

**INTERNATIONAL ARIMEX RESOURCES INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2005**

**(Unaudited – Prepared by Management)**

**NOTICE TO SHAREHOLDERS  
FOR THE SIX MONTHS ENDED JUNE 30, 2005**

**INTERNATIONAL ARIMEX RESOURCES INC.**

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, 2004 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, 2005.

# INTERNATIONAL ARIMEX RESOURCES INC.

## CONSOLIDATED BALANCE SHEET

(Unaudited – Prepared by Management)

	JUNE 30 2005	DECEMBER 31 2004
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 4,386	\$ 173,691
Accounts receivable	8,063	28,632
Prepaid expenses	4,150	6,762
	<u>16,599</u>	<u>209,085</u>
<b>Capital Assets</b>	<b>5,709</b>	<b>6,172</b>
<b>Interest In Mineral Properties</b>	<b>120,166</b>	<b>73,000</b>
<b>Deferred Exploration Expenditures</b>	<b>8,247</b>	<b>0</b>
	<u>\$ 150,721</u>	<u>\$ 288,257</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Bank indebtedness	\$	\$ -
Accounts payable	158,698	203,540
Due to related parties	3,264	7,962
	<u>161,962</u>	<u>211,502</u>
<b>SHAREHOLDERS' EQUITY</b>		
Shares Subscribed		0
Share Capital	7,252,957	7,242,457
Contributed Surplus		30,550
Deficit	<u>(7,380,248)</u>	<u>(7,196,252)</u>
	<u>(11,241)</u>	<u>76,755</u>
	<u>\$ 150,721</u>	<u>\$ 288,257</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	
	2005	2004	2005	2004
<b>Administration Costs</b>				
Administration and management fees	\$ 21,000	\$ 19,017	\$ 10,500	\$ 7,020
Advertising and promotion	8,577	15,999	1,260	6,999
Amortization	463	840	0	420
Bank charges and interest	417	448	84	411
Commission on financing		-	-	-
Consulting fees	5,000	-	-	-
Office, rent, telephone and sundry	16,860	14,502	7,582	5,689
Professional fees	6,218	20,361	8,180	14,319
Shareholder communications	11,504	20,366	2,500	12,866
Stock exchange and filing fees	10,741	5,152	5,240	3,100
Stock based compensation	85,500	-	-	-
Transfer agent	1,892	1,627	1,059	859
Travel and entertainment	16,423	18,461	6,027	5,374
<b>Loss For The Period</b>	<b>184,595</b>	<b>116,773</b>	<b>42,432</b>	<b>57,057</b>
<b>Deficit, Beginning Of Period</b>	<b>7,195,653</b>	<b>6,730,663</b>	<b>7,337,816</b>	<b>6,790,379</b>
<b>Deficit, End Of Period</b>	<b>\$ 7,380,248</b>	<b>\$ 6,847,436</b>	<b>\$ 7,380,248</b>	<b>\$ 6,847,436</b>
<b>Loss Per Share</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>

# INTERNATIONAL ARIMEX RESOURCES INC.

## CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited – Prepared by Management)

	SIX MONTHS ENDED JUNE 30		THREE MONTHS ENDED JUNE 30	
	2005	2004	2005	2004
<b>Cash Flows From Operating Activities</b>				
Loss for the period	\$ (184,595)	\$ (116,773)	\$ (42,432)	\$ (57,057)
Adjustments for:				
Amortization	463	840	0	420
Stock based compensation	85,500			
	(98,632)	(115,933)	(42,432)	(56,637)
Change in non-cash working capital items:				
Accounts receivable	20,569	(1,656)	(1,774)	(294)
Share subscriptions receivable		-	-	
Prepaid expenses	(388)	2,000	(2,137)	
Accounts payable	(44,455)	30,664	10,189	39,855
Advances payable		-	-	
	(24,274)	(84,925)	(36,154)	(17,076)
<b>Cash Flows From Financing Activities</b>				
Shares issued for cash	10,500	215,250	0	59,250
Due to/from related parties	(4,098)	(153,395)	0	(51,152)
	6,402	61,855	0	8,098
<b>Cash Flows From Investing Activities</b>				
Computer and office equipment		(2,124)	-	
Interest in mineral properties	(47,166)	-	(12,600)	
Deferred exploration expenditures	(8,247)	-	-	
	(55,413)	(2,124)	-	
<b>Decrease In Cash</b>	169,305	(25,194)	(48,754)	(8,978)
<b>Cash, Beginning Of Period</b>	173,691	25,162	53,140	8,946
<b>Cash, End Of Period</b>	\$ 4,386	\$ (32)	\$ 4,386	\$ (32)

# **INTERNATIONAL ARIMEX RESOURCES INC.**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2005**

(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, 2004. 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, 2004.

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

During the six months ended ended June 30, 2005, the Company incurred \$13,000 (2004 - \$51,967) in administration and management fees to directors and officers.