims covering 11,000 acres in Northern Saskatchewan. The company is entitled to a 30% interest in the net profits generated on the commercial production from this property by the beneficial owner who has optioned the property from the company. Once the company has received payments totalling \$1,000,000 on its share of the net profits interest, their entitlement decreases to 25% interest in the net profits.

The company is also entitled to a yearly payment of \$100,000 in the event the beneficial owner does not mine a minimum amount of 30,00 tonnes in a calendar year. In the event the beneficial owner has not mined 30,000 tonnes of ore or made the above noted \$100,000 penalty payment for two consecutive years, full ownership interest reverts back to the company, free of any encumbrances on the part of the beneficial owner and in full settlement of any claims the company may have against the beneficial owner.

Currie Rose Resources Inc.

Notes to Financial Statements

December 31, 2004 and 2003

5. Mining Claims (Continued)

Wawa

These claims expired at various dates in 2004. The net book value of the related mining claims and deferred exploration has been written off in 2004.

Scadding Township

Beneficial ownership of gold mining claims covering 2,880 acres in Northern Ontario. These claims are embodied in 16 staked claims and seven leases granted by the Ministry of Natural Resources totaling 56 claims. One of these leases is set to expire in 2005, two in 2006, one in 2023 and three in 2024. Each of these leases contain a 21 year renewal clause at the option of Ministry of Natural Resources. Management is of the opinion that such renewals will be offered and they intend to act on these renewal clauses.

The company is committed to a royalty payment in the amount of \$100,000, payable 10 days after the end of the third calendar month in which production occurs from the claims. The company is also committed to a royalty payment of \$1 per ton of ore removed from designated claims registered against the property.

During 2003, the company entered into an option and joint venture agreement with another party, whereby the company granted an option to the other party for a 50% beneficial interest in its mining claims, subject to certain conditions regarding expenditures. Consideration for this agreement included \$50,000 cash and 200,000 common shares of the other party to the agreement, as described in Note 4.

The company is entitled to a payment of \$25,000 if the option holder does not incur an aggregate amount of \$2,000,000 of expenditures on the property before August 25, 2007, and a further \$25,000 if the option holder does not incur an aggregate amount of \$3,000,000 of expenditures on the property before August 28, 2008.

In the event that the option holder does not make certain expenditures within certain time frames, or make penalty payments as noted above in lieu of such expenditure limits, the option holder forfeits its rights under the agreement and full beneficial ownership reverts back to the company. In addition, the option holder has the right to terminate the agreement at any time after making expenditures of \$300,000 in total, and hence return full ownership privileges to the company.

Scadding & Davis Townships

Option on a 50% interest in 2,544 acres of gold claims in Northern Ontario. During 2003, the company entered into an option and Joint Venture Agreement with another party, whereby the company has been granted an option for a 50% beneficial interest in the mining claims of the other party subject to certain conditions in exchange for the issuance of 500,000 common shares as disclosed in Note 7.

The company is committed to pay 50% of the costs of exploration expenditures incurred on these mining claims, until such time as a joint venture agreement is entered into as disclosed in Note 11. In the event that the company does not make these payments they forfeit their rights under the agreement and beneficial ownership reverts back to the other party. In the event that the option holder does not meet certain conditions or elects to terminate the agreement re the Scadding Township mining claims, as described above, this agreement shall also terminate and beneficial ownership of these mining claims reverts back to the other party.

Currie Rose Resources Inc.
Notes to Financial Statements

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6. Deferred Exploration Expenditures

	Opening		Additions		Disposals		Write-offs		Closing
2004									
Wawa	\$ 427,837	\$	-	\$	-	\$	427,837	\$	-
Scadding Township	479,284		10,201		-		-		489,485
Tanzania	-		33,364		-		-		33,364
	\$ 907,121	\$	43,565	\$	-	\$	427,837	\$	522,849
2003									
Wawa	\$ 427,837	\$	-	\$	-	\$	-	\$	427,837
Scadding Township	447,595		31,689		-		-		479,284
	\$ 875,432	\$	31,689	\$	-	\$	-	\$	907,121

Tanzania

As disclosed in Note 13, subsequent to year end, the company has obtained regulatory approval to enter into a joint venture and a concurrent option agreement with another party regarding properties in Tanzania. The amounts recorded in deferred exploration expenditures at year end represent amounts paid with respect to the negotiation of these agreements and other costs related to these properties before the regulatory approval of these agreements in 2005.

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7. Share Capital and Contributed Surplus

	Common Shares		Warrants		Contributed Surplus
	Number Outstanding	Amount	Number Outstanding	Amount	Amount
Balance, December 31, 2002	14,132,736	\$ 4,975,428	1,400,000	\$ 14,000	\$ 27,605
Issued for cash	700,000	65,650	350,000	3,500	-
Issued as settlement of trade accounts payable (Note 8)	2,100,000	165,401	-	-	232,667
Issued as consideration for option (Note 5)	500,000	100,000	-	-	-
Warrants expired	-	-	(1,400,000)	(14,000)	14,000
Balance, December 31, 2003	17,432,736	5,306,479	350,000	3,500	274,272
Options exercised	750,000	74,850	-	-	-
Warrants expired	-	-	(350,000)	(3,500)	3,500
Balance, December 31, 2004	18,182,736	\$ 5,381,329	-	\$ -	\$ 277,772

The common shares are authorized for an unlimited number to be issued.

On August 25, 2003 the company issued 700,000 units to companies owned by two directors for cash consideration of \$0.10 per unit totalling \$70,000. Each unit consisted of one common share and 1/2 warrant. Unit price was allocated \$0.09 to the common shares and \$0.01 to the 1/2 warrant. Each full warrant entitled the holder to purchase one additional common share at a price of \$0.15 to August 25, 2004. These warrants expired during the year.

Currie Rose Resources Inc.
Notes to Financial Statements

December 31, 2004 and 2003

7. Share Capital and Contributed Surplus (Continued)

Stock Options:

Stock options have been granted to directors and officers who are involved in the daily operation of the company. These options have no vesting requirements and generally are issued for a term of ten years. The following is detailed information regarding options outstanding at December 31, 2004 and 2003.

	Number	\$	Weighted average exercise price
Outstanding, December 31, 2002	2,095,000	\$	0.16
Outstanding, December 31, 2003	2,095,000	\$	0.19
Exercised	(750,000)		0.10
Outstanding, December 31, 2004	1,345,000	\$	0.19

The following table provides additional information with respect to the company's stock options outstanding at December 31, 2004. All options are exercisable at December 31, 2004.

		Outstanding December 31 2004	Weighted average exercise price	Weighted average life
Exercise price				
\$	0.15	295,000	0.15	4.92
	0.20	1,050,000	0.20	3.54
		1,345,000	0.19	3.84

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December 31, 2004 and 2003

8. Transactions with Related Parties

Related parties include directors and companies whose principal shareholders are directors of Currie Rose Resources Inc. Transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties. The following is a summary of transactions with related parties:

	<u>2004</u>	<u>2003</u>
Expenditures		
Office and miscellaneous	\$ -	\$ 1,373
Management fees	-	30,000
Office rent	-	12,000

Included in accounts payable and accrued expenses is \$nil (2003 - \$42,000) owing to related parties. Balances payable to related parties are non-interest bearing, with no fixed terms of repayment, are payable on demand and are unsecured.

On December 31, 2004, two companies owned by directors issued credits for 2004 management fees in the amount of \$30,000 and 2004 office rental in the amount of \$12,000. As well, these companies also forgave trade accounts payable balances relating to 2003 management fees in the amount of \$30,000 and 2003 office rental in the amount of \$12,000.

On March 3, 2003, two companies owned by directors settled their trade accounts payable balances totalling \$400,667 in exchange for 2,100,000 common shares, with a market value of \$0.08 per common share. Cost of issuance of these shares was \$2,599. This transaction has resulted in an increase to share capital of \$165,401 and an increase to contributed surplus of \$232,667 as disclosed in Note 7.

During 2003, the company was advanced loans from related parties, which were repaid during 2003 as follows: loan from related party, \$10,000, interest bearing at effective rate of 7.65%, payable on demand, no fixed terms of repayment, unsecured; loan from related party, \$2,000, interest bearing at effective rate of 3.35%, payable on demand, no fixed terms of repayment and unsecured; loan from related party, \$10,000, interest bearing at effective rate of 9.61%, payable on demand, no fixed terms of repayment and unsecured and a loan from related party, \$10,000, interest bearing at effective rate of 12.12%, payable on demand, no fixed terms of repayment and unsecured.

9. Income Taxes

The Company has income tax losses of \$434,785 federally and \$446,272 provincially available to reduce taxes payable up to the year 2009. They also have capital losses of \$12,465 federally and \$192,046 provincially available to offset taxes payable on future capital gains. Deductions of mining claims and deferred development expenses available in future years for income tax purposes exceed the recorded net book values by \$1,589,830 federally and \$1,410,249 provincially.

Currie Rose Resources Inc.
Notes to Financial Statements

December 31, 2004 and 2003

10. Earnings (Loss) per Common Share

Basic earnings (loss) per share for the year was calculated based on a weighted average of 17,519,037 shares outstanding (December 31, 2003 - 16,221,230).

Diluted loss per share for the year was not calculated as the effect would be anti-dilutive. Diluted earnings per share for 2003 was calculated based on a weighted average of 16,326,900 shares outstanding. The weighted average for 2003 takes into account the dilutive effect of the 750,000 options exercisable at \$0.10 as described in Note 7. The effects of the exercise of 350,000 warrants exercisable at \$0.15, 295,000 options exercisable at \$0.15 and 1,050,000 options exercisable at \$0.20, as described in Note 7, is antidilutive. As such, these items are not included in the calculation of diluted earnings per share for 2003.

11. Option and Joint Venture Agreement

During 2003, the company entered in an option and joint venture agreement ("The Agreement") with another party, with respect to mining claims in the Scadding Township and Scadding & Davis Townships as described in Note 5. As at December 31, 2004 the only remaining condition for the other party to this agreement is to have incurred expenditures of \$3 million by August 25, 2010 or earlier at the option of the other party.

If the final condition of this agreement is fulfilled by the other party, then at the other party's option the company will be deemed to have entered into a 50/50 joint venture with the other party for the purposes of further exploring the Scadding Township and Scadding and Davis Townships mining claims as described in Note 5. Once the joint venture has been formed, each party shall then fund their pro rata share of expenditures or have their interest diluted based on a funding formula as per the agreement. In the event that either party is diluted to a 15% interest or less, then its interest shall be converted to a 1% net smelter returns royalty.

12. Contingency

As part of the option and joint venture agreement described in Note 11, the other party to the agreement has committed to pay annual lease payments and property taxes with respect to the Scadding Township mining claims described in Note 5. In the event of the termination of the agreement, the company will be liable for the payment of these future lease payments and property taxes. The estimated annual costs are \$14,875.

Currie Rose Resources Inc.

Notes to Financial Statements

December 31, 2004 and 2003

13. Subsequent Events

Joint Venture and Option Agreements

On March 7, 2005, the company obtained regulatory approval of the Joint Venture Agreement and Put and Call Option Agreement described below. As a condition of the first stage of these agreements, the company has issued 4,000,000 common shares at a deemed cost of \$0.10 per share. The closing market price per share on this date being \$0.41 per share. Also, as a condition of these agreements, the company has completed a private placement of 5,000,000 common shares at \$0.10 per share for total proceeds of \$500,000. These proceeds, along with the loan receivable described in Note 4, are intended to fund the second stage of the agreements as described below. Three directors of the company participated in this private placement for a total of 1,000,000 common shares. The prepaid expenses on common shares to be issued recorded at December 31, 2004 relate to this private placement.

On November 18, 2004, the company entered into a joint venture agreement and a concurrent option agreement with another party, in which the company has been granted an option on various properties located in Tanzania. These properties are comprised of 3 mining tenements in the Lake Victoria gold field, known as: Jubilee Reef covering 101 kilometers squared; Mabale Hills covering 261 kilometers squared and Nyamirembe covering 317 kilometers square. These properties are subject to a royalty on gold payable under the terms of a Deed of Sale and Royalty dated May 29, 2004.

The joint venture agreement and the option agreement allow the company the ability to earn up to a 70% interest in the properties in following stages:

1st Stage: Earn a 10% interest through the issuance of 4,000,000 common shares to Sub-Sahara, as noted above, completed on March 7, 2005;

2nd Stage: Earn a further 10% interest by funding a minimum value of US \$300,000, to be utilized by the joint venture towards exploration by September 30, 2005;

3rd Stage: Earn a further 20% interest by funding a minimum cumulative value of US \$1,170,000 to be utilized by the joint venture towards exploration by September 30, 2007;

4th Stage: Earn a further 30% interest by funding one of the properties through a feasibility study by September 30, 2008, at which point the parties to the agreement will then contribute costs on a pro-rata basis based on their respective joint venture interests.

In the event the company does not make the payments required in the 3rd stage, it must pay the minimum exploration expenditures required to the period ending September 30, 2006 to a maximum of US \$25,000 and does not acquire any further interest but rather retains only its 20% interest acquired in accordance with the 2nd stage. In the event that the company does not elect to earn the interest as noted in the 4th stage, then the parties to the agreement maintain a joint venture with the company's share being 40% at which point the parties to the joint venture will then contribute costs on a pro-rata basis based on their respective joint venture interests.

The option agreement contains a purchase option, whereby the company has the right to purchase the other parties interest within one year after completion of the 3rd stage under the joint venture agreement. The agreement also contains a sale option, whereby the other party has the right to sell its interest to the company within one year after completion of the 3rd stage under the joint venture agreement. The purchase price of the other party's interest will be calculated based on fair market value, defined as per the option agreement, to be issued in the form of common shares of the company. Upon exercise of either option, an additional representative of the other party shall be appointed to the board of directors of the company.

Currie Rose Resources Inc.
Notes to Financial Statements

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13. Subsequent Events (Continued)

Investor Relations Agreement

On February 15, 2005, the company entered into an investor relations agreement with an individual at a cost of \$6,000 per month for an initial three month period, with a performance review to take place after this period. In addition to this the company has granted options to this individual for the purchase of up to 250,000 common shares at a price of \$0.22 per share exercisable up to February 15, 2010. As part of this investor relations agreement, the company is also committed under an operating lease for rental of office space and related office expenses in the amount of \$1,085 per month.

Stock Options

On March 10, 2005, the company granted stock options for 1,000,000 common shares to directors of the Company. The options are exercisable to March 10, 2010 at the exercise price of \$0.40 per share.

14. Financial Instruments

Fair Values

The fair value of investments is as noted above.

The fair values of cash, accounts receivable and accounts payable and accrued expenses approximate their carrying values.

Foreign Exchange Risk

The company is exposed to foreign exchange risk as its joint venture and option agreement disclosed in Note 13 requires contributions denominated in U.S. currency.