

**INTERNATIONAL ARIMEX RESOURCES INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2006**

**(Unaudited – Prepared by Management)**

### Responsibility of Financial Statements

The accompanying financial statements for International Arimex Resources Inc. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the December 31, 2005 audited financial statements. Only changes in accounting information have been disclosed in these financial statements. These financial statements are presented on the accrual basis of accounting. Accordingly, a precise determination on many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

### Auditor involvement

The auditor of International Arimex Resources Inc. has not performed a review of the unaudited financial statements for the six months ended June 30, 2006.

# INTERNATIONAL ARIMEX RESOURCES INC.

## CONSOLIDATED BALANCE SHEET

(Unaudited – Prepared by Management)

	JUNE 30 2006	DECEMBER 31 2005
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 431,563	\$ 332
Accounts receivable	18,792	4,564
Prepaid expenses	14,500	0
	<u>464,855</u>	<u>4,896</u>
<b>Capital Assets</b>	<b>228</b>	<b>0</b>
<b>Interest In Mineral Properties</b>	<b>197,359</b>	<b>126,523</b>
<b>Deferred Exploration Expenditures</b>	<b>264,671</b>	<b>0</b>
	<u>\$ 927,113</u>	<u>\$ 131,419</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Bank indebtedness	\$	\$ -
Accounts payable	235,700	177,884
Due to related parties	(3,000)	1,796
	<u>232,700</u>	<u>179,680</u>
<b>SHAREHOLDERS' EQUITY</b>		
Shares Subscribed		46,033
Share Capital	8,246,644	7,252,957
Contributed Surplus	177,150	177,150
Deficit	(7,729,381)	(7,524,401)
	<u>694,413</u>	<u>(48,261)</u>
	<u>\$ 927,113</u>	<u>\$ 131,419</u>

# INTERNATIONAL ARIMEX RESOURCES INC.

## CONSOLIDATED STATEMENT OF LOSS AND DEFICIT

(Unaudited – Prepared by Management)

	SIX MONTHS ENDED JUNE 30		THREE MONTHS ENDED JUNE 30	
	2006	2005	2006	2005
<b>Administration Costs</b>				
Administration and management fees	\$ 25,500	\$ 21,000	\$ 15,000	\$ 10,500
Advertising and promotion	43,536	8,577	14,849	1,260
Amortization		463		0
Bank charges and interest	358	417	216	84
Commission on financing				-
Consulting fees		5,000		-
Office, rent, telephone and sundry	21,548	16,860	13,021	7,582
Professional fees	15,273	6,218	18,192	8,180
Shareholder communications	35,000	11,504	20,000	2,500
Stock exchange and filing fees	29,728	10,741	20,539	5,240
Stock based compensation		85,500		-
Transfer agent	5,146	1,892		1,059
Travel and entertainment	28,892	16,423	19,038	6,027
<b>Loss For The Period</b>	<b>(204,981)</b>	<b>(184,595)</b>	<b>(120,855)</b>	<b>(42,432)</b>
<b>Deficit, Beginning Of Period</b>	<b>(7,524,400)</b>	<b>(7,195,653)</b>	<b>(7,608,526)</b>	<b>(7,337,816)</b>
<b>Deficit, End Of Period</b>	<b>\$ (7,729,381)</b>	<b>\$ (7,380,248)</b>	<b>\$ (7,729,381)</b>	<b>\$ (7,380,248)</b>
<b>Loss Per Share</b>	<b>\$ (0.007)</b>	<b>\$ (0.001)</b>	<b>\$ (0.007)</b>	<b>\$ (0.001)</b>

# INTERNATIONAL ARIMEX RESOURCES INC.

## CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited – Prepared by Management)

	SIX MONTHS ENDED JUNE 30		THREE MONTHS ENDED JUNE 30	
	2006	2005	2006	2005
<b>Cash Flows From Operating Activities</b>				
Loss for the period	\$ (204,981)	\$ (184,595)	\$ (120,855)	\$ (42,432)
Adjustments for:				
Amortization		463		0
Stock based compensation		85,500		
	<b>(204,981)</b>	<b>(98,632)</b>	<b>(120,855)</b>	<b>(42,432)</b>
 Change in non-cash working capital items:				
Accounts receivable	<b>(14,228)</b>	20,569	<b>(11,088)</b>	(1,774)
Share subscriptions receivable				-
Prepaid expenses	<b>(14,500)</b>	(388)	<b>(11,322)</b>	(2,137)
Accounts payable	<b>57,816</b>	(44,455)	<b>120,082</b>	10,189
Advances payable	<b>(4,796)</b>		<b>(3,000)</b>	-
	<b>(180,689)</b>	<b>(122,906)</b>	<b>(26,183)</b>	<b>(36,154)</b>
 <b>Cash Flows From Financing Activities</b>				
Shares issued for cash	<b>947,654</b>	10,500	<b>571,124</b>	0
Due to/from related parties		(4,098)		0
	<b>947,654</b>	<b>6,402</b>	<b>571,124</b>	<b>0</b>
 <b>Cash Flows From Investing Activities</b>				
Computer and office equipment	<b>(228)</b>		<b>(228)</b>	-
Interest in mineral properties		(47,166)		(12,600)
Deferred exploration expenditures	<b>(335,507)</b>	(8,247)	<b>(242,314)</b>	-
	<b>(335,735)</b>	<b>(55,413)</b>	<b>(242,542)</b>	<b>(12,600)</b>
 <b>Decrease In Cash</b>	<b>431,230</b>	171,917	<b>302,399</b>	(48,754)
 <b>Cash, Beginning Of Period</b>	<b>333</b>	173,691	<b>129,164</b>	50,140
 <b>Cash, End Of Period</b>	<b>\$ 431,563</b>	<b>\$ 4,386</b>	<b>\$ 431,563</b>	<b>\$ 4,386</b>

# **INTERNATIONAL ARIMEX RESOURCES INC.**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2006**

(Unaudited – Prepared by Management)

### **1. BASIS OF PRESENTATION**

The interim financial statements of International Arimex Resources Inc. (the “Company”) have been prepared in accordance with accounting principles generally accepted in Canada. The interim financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the fiscal year ended December 31, 2005. The interim financial statements should be read in conjunction with the financial statements and the notes thereto in the Company’s annual report for the year ended December 31, 2005.

### **2. RELATED PARTY TRANSACTION**

During the six months ended ended June 30, 2006, the Company incurred \$13,000 (2004 - \$51,967) in administration and management fees to directors and officers.