

**OPAWICA EXPLORATIONS INC.**  
(An Exploration Stage Entity)

INTERIM FINANCIAL STATEMENTS

February 28, 2006

(Unaudited)

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THE ACCOMPANYING INTERIM FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 28, 2006 AND 2005 HAVE NOT BEEN REVIEWED OR AUDITED BY THE COMPANY'S AUDITORS.

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**OPAWICA EXPLORATIONS INC.**  
 (An Exploration Stage Entity)  
**INTERIM BALANCE SHEETS**  
 February 28, 2006 and August 31, 2005  
 (Unaudited)

	February 28, <u>2006</u>	August 31, <u>2005</u>
<b><u>ASSETS</u></b>		
Current		
Cash	\$ 583,548	\$ 362,972
Other receivables – Note 3	44,609	59,847
Due from related party	-	8,560
Loan receivable – Note 4	-	539,056
Prepaid expenses	<u>-</u>	<u>40,000</u>
	628,157	1,010,435
Mineral interests – Note 5	<u>740,525</u>	<u>-</u>
	<u>\$ 1,368,682</u>	<u>\$ 1,010,435</u>
<b><u>LIABILITIES</u></b>		
Current		
Accounts payable – Note 8	<u>\$ 56,814</u>	<u>\$ 124,388</u>
<b><u>STOCKHOLDERS' EQUITY</u></b>		
Share capital – Notes 5, 6 and 11	15,313,143	14,420,643
Contributed surplus – Note 7	193,926	151,926
Deficit	<u>(14,195,201)</u>	<u>(13,686,522)</u>
	<u>1,311,868</u>	<u>866,047</u>
	<u>\$ 1,368,682</u>	<u>\$ 1,010,435</u>

APPROVED BY THE DIRECTORS:

*“Dan Clark”*

Director

*“Alexander Bain”*

Director

SEE ACCOMPANYING NOTES

**OPAWICA EXPLORATIONS INC.**  
(An Exploration Stage Entity)  
**INTERIM STATEMENTS OF OPERATIONS AND DEFICIT**  
for the three and six months ended February 28, 2006  
(Unaudited)

	Three Months Ended February 28,		Six Months Ended February 28,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Expenses				
Accounting and legal	\$ 47,599	\$ 1,271	\$ 64,996	\$ 22,093
Business development – Note 8	48,909	-	54,740	1,259
Consulting fees – Note 8	62,415	-	77,415	-
General administration	26,662	67,328	35,791	73,370
Investor communications – Note 8	45,450	15,719	55,410	17,145
Management fees	25,000	-	71,060	-
Rent	4,280	-	14,351	-
Stock-based compensation	<u>-</u>	<u>-</u>	<u>42,000</u>	<u>-</u>
Loss before other	(260,315)	(84,318)	(415,763)	(113,867)
Other items:				
Interest income	6,889	-	16,179	-
Foreign exchange loss	(10,349)	-	(23,220)	-
Recovery of uncollectible advances	125,000	-	-	-
Write-off for uncollectible advances and loans – Note 4	<u>(85,875)</u>	<u>-</u>	<u>(85,875)</u>	<u>-</u>
Net loss for the period	(224,650)	(84,318)	(508,679)	(113,867)
Deficit, beginning of period	<u>(13,970,551)</u>	<u>(13,157,259)</u>	<u>(13,686,522)</u>	<u>(13,127,710)</u>
Deficit, end of period	<u>\$ (14,195,201)</u>	<u>\$ (13,241,577)</u>	<u>\$ (14,195,201)</u>	<u>\$ (13,241,577)</u>
Basic loss per share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>
Weighted average number of shares outstanding	<u>60,824,423</u>	<u>27,828,867</u>	<u>57,930,248</u>	<u>27,828,867</u>

SEE ACCOMPANYING NOTES

**OPAWICA EXPLORATIONS INC.**  
(An Exploration Stage Entity)  
**INTERIM STATEMENTS OF CASH FLOWS**  
for the six months ended February 28, 2006 and 2005  
(Unaudited)

	Three months ended February 28,		Six months ended February 28,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Operating Activities				
Net loss for the period	\$ (224,650)	\$ (84,318)	\$ (508,679)	\$ (113,867)
Items not relating to cash:				
Unrealized foreign exchange loss	10,349	-	23,220	-
Stock-based compensation	-	-	42,000	-
Write-off for uncollectible advances and loans	<u>85,875</u>	<u>-</u>	<u>85,875</u>	<u>-</u>
	(128,426)	984,318)	(357,584)	(113,867)
Changes in non-cash working capital:				
Advances receivables	-	-	(12,700)	-
Other receivables	(9,931)	(1,740)	15,238	3,194
Due from related party	-	-	8,560	-
Loans receivable	451,951	-	442,661	-
Prepaid expenses	130,000	-	40,000	-
Accounts payable	<u>(293,584)</u>	<u>81,977</u>	<u>(67,574)</u>	<u>96,489</u>
Net cash from (used in) operating activities	<u>150,010</u>	<u>(4,081)</u>	<u>68,601</u>	<u>(14,184)</u>
Investing Activities				
Mineral interest expenditures	<u>(85,847)</u>	<u>-</u>	<u>(503,025)</u>	<u>-</u>
Financing Activities				
Shares issued for warrants exercised	30,000	-	155,000	-
Subscriptions receivable	(188,000)	-	-	-
Shares issued for cash	500,000	-	500,000	-
Loans payable	<u>-</u>	<u>3,391</u>	<u>-</u>	<u>4,306</u>
Net cash provided by financing activities	<u>342,000</u>	<u>3,391</u>	<u>655,000</u>	<u>4,306</u>
Net increase (decrease) in cash	406,163	(690)	220,576	(9,878)
Cash, beginning of the period	<u>177,385</u>	<u>4,511</u>	<u>362,972</u>	<u>13,699</u>
Cash, end of the period	<u>\$ 583,548</u>	<u>\$ 3,821</u>	<u>\$ 583,548</u>	<u>\$ 3,821</u>
Supplemental disclosure of cash flow information				
Cash paid during the year for:				
Interest	<u>\$ -</u>	<u>\$ 375</u>	<u>\$ -</u>	<u>\$ 750</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Non-cash Transaction – Note 10				

**OPAWICA EXPLORATIONS INC.**  
(An Exploration Stage Entity)  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
February 28, 2006  
(Unaudited)

Note 1     Basis of Presentation

These unaudited interim financial statements are prepared in accordance with generally accepted accounting principles in Canada ("GAAP"). They do not include all the information and disclosures required by GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the six months ended February 28, 2006, are not necessarily indicative of the results that may be expected for the year ended August 31, 2006. For further information, see the financial statements, including the notes thereto, included in the audited financial statements for the year ended August 31, 2005.

Note 2     Going Concern

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At February 28, 2006 the Company had not yet achieved profitable operations, has accumulated losses of \$14,195,201 since its inception, and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

Note 3     Other Receivables

The balance of other receivables at February 28, 2006 relates to GST input tax credits not yet recovered.

Note 4     Loan Receivable

On July 18, 2005, the Company entered into an agreement with Aquarian Gold Corp. ("Aquarian"), to acquire a 65% interest in several gold properties in Ghana, West Africa. In order to earn its interest, the Company agreed to pay US\$450,000 and to enter into a joint venture agreement with Aquarian to expend \$2,500,000 in exploration costs. The agreement was subject to the properties meeting TSX listing standards and Aquarian obtaining a 43-101 report. Aquarian agreed the initial cash payment of US\$450,000 was to be retained as a refundable deposit until the subject conditions were satisfied. Should the subject conditions not be satisfied, the Company was obligated to give immediate notice to Aquarian and the cash payment of US\$450,000 would be converted to a loan bearing interest, at the Bank of Montreal's prime rate plus 2%, from the date on which the funds were advanced. Repayment of the loan is to be within ninety days from the date the Company requests repayment. The Company is related to Aquarian by common directors.

Note 4     Loan Receivable – (cont'd)

On August 15, 2005, the Company gave notice to Aquarian, advising the subject conditions had not been satisfied and obtained from Aquarian the loan agreement together with a General Security Agreement to secure the loan balance of US\$450,000. The loan agreement has not received consent of the majority of the Board.

On February 6, 2006, the Company received US\$400,000 as repayment of the amount outstanding, principal and interest inclusive, pursuant to a General Release Agreement dated February 6, 2006. The remaining amount of \$73,175 (US\$63,825) has been written off as uncollectible.

Note 5     Mineral Interests

On September 9, 2005, the Company entered into an option agreement to earn a 100% interest in the mineral rights on the Atikwa Lake Gold property located approximately sixty kilometers southeast of Kenora, Ontario. The property consists of twenty-two patented mining claims totalling 890 acres.

In order to earn its interest, the Company must make cash payments of \$700,000 and issue 10,000,000 common shares of the Company over a four-year period. The cash consideration will be paid as follows:

- i) \$50,000 on acceptance of the agreement; (paid November 30, 2005);
- ii) \$100,000 by November 30, 2006;
- iii) \$150,000 by November 30, 2007; and
- iv) \$200,000 by November 30, 2008

The Company is required to make eight payments of \$50,000 for advanced smelter royalties. These payments are to be made February 28, 2009 and every three months thereafter. The Company will be entitled to a 100% interest following the first four quarterly payments.

The Company will issue 2,500,000 common shares on each of acceptance of the agreement (issued), July 31, 2006, March 31, 2007 and November 30, 2007.

The mineral interests are subject to a 3% net smelter royalty. The Company may purchase one-half of the royalty (1.5%) for \$1,000,000 by November 30, 2010. If the Company does not purchase the royalty by November 30, 2010, the net smelter thereafter will be 5%, provided that the Company may purchase one-half of the royalty (2.5%) for \$1,000,000 at any time thereafter.

Note 6 Share Capital – Notes 5 and 11

Authorized:

Unlimited number of common shares

Issued and outstanding:

		<u>Shares</u>	<u>Amount</u>
Balance, August 31, 2005		52,828,867	\$ 14,420,643
For cash:			
Exercise of warrants	- at \$0.10	1,550,000	155,000
Private placement	- at \$0.10	5,000,000	500,000
Shares issued for mineral interests	- at \$0.095	<u>2,500,000</u>	<u>237,500</u>
Balance, as at February 28, 2006		<u>61,878,867</u>	<u>\$ 15,313,143</u>

Commitments:

Share Purchase Warrants

The Company has 15,950,000 share purchase warrants outstanding as of February 28, 2006. These warrants have an exercise price of \$0.10 per share with an expiration date of May 12, 2006.

Share Purchase Options

The Company, in accordance with the policies of the TSX Venture Exchange, has a stock option plan in place under which it is authorized to grant options to directors, employees and consultants and to acquire up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for maximum term of ten years.

At February 28, 2006, the Company has share purchase options outstanding to certain directors, officers and consultants totalling 5,575,000 options exercisable at \$0.10 per share to May 18, 2007.

Note 6 Share Capital – Notes 5 and 11 – (cont'd)

Commitments: – (cont'd)

Share Purchase Options – (cont'd)

	<u>Options</u>	<u>Weighted Average Exercise Price</u>
Outstanding, August 31, 2005	4,175,000	\$0.10
Granted during the period	1,600,000	\$0.10
Expired	<u>(1,600,000)</u>	<u>\$0.10</u>
Outstanding and exercisable, February 28, 2006	<u>4,175,000</u>	<u>\$0.10</u>

The following assumptions were used for the Black-Scholes valuation of stock-based compensation.

	<u>2005</u>
Volatility	76.96%
Risk-free interest rate	3.70%
Dividend yield	-
Expected life of options	2 years

Note 7 Contributed Surplus

	February 28, <u>2006</u>	August 31, <u>2005</u>
Balance, beginning of period	\$ 151,926	\$ -
Stock-based compensation	<u>42,000</u>	<u>151,926</u>
Balance, end of period	<u>\$ 193,926</u>	<u>\$ 151,926</u>

Note 8 Related Party Transactions – Note 4

Included in write-off of uncollectible advances and loans for the six months ended February 28, 2006 is \$12,700 with respect to advances to a corporation that has directors in common with the Company and \$73,175 with respect to a loan receivable from a company with a common director. These amounts were written-off as a result of a settlement (general release) dated February 6, 2006. Included in business development is \$40,000, consulting fees is \$40,000 and investor communications is \$45,000 for the six months ended February 28, 2006, charged by a company controlled by directors of the Company. Included in accounts payable is \$27,131 due to companies with directors and an officer in common. These transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Note 9     Commitments – Note 6

The Company is committed to monthly payments under an operating lease for its premises until February 28, 2009 for the estimated amount of \$25,500 annually.

Pursuant to an agreement dated October 1, 2005, the Company will be paying \$5,000 per month to OPW Acquisition Corp. until December 31, 2007 for management and consulting services. The Company is related by a common director.

Note 10    Non-cash Transaction

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statement of cash flows. On October 15, 2005, the Company issued 2,500,000 shares valued at \$237,500 to acquire mineral interests. This transaction has been excluded from the statement of cash flows.

Note 11    Subsequent Events

Subsequent to February 28, 2006, the Company entered into a Public Relations and Marketing agreement with Skyline Investments Corp. pursuant to which the Company must pay an initial fee of \$25,000 and thereafter pay up to an additional \$75,000 by the end of 2006. Pursuant to the said agreement, Skyline has been granted an option to purchase up to 2,000,000 shares of the Company exercisable at \$0.11 per share until March 1, 2008.

On March 14, 2006 the Company entered into a mutual general release agreement to settle a dispute with a former officer of the Company by the payment from the Company of \$15,000 for all amounts outstanding.

Subsequent to February 28, 2006, the Company granted 972,000 share purchase options to two directors of the Company exercisable at \$0.13 until March 27, 2008, and a further director's option for 680,000 shares exercisable at \$0.18 until April 19, 2008.

Subsequent to February 28, 2006, the Company issued 8,517,500 common shares as follows:

- 800,000 common shares pursuant to the exercise of share purchase options at \$0.10 per share; and
- 7,717,500 common shares pursuant to the exercise of share purchase warrants at \$0.10 per share.