



## **INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**September 30, 2005**

The unaudited consolidated financial statements, and accompanying notes to the financial statements, for the period ended September 30, 2005, have not been reviewed by the Company's auditors.

**3**  
**2005**

**ATNA RESOURCES LTD.**  
**Consolidated Balance Sheets**  
(Expressed in Canadian Dollars)

	September 30, 2005 (Unaudited)	December 31, 2004 (Audited)
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 7,002,864	\$ 6,597,455
Amounts receivable	82,751	19,197
Marketable securities <i>(Note 3)</i>	1,546,153	2,411,483
Prepaid expenses	24,339	22,714
	8,656,107	9,050,849
Reclamation bond	555,378	6,950
Equipment	99,239	65,471
Resource properties <i>(Note 4)</i>	12,788,217	5,134,894
	\$ 22,098,941	\$ 14,258,164
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 1,379,855	\$ 671,188
<b>SHAREHOLDERS' EQUITY</b>		
Share capital <i>(Note 6)</i>	48,451,810	40,795,561
2004 – 38,950,872 shares		
2005 - 51,025,767 shares		
Option Compensation	205,386	151,193
Deficit	(27,938,110)	(27,359,778)
	20,719,086	13,586,976
	\$ 22,098,941	\$ 14,258,164

APPROVED BY THE DIRECTORS

/s/ Glen. D. Dickson  
Glen D. Dickson

/s/ David H. Watkins  
David H. Watkins

**ATNA RESOURCES LTD.**  
**Interim Consolidated Statements of Operations and Deficit**  
(Expressed in Canadian Dollars)

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2005	September 30, 2004	September 30, 2005	September 30, 2004
<b>EXPENSES</b>				
Amortization	\$ 6,097	\$ 3,830	\$ 19,896	\$ 9,861
Business development	14,416	32,946	61,737	171,815
Foreign exchange	(6,272)	85,207	(6,272)	37,421
Listing and transfer agent fees	98	1,594	32,789	22,569
Office and miscellaneous	63,576	11,915	196,803	40,240
Professional fees	55,730	3,526	103,956	21,274
Rent and services	23,503	17,097	56,924	64,937
Shareholder communications	85,845	50,204	325,392	164,537
Stock-based compensation <i>(Note 6)</i>	64,315	4,840	83,370	94,770
Wages and benefits	53,815	20,865	139,644	127,407
	(361,123)	(232,024)	(1,014,239)	(754,831)
<b>OTHER INCOME (EXPENSES)</b>				
Investment and miscellaneous income	75,996	12,904	182,241	54,277
Gain on sale of marketable securities	15,002	-	323,002	-
Write down of marketable securities	(6,124)	-	(114,629)	-
Gain on sale of subsidiary	46,500	-	46,500	-
Net loss on asset disposition	-	(176,424)	(1,207)	(1,576,437)
	131,374	(163,520)	435,907	(1,522,160)
<b>LOSS FOR THE PERIOD</b>	(229,749)	(395,544)	(578,332)	(2,276,991)
<b>DEFICIT, BEGINNING OF PERIOD</b>	(27,708,361)	(25,018,614)	(27,359,778)	(23,137,167)
<b>DEFICIT, END OF PERIOD</b>	\$ (27,938,110)	\$ (25,414,158)	\$ (27,938,110)	\$ (25,414,157)
<b>BASIC AND DILUTED LOSS</b>				
<b>PER SHARE</b>	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (.07)
<b>WEIGHTED AVERAGE NUMBER</b>				
<b>OF SHARES OUTSTANDING</b>	45,764,824	30,590,645	41,708,204	30,481,346

See accompanying notes to consolidated financial statements

**ATNA RESOURCES LTD.**  
**Interim Consolidated Statements of Cash Flows**  
(Expressed in Canadian Dollars)

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2005	September 30, 2004	September 30, 2005	September 30, 2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss for the period	\$ (229,749)	\$ (395,544)	\$ (578,332)	\$ (2,276,991)
Items not involving cash:				
Amortization	6,097	3,830	19,896	9,861
Marketable securities written-down	6,124	-	114,629	-
Gain on sale of marketable securities	(15,002)	-	(323,002)	-
Loss on disposition of assets	-	3,002	1,207	216,876
Stock-based compensation	64,315	4,840	83,370	94,770
Write down of resource property	-	173,422	-	1,359,561
	(168,213)	(210,450)	(682,232)	(595,923)
Changes in non-cash working capital items:				
Amounts receivable	(72,607)	(1,022,159)	(63,554)	(1,034,660)
Prepaid expenses	20,092	(445)	(1,625)	(28,134)
Accounts payable and accrued liabilities	345,445	250,531	708,667	304,739
Value-added tax receivable	-	(10,141)	-	(21,995)
	124,715	(992,664)	(38,744)	(1,375,973)
<b>INVESTING ACTIVITIES</b>				
Expenditures on resource properties, net of recoveries and amort. <i>(Note 4)</i>	(4,830,980)	(1,009,437)	(7,646,816)	(1,372,243)
Reclamation bond	(545,792)	-	(548,428)	(6,950)
Disposition of assets	-	1,000,000	-	2,000,000
Proceeds from sale of marketable securities	41,203	-	1,073,703	-
Purchase of assets	(3,404)	(5,006)	(61,378)	(56,428)
	(5,338,973)	(14,443)	(7,182,919)	564,379
<b>FINANCING ACTIVITY</b>				
Share capital issued for cash <i>(Note 6)</i>	6,831,116	17,000	7,627,072	109,500
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,616,858	(990,107)	405,409	(702,094)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	5,386,006	3,979,770	6,597,455	3,691,757
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	\$ 7,002,864	\$ 2,989,663	\$ 7,002,864	\$ 2,989,663

See accompanying notes to consolidated financial statements

## ATNA RESOURCES LTD.

Notes to the Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2005  
(Expressed in Canadian Dollars)

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### 1. NATURE OF OPERATIONS

The Company is incorporated in British Columbia and is involved in the acquisition of resource properties that are considered sites of potential economic mineralization, and is currently engaged in the exploration of these properties. Certain of the Company's properties contain defined mineral resources that cannot be considered economic until a commercial feasibility study is carried out. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon it being able to develop a commercial ore body, to finance the required exploration and development costs and to acquire environmental, regulatory, and other such permits as may be required for the successful development of the property.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Presentation

The accompanying interim consolidated financial statements for the interim periods ended September 30, 2005 and 2004, are prepared in accordance with accounting principles generally accepted in Canada and are unaudited, but in the opinion of management reflect all adjustments (generally consisting of normal recurring accruals) necessary for the fair presentation of the Company's financial position, operations and cash flows for the periods presented. These interim consolidated financial statements should be read in conjunction with the Company's annual financial statements, including the notes thereto, as at and for the years ended December 31, 2004 and 2003.

#### (b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make certain estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the period reported. Actual results could differ from those reported.

### 3. MARKETABLE SECURITIES

At September 30, 2005, the Company held marketable securities with a carrying amount of \$1,546,153 and a quoted market value of \$1,669,678.

Company	Number of Shares	September 30, 2005	
		Amount	Market Value
Doublestar Resources Ltd.	100,000	\$ 19,000	\$ 24,000
Southern Rio Resources	62,500	4,375	4,375
Grandcru Resources Corp.	300,000	40,500	40,500
Pacific Ridge Exploration Ltd.	100,000	7,000	7,000
Prospector Consolidated Resources Ltd.	300,000	15,000	15,000
Pacifica Resources Ltd.	872,393	174,479	183,203
Yukon Zinc Corp.	5,980,000	1,205,799	1,315,600
Yukon Gold Corporation Inc.	133,333	80,000	80,000
		\$ 1,546,153	\$ 1,669,678

**ATNA RESOURCES LTD.**  
Notes to the Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2005  
(Expressed in Canadian Dollars)

**4. RESOURCE PROPERTIES**

During the nine months ending September 30, 2005, the Company incurred expenditures on its mineral properties as follows:

	Pinson NV	Jarbidge NV	Beowawe NV	Clover NV	US Other	Chile	Canada/ Yukon	Total
Balance at December 31, 2004	\$2,366,046	\$596,183	\$242,605	\$53,207	\$718,524	\$123,704	\$1,034,625	\$ 5,134,894
Additions during the period:								
Acquisition	20,696	-	14,650	61,045	47,052	-	3,482	146,925
Exploration and development:								
Professional Fees and Wages	-	18,850	1,843	3,333	433	-	-	24,459
Property and Development	10,746	43,865	17,458	18,594	15,186	-	-	105,849
Drilling	1,153,569	-	1,465	-	-	-	-	1,155,034
Geology	142,023	18,041	7,006	3,531	-	-	-	170,601
Environment	-	205	-	-	-	-	-	205
Permitting	25,201	16,003	-	-	-	-	-	41,204
Field Office	-	7,791	-	-	-	-	-	7,791
Travel and Transportation	-	-	-	1,329	-	-	-	1,329
Engineering	136,271	-	-	-	-	-	-	136,271
Geochemistry	28	-	-	-	-	-	-	28
Resource Estimation	23,974	-	-	-	-	-	-	23,974
Underground development	2,867,448	-	-	-	-	-	-	2,867,448
Drilling Support	53,526	-	-	-	-	-	-	53,526
Surface Infrastructure	911,283	-	-	-	-	-	-	911,283
Dewatering	940,166	-	-	-	-	-	-	940,166
Admin/Indirect Costs	1,207,666	-	-	-	-	-	-	1,207,666
Depreciation	6,507	-	-	-	-	-	-	6,507
	7,478,408	104,755	27,772	26,787	15,619	-	-	7,653,341
Less:								
Cost Recoveries	-	-	(38,886)	(16,787)	(10,225)	-	-	(65,898)
Option Payments	-	-	-	(61,045)	-	-	(20,000)	(81,045)
	-	-	(38,886)	(77,832)	(10,225)	-	(20,000)	(146,943)
Additions during period	7,499,104	104,755	3,536	10,000	52,446	-	(16,518)	7,653,323
Balance at September 30, 2005	\$9,865,150	\$700,939	\$246,141	\$63,207	\$770,969	\$123,704	\$1,018,107	\$12,788,217

**Pinson Property, Nevada**

The Company entered an Exploration Agreement (“the agreement”), effective August 12, 2004, with Pinson Mining Company (“Pinson”) wherein the Company may acquire up to 100% interest in the Pinson Mine Property, Humboldt County, Nevada. Pursuant to the terms of the agreement, the Company may acquire a 70% interest in the Pinson Property by spending US\$12 million over four years with a commitment to spend US\$1.5 million (incurred) in the first year. Upon the Company acquiring a 70% interest and delivering a preliminary feasibility study, to advance the project further, Pinson may elect to back-in to reacquire a 70% interest by spending an additional US\$30 million on the project over a 3 year period, form a 70:30 joint venture with the Company; or sell its remaining 30% interest to the Company for US\$15 million.

## ATNA RESOURCES LTD.

Notes to the Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2005  
(Expressed in Canadian Dollars)

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### 4. RESOURCE PROPERTIES (Continued)

#### **Clover Property, Nevada**

On July 14, 2005, the Company granted an option to New Sleeper Gold Corporation ("New Sleeper") to earn a 70% interest in the Clover Property in consideration for the following:

- (i) A cash option payment of US\$50,000 (paid) to the Company upon signing the agreement;
- (ii) Spending US\$2,000,000 in exploration on the property over a four year period to earn a 55% interest;
- (iii) Taking the property through the feasibility stage to earn an additional 15% interest.

#### **Beowawe Property, Nevada**

On July 15, 2005, Prospector Consolidated Resources Inc. terminated its option of the Beowawe Property.

On September 21, 2005, the Company entered into an Exploration Agreement with Apolo Gold & Energy Inc. to earn a 55% interest in the Beowawe Property in consideration for the following:

- (i) By making cumulative exploration expenditures of US\$1,700,000 over a four year period;
- (ii) By delivering 100,000 common shares upon execution of the agreement, and an additional 50,000 common shares or US\$50,000 worth of shares, whichever is greater, on the first anniversary of the agreement;
- (iii) Apolo will have the right to earn an additional 15% interest for a total interest of 70% by paying for a bankable feasibility study within 36 months after its 55% earn-in.

#### **Chile**

During the period ended September 30, 2005, the Company sold its wholly owned subsidiary, Minera Atna Chile Limitada, for proceeds of \$46,500.

#### **Other Properties**

The Company has interests in other properties which are comprised of the Triple Junction/Dixie Fork and Searchlight properties located in Nevada, the Lone Pine property located in Arizona, the Marg and Ty properties located in Yukon Territory, the Ecstall and White Bull properties located in British Columbia, and other properties located in Yukon Territory and British Columbia. Additional information on the Company's properties can be found in the Company's annual financial statements, including the notes thereto, as at and for the years ended December 31, 2004 and 2003.

#### **Royalty Interests**

Through the sale of the Wolverine Property, Yukon Territory, in 2004, the Company holds a net smelter royalty on revenues from precious metals, indexed to the price of silver. The royalty is 4% at a price of US\$5.00 per ounce of silver, increasing to 10% if the price of silver exceeds US\$7.50 per ounce.

**ATNA RESOURCES LTD.**  
Notes to the Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2005  
(Expressed in Canadian Dollars)

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**5. RELATED PARTY TRANSACTIONS**

During the period the Company had the following related party transactions:

Consulting fees in the amount of \$89,287 were paid to an officer of the Company for engineering services rendered.

**6. SHARE CAPITAL**

Authorized share capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares.

Issued	Number of Shares	Amount
Balance at December 31, 2004	38,950,872	\$ 40,795,561
Issued for cash		
Private Placement, net of issue costs (Note (a)(i))	6,500,000	4,834,335
Private Placement, net of issue costs (Note 6(b)(ii))	500,000	398,775
Exercise of warrants	4,051,075	2,071,539
Exercise of agent's options	343,820	146,123
Exercise of options	680,000	176,300
	12,074,895	7,627,072
Exercise of options, stock-based compensation	-	29,176
Balance at September 30, 2005	51,025,767	\$ 48,451,809

**(a) Private Placements**

- (i) On August 3, 2005, the Company completed a brokered private placement for the issuance of 6,500,000 common shares at a price of \$0.80 per share for gross proceeds of \$5,200,000. The agents received a 6.5% cash commission of \$338,000 and 520,000 agents' warrants to acquire 520,000 shares of the Company at a price of \$0.80 per share until August 3, 2006. The Company incurred share issuance costs in the amount of \$20,000 in connection with the private placement.
- (ii) On August 11, 2005, the Company completed a non-brokered private placement for the issuance of 500,000 common shares at a price of \$0.80 per common share for gross proceeds of \$400,000. The Company incurred share issue costs of \$1,225 in connection with the private placement.

**ATNA RESOURCES LTD.**

Notes to the Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2005

(Expressed in Canadian Dollars)

**6. SHARE CAPITAL (Continued)**

**(b) Warrants**

Exercise Price	Expiry Date	Outstanding				Outstanding September 30, 2005
		December 31, 2004	Issued	Exercised	Expired	
\$0.740	Sep 30, 2005	710,000	-	650,000	60,000	-
\$0.450	Sep 30, 2005	3,093,625	-	3,082,375	11,250	-
\$0.425	Sep 30, 2005	343,820	-	343,820	-	-
\$0.700	Dec 06, 2005	3,640,000	-	122,500	-	3,517,500
\$0.600	Dec 06, 2005	728,000	-	196,200	--	531,800
\$0.800	Aug 03, 2006	-	520,000	-	-	520,000
		8,515,445	520,000	4,394,895	71,250	4,569,300

**(c) Stock Options**

Stocks options to purchase common shares have been granted to directors, employees and consultants of the Company at exercise prices determined with reference to the market value on the date of the grant. At September 30, 2005, the Company had stock options outstanding for the purchase of 2,405,000 common shares.

	Options	Weighted Average Exercise Price	Expiry Date Range
Options Outstanding at December 31, 2004	2,085,000	\$ 0.31	Dec 05/05 to Jul 05/07
Exercised	(680,000)	0.26	Dec 05/05 to Jun 16/06
Cancelled	(50,000)	0.59	Feb 05/05 to Feb 08/08
Granted	1,050,000	0.67	Feb 08/08 to May 31/08
Options Outstanding at September 30, 2005	2,405,000	\$ 0.48	Dec 05 to May 31/08

The following summarizes the stock options outstanding at September 30, 2005:

Exercise Price	Expiry Date	Outstanding December 31, 2004	Issued	Exercised	Cancelled/ Expired	Outstanding September 30, 2005
0.220	Dec 05, 2005	275,000	-	275,000	-	-
0.230	Jun 02, 2006	75,000	-	75,000	-	-
0.230	Jun 16, 2006	10,000	-	10,000	-	-
0.255	Jun 16, 2006	10,000	-	-	-	10,000
0.250	Jun 16, 2006	850,000	-	220,000	-	630,000
0.500	Jan 09, 2007	400,000	-	50,000	-	350,000
0.325	Apr 20, 2007	425,000	-	50,000	-	375,000
0.450	Jul 05, 2007	40,000	-	-	-	40,000
0.590	Feb 08, 2008	-	250,000	-	50,000	200,000
0.700	Apr 18, 2008	-	775,000	-	-	775,000
0.700	May 31, 2008	-	25,000	-	-	25,000
		2,085,000	1,050,000	680,000	50,000	2,405,000

## ATNA RESOURCES LTD.

Notes to the Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2005  
(Expressed in Canadian Dollars)

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### 6. SHARE CAPITAL (Continued)

#### (c) Stock Options (Continued)

During the period, the Company recorded a stock-based compensation expense based on the fair value of options vested during the period. The stock-based compensation expense was calculated using the Black-Scholes Option Pricing Model

#### (d) Stock-based Compensation

During the period ended September 30, 2005, the Company granted stock options to acquire up to an aggregate of 1,050,000 common shares at exercise prices of \$0.59 and \$0.70 per share and \$83,370 has been recorded as stock-based compensation.

The Company accounts for stock options as recommended by the Canadian Institute of Chartered Accountants, Section 3870 "Stock-Based Compensation and Other Stock-Based Payments" for accounting for stock-based compensation expense whereby all stock-based payments to directors, employees and non-employees, including awards that are direct awards of stock, call for settlement in cash or other assets, or stock appreciation rights that call for settlement by the insurance of equity instruments, granted on or after January 1, 2004, are accounted for using the fair value based method, and are recorded as an expense in the period the stock-based payments are vested or the awards or rights are granted.

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Model and is based on the following assumptions: a risk free interest rate of 3.0%; an expected life of 3 years; an expected volatility of 49.79%, and no expectation for the payment of dividends.

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect the fair value estimate and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option grants.

### 7. SEGMENTED INFORMATION

Assets by geographical segment:

Canada	\$	9,334,978
United States		12,763,963
	\$	22,098,941

### 8. FINANCIAL INSTRUMENTS

The carrying value of cash and cash equivalents, accounts receivable, marketable securities, accounts payable and accrued liabilities approximates their fair market values due to the short term to maturity of the instruments.

**ATNA RESOURCES LTD.**  
Notes to the Interim Consolidated Financial Statements  
For the Nine Months Ended September 30, 2005  
(Expressed in Canadian Dollars)

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**9. SUPPLEMENTAL CASH FLOW INFORMATION**

Significant non-cash operating, investing and financing activities:	2005	2004
Investing activities:		
Shares issued for mineral property	\$ -	\$ 15,900
Shares received for mineral property	\$ -	\$ 2,356,000
Financing activities:		
Stock-based compensation	\$ 29,177	\$ -
Other cash flow information:		
Interest received	\$ 182,241	\$ 54,277

**10. SUBSEQUENT EVENTS**

In addition to items disclosed elsewhere in these notes, the following occurred during the period subsequent to September 30, 2005:

Subsequent to September 30, 2005, the Company issued 775,300 common shares for proceeds of \$501,930 pursuant to the exercise of warrants.

**Description of Business and Report Date**

Atna Resources Ltd. (the "Company") is an exploration stage company engaged in the exploration and development of gold properties in the United States. The Company also has properties in Canada and Chile. The Company is a reporting issuer in British Columbia, Alberta, Ontario and Nova Scotia and trades on the TSX Exchange under the symbol ATN. The following discussion and analysis of the financial position and results of operations for the Company should be read in conjunction with the interim consolidated financial statements and the notes thereto for the nine months ended September 30, 2005, which have been prepared in accordance with Canadian generally accepting accounting principles.

Additional information relating to the Company, including audited financial statements and the notes thereto for the years ended December 31, 2004 and 2003, can be viewed on SEDAR at [www.sedar.com](http://www.sedar.com).

**Forward-Looking Statements**

This Interim Management Discussion and Analysis ("MD&A") is an update of the Company's MD&A for the year ended December 31, 2004. Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of November 7, 2005 (the "Report Date"), and readers are advised to consider such forward-looking statements in light of the risks set out below.

**Risks and Uncertainties**

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, commodity prices, political and economic.

The junior resource market, where the Company raises its funds, is volatile and there is no guarantee that the Company will be able to raise funds as it requires them. However, the Company has been successful to date in arranging financing and management is of the opinion that it will continue to do so.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, there is no guarantee that the property will not be subject to title disputes or undetected defects.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to reclamation, discharge of hazardous material and other matters. The Company conducts its exploration activities in compliance with applicable environmental protection legislation and is not aware of any existing environmental problems related to its properties that may cause material liability to the Company.

**Highlights**

- Discovered new mineralized zone underground at the Pinson project, Nevada.
- Closed two private placements for gross proceeds of \$5,600,000.
- Commenced underground drill program at the Pinson project, Nevada.
- Optioned the Beowawe project, Nevada, for stock and/or cash payments and work commitments.

## **Exploration Activities and Outlook**

### *Pinson Project, Nevada*

The company remains on schedule to complete the expenditures and prefeasibility study by year-end that are required in order to vest a 70% interest in the property. As the underground workings and surface infrastructure advance, the Company is running a surface and underground drill program at Pinson.

Since the portal was collared on May 31, 2005, 1,575 feet of a 14 x 16 drift and 350 feet of decline have been completed. Four drill stations, a power substation cutout, and two muck bays have been established. Portal steel sets were placed early August and an underground shop adit was created. Hard air and power lines have been added for ventilation and to feed power to both the decline and the Range Front drill crosscut. The main transformer has been installed, power poles erected and power lines strung.

The most significant result during the quarter was the discovery in the adit of the Ogee Zone. Gold mineralization averaged 0.682 oz/ton Au over 34 feet in the north rib and 0.692 oz/ton Au over 35 feet in the south rib of the adit. Included in these zones were 22 feet grading 0.903 oz/ton Au and 16 feet grading 0.911 oz/ton Au. Drill stations have been established along the decline to evaluate the new zone beyond the adit limits and drilling will commence during the fourth quarter of 2005.

The Ogee zone gold mineralization was sampled and metallurgical tests were performed. Results indicate the Ogee zone mineralization to be amenable to direct cyanidation. Metallurgical tests on the Range Front are in progress at Dawson Labs in Salt Lake City, and material has been provided to other plant operators in the district for testing. Preliminary indications suggest that satisfactory gold recovery may be anticipated from autoclaving and/or roasting of the ores.

The office/dry/core logging facility is progressing with the exterior work complete and the internal framing nearing completion. Occupancy is anticipated by the end of December.

Permits received during the quarter include the State of Nevada Reclamation Permit (covers all reclamation on private lands associated with the surface infrastructure), the Bureau of Land Management Notice Level Plan of Operations (covers required monitoring wells around the Rapid Infiltration Basins located on Federal lands), the State of Nevada Water Pollution Control Permit (Small Facility-allows discharge of waste water sourced in the underground workings), and the Water Pollution Control Permit (related to the discharge of ground water produced by dewatering the area of the underground workings). Ongoing permitting includes: the air quality permit for the backfill plant, the temporary waste water discharge permit to test the pump production well prior to construction of the rapid infiltration basins, the air quality permit for a backfill crushing plant, and a Reclamation permit amendment to re-position waste and ore stockpiles and disturbance associated with the backfill aggregate source area.

Core drilling commenced in July following completion of the 10,060 feet of Phase II pre-collar reverse circulation rotary drilling. Utilizing two surface core drills, 3,286.8 feet and eleven core-tails have been completed. One drill has been shut down and the other is operating 24 hours with two drill crews to expedite the program. An effort is being made to find two drill crews for the second surface drill.

Underground drilling commenced in September with one drill. The total underground footage for the quarter was 532.0 feet from the completion of one hole and the start of a second. The Company is awaiting the arrival of a second underground diamond drill to expedite the program. Both drills will operate 24 hours.

The preceding information was prepared under the supervision and review of William Stanley, V.P. Exploration of the Company, a Licensed Geologist, and Qualified Person with the ability and authority to verify the authenticity

**For the Nine Months Ended September 30, 2005**

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and validity of information contained herein. All analytical results contained herein are from samples prepared and assayed by BSI Inspectorate Laboratories in Reno, Nevada, an independent ISO certified analytical laboratory. All gold analyses were completed using standard fire assay methods with appropriate replicate and analytical standards to ensure high quality control and quality assurance. ALS Chemex in Reno, Nevada re-analyzes all mineralized intervals to verify assays reported by BSI Inspectorate.

#### *Jarbidge Project, Nevada*

Deficiencies in the archeological report submitted to the USFS in late 2004 were corrected and resubmitted for review. Minor edits and additional maps have been requested on the survey report and will be completed during the fourth quarter of 2005. The Company expects permits before year-end to facilitate a surface drilling program next field season.

#### *Clover Project, Nevada*

An agreement was finalized with New Sleeper Gold Corporation ("New Sleeper Gold"), who may earn an interest in the Clover property situated adjacent to the Midas trough 12 miles west of Newmont's Ken Snyder Mine and across the basin east of Pinson. New Sleeper Gold has paid US\$50,000 to the Company and begun to drill a minimum of 2,000 feet, which they are obligated to complete within 6 months. Initial assays from this drill program are pending. New Sleeper Gold may earn a 55% interest in the project by making certain payments and by spending US\$2,000,000 on exploration of the property. They may increase their interest to 70% by carrying the Company through a full feasibility study, at which time the Company may participate to the extent of its 30% interest. High-grade gold drill intersections from drilling by previous owners make this an exciting prospect.

#### *Beowawe Project, Nevada*

On July 15, 2005, Prospector Consolidated Resources Inc. terminated its option on the project. On September 21, 2005, the Company entered into an option agreement on the project, located in the central part of the Northern Nevada Rift, near the Mule Canyon and Fire Creek deposits, with Apolo Gold & Energy Inc. ("Apolo"). Under the terms of the agreement, Apolo may earn a 55% interest in the project by expending a total of US\$1,700,000 on exploration of the property within a 4-year period and allotting the company 150,000 shares of Apolo by the first anniversary of the agreement. Apolo may increase its interest to 70% by carrying the Company through a full feasibility study, at which time the Company may participate to the extent of its 30% interest. Upon completion of a financing, Apolo will initiate its earn-in obligation.

### **Results of Operations**

#### **For The Three Months Ended September 30, 2005 compared with the Three Months Ended September 30, 2004**

Exploration expenditures comprised the largest component of operating costs for the Company with expenditures totaling \$4,830,980 (2004 - \$1,009,437) for an increase of \$3,821,543. The increase was mainly due to expenditures incurred on the Pinson project for underground development (\$654,355), drilling (\$764,266), admin/indirect costs (\$550,503) and other (\$1,852,419). Operations produced a net loss of \$229,749 compared to \$395,544 for 2004, for a decrease of \$165,795. Office and miscellaneous expenses of \$63,576 (2004 - \$11,915) represents an increase of \$51,661 over the previous period due to increased expenditures on administration, management fees, travel and related costs, all of which are components of office and miscellaneous expense. Professional fees of \$55,730 (2004 - \$3,526) represents an increase of \$52,204 due to additional legal fees incurred in regards to recent financings and the employment of the Chief Financial Officer. Stock-based compensation of \$64,315 (2004 - \$4,840) represents an increase of \$59,475 due to a greater number of stock options vesting. Gain on sale of subsidiary of \$46,500 (2004 - nil) is due to the sale of Minera Atna Chile Limitada. Net loss on asset

For the Nine Months Ended September 30, 2005

disposition of nil (2004 - \$(176,424) is due the write-off of the Golden Cloud, NV, project. Investment and miscellaneous income of \$75,996 (2004 - \$12,904) represents an increase of \$63,092 due to having a greater amount of funds on deposit and the investment of a certain portion of the funds in longer term financial instruments.

**For The Nine Months Ended September 30, 2005 as compared with the Nine Months Ended September 30, 2004**

Exploration expenditures comprised the largest component of operating costs for the Company with expenditures totaling \$7,646,816 (2004 - \$1,372,243) for an increase of \$6,274,573. The increase was mainly due to expenditures incurred on the Pinson project for underground development (\$2,867,448), drilling (\$1,153,569), admin/indirect costs (\$1,207,666) and other (\$1,045,890). Operations produced a net loss of \$587,332 or \$0.01 per share compared to a net loss of \$2,276,991 or \$0.07 for 2004. Exploration and business development expenses of \$61,737 (2004 - \$171,815) represents a decrease of \$110,078 over the previous period due to the Company's increased focus on the Pinson Mine project. Office and miscellaneous expenses of \$196,803 (2004 - \$40,240) represents an increase of \$156,563 over the previous period due to increased expenditures on administration, management fees, travel and related costs, all of which are components of office and miscellaneous expense. Professional fees of \$103,956 (2004 - \$21,274) represents an increase of \$82,682 due to additional legal fees incurred in regards to recent financings and the employment of the Chief Financial Officer. Shareholder communication of \$325,392 (2004 - \$164,537) represents an increase of \$160,855 due to increased travel and related costs of attending conferences and meetings with investors or potential investors. Gain on marketable securities of \$323,002 (2004 - Nil) is due to the gain on the sale of shares of Yukon Zinc Corp. and Novicourt Inc. Write down of marketable securities of \$114,629 (2004 - Nil) is due to the decline in market value of the Company's marketable securities. Gain on sale of subsidiary of \$46,500 (2004 - Nil) is due to the sale of Minera Atna Chile Limitada. Net loss on asset disposition of \$1,207 (2004 - \$(1,575, 437) represents a decrease of \$1,574,230 due to the write-off of the Golden Cloud, NV, and Wolverine, Yukon, projects. Investment and miscellaneous income of \$182,241 (2004 - \$54,277) represents an increase of \$127,964 due to having a greater amount of funds on deposit and the investment of a certain portion of the funds in longer term financial instruments.

**Summary of Quarterly Results**

The following are the results for the eight most recent quarters, commencing with last quarter for the nine months ending on September 30, 2005:

For the quarterly periods ending on:	Sept. 30, 2005 \$	June 30, 2005 \$	March 31, 2005 \$	Dec. 31 2004 \$
Total Revenues	Nil	Nil	Nil	Nil
(Income) loss for the period	229,794	362,803)	(14,218)	3,643,835
Basic (income) loss per share	0.01	0.01	(0.00)	0.14

For the quarterly periods ending on:	Sept. 30, 2004 \$	June 30, 2004 \$	March 30, 2004 \$	Dec 31, 2003 \$
Total Revenues	Nil	Nil	Nil	Nil
Loss for the period	578,322	1,569,304	312,143	512,657
Basic loss per share	0.02	0.05	0.01	0.02

Quarterly results can vary significantly depending on whether the Company realizes any gain or loss on sale of its investments, abandons or writes down properties, incurs gains or losses on foreign exchange, or grants stock options. See "Results of Operations".

**Liquidity and Capital Resources**

At September 30, 2005, the Company's cash position was \$7,002,864 and working capital was \$7,276,252, compared to cash of \$6,597,455 and working capital of \$8,379,661 at December 31, 2004.

The Company has financed its operations and capital expenditures through the sale of its equity securities and from the proceeds of the sale of exploration projects and marketable securities. On the Pinson project, the Company has incurred expenditures of US\$8,220,960 (C\$9,865,150) against a commitment of US\$12 million and has sufficient resources on hand to complete its earn-in.

The Company expects to obtain financing in the future primarily through equity financing. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interests in its properties. However, the Company has been successful to date in arranging financing and management is of the opinion that it will continue to do so.

**Private Placements**

On August 3, 2005, the Company completed a brokered private placement for the issuance of 6,500,000 common shares at a price of \$0.80 share for gross proceeds of \$5,200,000. The agent's received a 6.5% cash commission of \$338,000 and 520,000 agents' warrants to acquire 520,000 shares of the Company at a price of \$0.80 per share until August 3, 2006. The Company incurred share issuance costs in the amount of \$20,000 in connection with the private placement.

On August 11, 2005, the Company completed a non-brokered private placement for the issuance of 500,000 shares at a price of \$0.80 per share for gross proceeds of \$400,000. The Company incurred share issuance costs of \$1,225 in connection with the private placement.

**Financing and Investing Activities**

During the nine month period ended September 30, 2005, the Company received proceeds in the amount of \$2,071,539 pursuant to the exercise of 4,051,075 share purchase warrants, \$146,123 pursuant to the exercise of 343,820 agents' options, \$176,300 pursuant to the exercise of 680,000 stock options, \$43,202 pursuant to the receipt of a dividend and the sale of shares of Novicourt Inc., and \$46,500 from the sale of its subsidiary Minera Atna Chile Limitada.

During the period ended September 30, 2005, the Company spent \$7,653,341 (see Note 4 - Interim Consolidated Financial Statements for September 30, 2005) on acquisition, exploration and development of its exploration properties and received or accrued \$65,898 in cost recoveries and \$81,045 in options payments. \$7,499,104 was spent on the Pinson Mine project, \$104,755 on the Jarbidge project, \$42,422 was spent and \$38,886 was recovered or accrued on the Beowawe project, \$87,832 was spent, \$16,787 was recovered and option payments of \$61,045 were received on the Clover project, \$62,671 was spent and \$10,225 was recovered on the Searchlight and Dixie Fort/Triple Junction projects, and \$3,482 was spent and \$20,000 was recovered on the Canada/Yukon projects.

For the Nine Months Ended September 30, 2005

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**Financial Instruments**

The fair value of the Company's cash, accounts receivable and accounts payable is estimated to approximate their carrying values. It is management's opinion that the Company is not exposed to significant interest, currency, or credit risk arising from these financial statements.

**Outstanding Share Data**

	No. of Shares	Exercise Price	Expiry Date
Issued & Outstanding shares at September 30, 2005	51,025,767		
Issued after September 30, 2005	775,300	\$0.60/\$0.70	Dec 6/05
Employees Stock Options	2,405,000	\$0.255 to \$0.70	Jun 16/06 to May 31/08
Warrants	3,794,000	\$0.60 to \$0.80	Dec 6/05 to Aug 3/06
Fully diluted at November 7, 2005	58,000,067		

**Outlook**

The Company will focus on completing a prefeasibility study and vesting its interest in the Pinson property near year-end with the objective of completing a feasibility study in March 2006, and fast tracking the project towards production in 2006. Underground work will continue to establish access to the Range Front zone for test mining, bulk sampling for metallurgical characterization, and definition drilling to convert resources to reserves. Further holes will be drilled to define the Ogee zone, which may increase the current resource and alter the underground development plan. Discussions will continue with interested parties for custom processing of future production from Pinson. Installation of surface infrastructure to support the program and future operations will continue through year-end.

The Company continues to pursue growth through discovery. Exploration drill results from the Clover property in Nevada are anticipated before the end of the year and drilling at the Beowawe and Jarbidge properties also in Nevada are planned for the next field season. The Company has optioned several of their properties to other companies to increase the probability of discovery and retains the right to participate in any exploration success on these projects through these agreements. The Company will continue to review merger and acquisition opportunities to augment its growth strategy.

The Company will continue to review both equity and debt options to sustain its exploration and development activities.