

PLEXMAR RESOURCES INC.

(an exploration company)

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

PLEXMAR RESOURCES INC.

(an exploration company)

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Notice

The attached consolidated financial statements have been prepared by the Management of Ressources Plexmar inc. and have not been reviewed by an auditor. They must be read along with the annual financial statement as at December 31,2005. This quaterly report includes forward-looking statements that are based on certain assumptions and reflect Ressources Plexmar inc. current expectations. Theses forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Additional factors are discussed in Ressources Plexmar inc materials filed with the securities regulatory authorities in Canada from time to time. Ressources Plexmar inc disclaims any intention or obligation to update or revise any forward-looking statement.

(signed) Guy Bédard

Guy Bédard, director

(signed) Louis Lessard

Louis Lessard, director

PLEXMAR RESOURCES INC.

(an exploration company)

Consolidated Balance Sheets

	As at June 30 2006	As at December 31 2005
	\$ (Unaudited)	\$ (Audited)
ASSETS		
CURRENT ASSETS		
Cash	2 158 385	23 123
Exploration funds	-	-
Amount receivable	200 244	37 860
Prepaid expenses	19 113	43 157
	2 377 743	104 140
COMMODITY TAXES RECEIVABLE	60 908	174 030
MINING PROPERTIES (note 3)	2 022 074	1 590 198
PROPERTY, PLANT AND EQUIPMENT (note 4)	187 172	187 834
	4 647 896	2 056 202
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities		
Suppliers	618 518	333 301
Companies controlled by directors	-	-
Balances of purchase price payable	-	116 300
Current portion of convertible debenture	-	132 285
	618 518	581 886
CONVERTIBLE DEBENTURE	-	-
	618 518	581 886
SHAREHOLDERS' EQUITY		
Share capital (notes 5)	18 401 510	14 527 654
Conversion option related to the convertible debenture	-	94 719
Warrants (note 7)	203 376	1 070 065
Stock options (note 6)	570 523	572 797
Contributed surplus	1 428 260	511 130
Deficit	(16 574 290)	(15 302 049)
	4 029 378	1 474 316
	4 647 896	2 056 202

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

Approved by the Board of Directors

(signed) Guy Bédard
Guy Bédard, director

(signed) Louis Lessard
Louis Lessard, director

PLEXMAR RESOURCES INC.

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Consolidated Statements of Deficit

	Pour les périodes terminées les		Pour l'exercice terminé le
	June 30 2006	June 30 2005	December 31 2005
	(6 months) \$ (Unaudited)	(6 months) \$ (Unaudited)	(12 months) \$ (Audited)
Balance - Beginning of year			
Beginning of period	(15 302 049)	(14 291 899)	(14 291 899)
Redressement lié à l'application d'une nouvelle convention comptable	-	-	-
Solde redressé	(15 302 049)	(14 291 899)	(14 291 899)
Loss for the year for the period			(1 010 150)
1st quarter	(440 381)	(139 251)	-
2nd quarter	(283 987)	(259 250)	-
3rd quarter	-	-	-
4th quarter	-	-	-
Share issue expenses	(547 873)	(22 440)	-
Balance- End of year	(16 574 290)	(14 712 840)	(15 302 049)

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PLEXMAR RESOURCES INC.

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Consolidated Statements of Contributed Surplus

	Pour les périodes terminées les		Pour l'exercice terminé le
	June 30 2006	June 30 2005	December 31 2005
	(6 months) \$ (Unaudited)	(6 months) \$ (Unaudited)	(12 months) \$ (Audited)
Balance - Beginning of the period	511 130	78 762	78 762
Warrants matured or cancelled during			
the period			252 708
1st quarter	869 584	-	-
2nd quarter	-	-	-
3rd quarter	-	-	-
4th quarter	-	-	-
Warrants related to the convertible debenture and matured during			
the period			-
1st quarter	-	-	-
2nd quarter	-	-	-
3rd quarter	-	-	-
4th quarter	-	-	-
Stock options matured or cancelled during			
the period			179 660
1st quarter	47 546	-	-
2nd quarter	-	-	-
3rd quarter	-	-	-
4th quarter	-	-	-
Balance - End of the period	1 428 260	78 762	511 130

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PLEXMAR RESOURCES INC.

(an exploration company)

Consolidated Statements of Earnings

	Pour les périodes terminées les				Pour l'exercice
	June 30 2006	June 30 2005	June 30 2006	June 30 2005	December 31 2005
	(3 mois) \$ (Unaudited)	(3 mois) \$ (Unaudited)	(6 months) \$ (Unaudited)	(6 months) \$ (Unaudited)	(12 months) \$ (Audited)
Revenues					
Interest	-	197	-	2 318	2 317
Other	(69 516)	-	1 369	-	2 092
	(69 516)	197	1 369	2 318	4 409
CHARGES					
Professional fees	88 089	72 544	293 692	133 802	513 526
Value related to stock options	47 523	-	98 959	-	-
Management fees	46 660	23 760	97 500	39 600	95 040
Salaries and fringe benefits	-	67 508	-	67 723	215
Net stock-based compensation costs	-	(50 570)	-	-	113 534
Rents - Offices	4 950	4 950	9 900	11 950	21 850
Office sublease	-	-	-	(5 610)	(5 610)
Maintenance fees	8 633	14 380	23 531	20 739	24 098
Information to shareholders	22 975	3 543	24 285	4 070	6 371
Insurance	4 767	6 326	9 534	9 534	19 376
Printing and communication expenses	3 526	5 331	5 733	7 622	7 293
Office expenses and others	23 165	1 105	61 741	(9 112)	64 044
Financing fees	325	-	60 465	-	-
Travelling	9 891	17 944	11 512	28 446	51 490
Search for properties	-	-	-	1 700	1 700
Depreciation of property, plant and equipment	875	3 606	1 570	7 675	4 815
Cost of mining properties abandoned	-	-	-	-	32 980
Interest on convertible debenture	-	8 973	-	8 973	17 999
Accretion on convertible debenture	7 934	13 258	17 715	19 670	39 666
Loss on disposal of property, plant, and equipment	684	-	1 208	-	18 564
Exchange loss (gain)	(55 526)	66 789	8 394	54 037	(12 392)
	214 471	259 447	725 737	400 819	1 014 559
Loss for the year	(283 987)	(259 250)	(724 369)	(398 501)	(1 010 150)
Basic and diluted loss per share	0,00 -		(0,01)		0,02

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

PLEXMAR RESOURCES INC.

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Consolidated Statements of Cash Flows

	For the periods ended				For the period
	June 30 2006	June 30 2005	June 30 2006	June 30 2005	December 31 2005
	(3 months) \$ (Unaudited)	(3 months) \$ (Unaudited)	(6 months) \$ (Unaudited)	(6 months) \$ (Unaudited)	(12 months) \$ (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss for the period	(283 987)	(259 250)	(724 369)	(398 501)	(1 010 150)
Items not affecting cash					
Depreciation of property, plant and equipment	875	3 606	1 570	7 675	4 815
Loss on disposal of property, plant and equipment	-	-	-	-	18 564
Cost of mining properties abandoned	-	(2 644)	-	-	32 980
Accretion on convertible debenture	7 934	9 780	17 715	19 670	39 666
Net stock-based compensation costs and stock-based payment for professional fees	47 523	75 000	98 959	75 000	179 557
Stock options	-	-	-	-	-
Expenses related to the issuance of shares and warrants without consideration	-	-	-	-	-
Interest on convertible debenture paid through the issuance of shares	-	-	-	-	17 999
	(227 655)	(173 508)	(606 125)	(296 156)	(716 569)
Change in non-cash working capital items					
Working capital					
Amount receivable	7 658	43 168	(162 384)	(86 233)	30 924
Prepaid expenses	17 203	24 951	24 045	(3 977)	41 308
Accounts payable and accrued liabilities	30 063	77 339	285 217	299 390	160 336
	54 924	145 458	146 877	209 180	232 568
	(172 731)	(28 050)	(459 248)	(86 976)	(484 001)
CASH FLOW FROM FINANCING ACTIVITIES					
Issuance of share capital and warrants	1 618 069	(43 204)	3 605 652	13 184	663 500
Share issue expenses	-	(22 440)	(547 873)	(22 440)	-
Refund of the balance of the selling price to be paid	(15 985)	162 270	(132 285)	-	-
	1 602 084	96 626	2 925 494	(9 256)	663 500
CASH FLOW FROM INVESTING ACTIVITIES					
Variation of funds reserved for the exploratory	-	124 237	-	495 668	495 668
Increase in commodity taxes receivable	(40 071)	34 806	100 892	-	(12 230)
Variation in exploration funds	(428 296)	(477 948)	(431 876)	(782 428)	(911 107)
Additions to property, plant and equipment	-	175	-	175	-
Proceeds from disposal of property, plant and equipment	-	-	-	-	32 946
Tax credits cashed related to exploration costs applied against mining properties	-	-	-	-	1 275
	(468 367)	(318 730)	(330 984)	(286 585)	(393 448)
NET CHANGE IN CASH	960 985	(250 154)	2 135 262	(382 817)	(213 949)
CASH - BEGINNING OF PERIOD	1 197 400	104 409	23 123	237 072	237 072
CASH - END OF PERIOD	2 158 385	(145 745)	2 158 385	(145 745)	23 123

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

PLEXMAR RESOURCES INC.

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Notes to Consolidated Financial Statements

June 30, 2006

« Unaudited »

1. Incorporation, nature of activities and going concern

The company, incorporated under the Canada Business Corporation Act, is in the business of acquiring and exploring mining properties. It has not yet determined whether its properties contain or reserves that are economically recoverable. The recoverability of the amounts shown for mining properties is dependent upon the existence of economically recoverable reserves, the ability to obtain necessary financing to complete exploration and development of the company's properties, and upon future profitable production or proceeds from the disposal of properties.

The company has accumulated a significant deficit. To continue operations, the company still needs new capital. Management intends to secure such new capital from third parties. Without such funding being available, the company may be unable to continue its operations and amounts realized for assets may be significantly less than amounts reflected in these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These intermediate consolidated statements are unaudited. Consolidated intermediary results may not necessarily be indicative of results anticipated for the year.

These intermediate consolidated financial statements are prepared in accordance with generally accepted accounting principles in Canada and use the same accounting policies and methods used in the preparation of the company's most recent annual consolidated financial statements. All disclosures required for annual consolidated financial statements have not been included in these intermediate consolidated financial statements.

3. MINING PROPERTIES

	Undivided interest	Balance as at December 31 (12 months)	Costs incurred	Mining properties abandoned and tax credits	Balance as at June 30 2006
	%	\$	\$	\$	\$
Lucma (Cascajal) (Pérou)					
Mining property	100	69 946	1 001	-	70 947
Exploration costs		-	-	-	-
		69 946	1 001	-	70 947
Marillia I, II & III (Pérou)					
Mining property	100	145 262	5 336	-	150 598
Exploration costs		8 298	-	-	8 298
		153 560	5 336	-	158 896
Oro Del Norte I, II & III (Cascajal) (Pérou)					
Mining property	100	369 334	4 831	-	374 165
Exploration costs		-	-	-	-
		369 334	4 831	-	374 165

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« Unaudited »

	Undivided interest	Balance as at December 31 2005	Costs incurred	Mining properties abandoned and tax credits	Balance as at June 30 2006
	%	\$	\$	\$	\$
Gran Chimú I & II (Cascajal) (Pérou)					
Mining property	100	1 661	1 313	-	2 974
Exploration costs		-	-	-	-
		1 661	1 313	-	2 974
Angolos (Bolsa Del Diablo) (Pérou)					
Mining property	100	449 634	111 724	-	561 358
Exploration costs		546 063	166 047	-	712 110
		995 697	277 771	-	1 273 468
Ecuador					
Mining property	100	-	141 625	-	141 625
Exploration costs		-	-	-	-
		-	141 625	-	141 625
		1 590 198	431 876	-	2 022 074

Detailed analysis of deferred exploration costs and expenses

	Balance as at June 30 2006	Balance as at December 31 (12 months)
	\$	\$
Balance - Beginning of period	1 590 198	613 328
Cost incurred during the period		
Cost of claims	255 839	463 787
Drilling	-	24 936
Geophysics	-	85 266
Sampling and analyses	7 577	9 436
Geologists and other salaries	155 994	237 331
Community relations	-	82 829
Equipment rental	-	-
Fuel and maintenance of vehicles	1 397	14 157
Maintenance of facilities	11 069	73 172
Accommodation	-	18 936
Tax credits	-	-
Mining properties abandoned	-	(32 980)
Balance - End of period	2 022 074	1 590 198

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June 30, 2006

« Unaudited »

4. PROPERTY, PLANT AND EQUIPMENT

	As at June 30 2006		As at December 31	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
	\$	\$	\$	\$
Office furniture	1 719	912	1 719	892
Hardware	22 160	16 848	22 160	16 501
Camp	4 044	1 245	4 044	995
Vehicles	-	-	-	-
Equipment	5 263	1 009	5 263	964
Concentrator	174 000	-	174 000	-
	207 186	20 014	207 186	19 352
Less: Accumulated depreciation	20 014		19 352	
Net amount	187 172		187 834	

5. SHARE CAPITAL

Authorized

Unlimited number of common shares, without par value

Variation of issued share capital:

	As at June 30, 2006		As at December 31, 2005	
	Number	Stated value	Number	Stated value
	#	\$	#	\$
Balance- Beginning of period	60 408 715	14 527 654	46 477 822	13 985 285
Private placements	20 833 329	947 292	13 270 000	496 586
Purchase of a mining property	-	-	-	-
Professional fees	-	-	396 900	27 784
Exercise of warrants	20 244 999	2 556 096	-	-
Exercise of stock options	554 166	125 749	-	-
Interest on convertible	-	-	263 993	17 999
Conversion of the convertible debenture	750 000	244 719	263 993	17 999
Balance - End of period	102 791 209	18 401 510	60 672 708	14 545 653

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6. STOCK OPTION PLAN

	As at June 30, 2006			As at December 31, 2005		
	Number	Carrying value	Weighted average exercise price	Number	Carrying value	Weighted average exercise price
	#	\$	\$	#	\$	\$
Outstanding - Beginning of period	4 750 000	572 797	0,21	6 450 000	572 900	0,21
Granted	3 750 000	98 959	0,11	550 000	-	0,15
Exercised	(554 166)	(53 687)	0,13	-	-	-
Matured or cancelled	(525 000)	(47 546)	0,13	(2 250 000)	(179 660)	0,20
Net stock-based compensation costs	-	-	-	-	179 557	-
Outstanding - End of period	7 420 834	570 523	0,16	4 750 000	572 797	0,21
Exercisable - End of period	7 420 834	-	0,16	4 241 666	-	0,21

Exercise Price		Options outstanding		
		Options outstanding as at June 30, 2006	Weighted average remaining contractual life	Weighted average exercise price
		#	Years	\$
0,11 \$ à 0,25 \$	Directors and managers	5 229 167	3,29	0,15
0,35 \$	Directors and managers	400 000	0,59	0,35
0,15 \$	Key employees	200 000	0,87	0,27
0,11 \$ à 0,25 \$	Consultants	1 591 667	4,09	0,15
		7 420 834		

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Notes to Consolidated Financial Statements

June 30, 2006

« Unaudited »

7. WARRANTS

	As at June 30, 2006			As at December 31, 2005		
	Number	Carrying value	Weighted average exercise price	Number	Carrying value	Weighted average exercise price
	#	\$	\$	#	\$	\$
Outstanding and exercisable						
Beginning of period	25 502 000	1 070 065	0,24	14 740 334	1 155 859	0,36
Granted	20 950 829	304 471	0,11	13 270 000	166 914	0,10
Exercised	(20 244 999)	(301 576)	0,10	-	-	-
Matured or cancelled	(11 932 000)	(869 584)	0,38	(2 508 334)	(252 708)	0,25
Outstanding						
End of period	14 275 830	203 376	0,11	25 502 000	1 070 065	0,24
Exercisable						
End of period	14 275 830	-	0,11	25 502 000	-	0,24

Exercise Price	Warrants	
	Warrants outstanding as at June 30 2006	Weighted average remaining contractual life
\$	#	Years
0,10 \$	6 030 000	0,99
0,12	20 950 829	1,35
0,30 \$	300 000	0,13
	<u>27 280 829</u>	