

AMANTA RESOURCES LTD.

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NOTICE OF NO AUDITORS REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements of Amanta Resources Ltd. (the “*Company*”) have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of the Company’s unaudited interim consolidated financial statements for the three months ended May 31, 2005.

AMANTA RESOURCES LTD.

FINANCIAL STATEMENTS

May 31, 2005 and May 31, 2004

(Stated in Canadian Dollars)

Prepared without audit

AMANTA RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS
 May 31, 2005 and May 31, 2004
 (Stated in Canadian Dollars)
 Prepared Without Audit

	Three months May 31, <u>2005</u>	Year end to February 28, <u>2005</u>
<u>ASSETS</u>		
Current		
Cash and cash equivalents	\$ 1,543,168	\$ 2,266,661
Other receivables	3,311	3,516
GST receivable	10,933	8,324
Prepaid expense	<u>2,928</u>	<u>-</u>
	1,560,340	2,278,501
Deposits	925	925
Capital asset – Note 3	76,142	4,498
Exploration advance – Notes 4 and 5	8,589	80,190
Mineral properties – Notes 4, 5 and Schedule 1	<u>1,352,775</u>	<u>866,291</u>
	<u>\$ 2,998,771</u>	<u>\$ 3,230,405</u>

LIABILITIES

Current		
Accounts payable and accrued liabilities – Note 5	<u>\$ 30,820</u>	<u>\$ 145,435</u>

SHAREHOLDERS' EQUITY

Share capital – Notes 6	9,197,209	9,201,886
Contributed surplus – Note 6	521,000	312,000
Share subscriptions – Note 6	-	2,000
Deficit	<u>(6,750,258)</u>	<u>(6,430,916)</u>
	<u>2,967,951</u>	<u>3,084,970</u>
	<u>\$ 2,998,771</u>	<u>\$ 3,230,405</u>

Nature and Continuance of Operations – Note 1
 Commitments – Notes 4, and 6

APPROVED BY THE DIRECTORS:

“Dr. Gerald D. Wright” Director
“Patrick Cauley” Director

SEE ACCOMPANYING NOTES

AMANTA RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
for the three months ended May 31, 2005 and May 31, 2004
(Stated in Canadian Dollars)
Prepared Without Audit

	Three months May 31, <u>2005</u>	Three months May 31, <u>2004</u>
General and Administrative Expenses		
Accounting, audit and legal fees – Note 5	\$ 1,300	\$ 3,894
Amortization	575	24
Consulting fees – Note 5	25,500	13,862
Directors fees – Note 5	60,000	-
Filing fees	3,925	1,250
Office and miscellaneous	3,888	9,022
Rent	2,627	2,100
Stock-based compensation – Note 6	209,000	-
Trade shows , exhibits and conference	4,995	-
Transfer agent	1,486	235
Travel	6,046	8,811
Wages and benefits	<u>-</u>	<u>5,610</u>
Loss before Other	<u>(319,342)</u>	<u>(44,808)</u>
Other:		
Interest income	-	708
Foreign exchange loss	<u>-</u>	<u>734</u>
	<u>-</u>	<u>1,442</u>
Net loss for the period	(319,342)	(43,366)
Deficit, beginning of the period	<u>(6,430,916)</u>	<u>(5,941,494)</u>
Deficit, end of the period	<u>\$ (6,750,258)</u>	<u>\$ (5,984,860)</u>
Basic and diluted loss per share	<u>\$ (0.03)</u>	<u>\$ (0.02)</u>
Weighted average number of shares outstanding	<u>9,268,962</u>	<u>2,060,364</u>

SEE ACCOMPANYING NOTES

AMANTA RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the three months ended May 31, 2005 and May 31, 2004
(Stated in Canadian Dollars)
Prepared Without Audit

	Three months May 31, <u>2005</u>	Three months May 31, <u>2004</u>
Operating Activities		
Net loss for the period	\$ (319,342)	\$ (43,366)
Add items not involving cash:		
Amortization	575	24
Stock-based compensation	<u>209,000</u>	<u>-</u>
	(109,767)	(43,342)
Changes in non-cash working capital items:		
Other receivables	205	-
GST receivable	(2,609)	(1,629)
Prepaid expense	(2,928)	-
Accounts payable and accrued liabilities	<u>(114,615)</u>	<u>(29,519)</u>
	<u>(229,714)</u>	<u>(74,490)</u>
Investing Activities		
Capital asset additions	(72,219)	-
Exploration advance	71,601	-
Mineral property costs	<u>(486,484)</u>	<u>(31,399)</u>
	<u>(487,102)</u>	<u>(31,399)</u>
Financing Activities		
Issuance of common shares	2,000	-
Agency commission and expenses	(6,677)	-
Share subscriptions	<u>(2,000)</u>	<u>30,000</u>
	<u>(6,677)</u>	<u>30,000</u>
(Decrease) in cash during the period	(723,493)	(75,889)
Cash and cash equivalents, beginning of the period	<u>2,266,661</u>	<u>281,665</u>
Cash and cash equivalents, end of the period	<u>\$ 1,543,168</u>	<u>\$ 205,776</u>
Cash and cash equivalents consist of:		
Cash	\$ 1,543,168	\$ 55,776
Term deposit	<u>-</u>	<u>150,000</u>
	<u>\$ 1,543,168</u>	<u>\$ 205,776</u>
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Non-cash Transactions – Note 8		

SEE ACCOMPANYING NOTES

AMANTA RESOURCES LTD.
SCHEDULE OF RESOURCE PROPERTIES
for the three months ended May 31, 2005 and May 31, 2004
(Stated in Canadian Dollars)
Prepared without audit

	Three months May 31, <u>2005</u>	Three months May 31, <u>2004</u>
Deferred Acquisition cost, beginning of period	\$ 119,360	\$ 101,510
Doi Ngom property	123,460	-
	<u>242,820</u>	<u>101,510</u>
 Deferred Exploration Costs		
Langu, Thailand		
Assay and Sampling	29,665	-
Geological fees	100,523	6,362
Supplies and field administration	43,162	10,616
Travel and accommodation	76,022	8,811
Tunneling and mobilization	87,025	-
Wages	26,627	5,610
	<u>363,024</u>	<u>31,399</u>
Deferred exploration , beginning of period	<u>718,320</u>	<u>220,208</u>
	<u>1,081,344</u>	<u>251,607</u>
Deposit Performance bonds, beginning of period	28,611	-
	<u>\$ 1,352,775</u>	<u>\$ 353,117</u>

SEE ACCOMPANYING NOTES

AMANTA RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
May 31, 2005 and May 31, 2004
(Stated in Canadian Dollars)
Prepared Without Audit

Note 1 Nature and Continuance of Operations

The Company is a development stage public company listed on the TSX Venture Exchange ("TSX") and is in the business of acquiring, exploring and evaluating mineral properties, and either developing these properties further or disposing of them when the evaluation is completed. At May 31, 2005, the Company held mineral property interests located in Thailand.

The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing to complete their development, and future profitable production or disposition thereof.

These consolidated financial statements have been prepared on a going concern basis. As at May 31, 2005, the Company had not achieved profitable operations and has accumulated losses totalling \$6,750,258 since inception. Its ability to continue as a going concern is dependent upon the ability of the Company 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. The outcome of these matters cannot be predicted with any certainty at this time and raise substantial doubt that the Company will be able to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

During the year ended February 28, 2005, the Company was dissolved in the State of Wyoming, USA and was continued in British Columbia.

Note 2 Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles as established in Canada and are stated in Canadian dollars. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involved the use of estimates that have been made using careful judgement. Actual results may vary from these estimates.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Note 2 Significant Accounting Policies – (cont'd)

a) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its 100% owned inactive subsidiary, Adnet, USA LLC. All intercompany transactions have been eliminated.

b) Cash and Cash Equivalents

Cash and cash equivalents consist of all highly liquid investments that are readily convertible to cash and have maturities of three months or less when purchased.

c) Equipment and Amortization

Equipment is recorded at cost. Amortization is provided over their useful life using the declining balance method at the following rates:

Computer equipment	30%
Office equipment	20%
Leasehold improvement	3 year straight line

d) Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing loss for the year by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities are exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the “if converted” method. Fully diluted amounts are not presented when the effect of the computations are antidilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

e) Foreign Currency Translation

i) Translation of foreign transactions

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the balance sheet date and non-monetary items are transmitted at exchange rates prevailing when the assets were acquired or liabilities incurred. Income and expense items are translated at the exchange rates prevailing on the date of the transaction. Resulting exchange gains or losses are included in income.

Note 2 Significant Accounting Policies – (cont'd)

e) Foreign Currency Translation – (cont'd)

ii) Translation of foreign operations

Adnet USA LLC is an integrated foreign subsidiary. Their financial statements are translated using the temporal method. Under this method, monetary assets are translated at the exchange rates prevailing at the balance sheet date, non-monetary assets are translated at exchange rates prevailing when the assets were acquired or liabilities incurred and income and expense items are translated at the exchange rates prevailing on the date of the transaction.

f) Financial Instruments

The carrying value of cash and cash equivalents, other receivables, accounts payable and accrued liabilities and due to related parties approximates fair value because of the short maturity of those instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

g) Income Taxes

The Company has adopted the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes only if it is more likely-than-not that they can be realized.

h) Mineral Properties

The Company defers the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Costs of producing properties will be amortized on a unit of production basis and costs of abandoned properties are written-off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

Note 2 Significant Accounting Policies – (cont'd)

i) Mineral Properties – (cont'd)

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying value of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

j) Environmental Costs

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

k) Stock-based Compensation

Canadian generally accepted accounting principles require the fair value of all share purchase options to be expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's share purchase options.

Note 3 Equipment

	May 31, 2005		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Computer equipment	\$ 12,647	\$ 1,046	\$ 11,601
Office equipment	34,085	5,842	28,243
Leasehold improvements	<u>36,331</u>	<u>33</u>	<u>36,298</u>
	<u>\$ 83,063</u>	<u>\$ 6,921</u>	<u>\$ 76,142</u>
	May 31, 2004		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Office equipment	<u>\$ 6,047</u>	<u>\$ 5,603</u>	<u>\$ 444</u>

Note 4 Mineral Properties – Notes 5, 8 and Schedule 1

Langu and Arun Claims, Thailand

a) Langu

By an agreement dated July 23, 2002 and amended April 30, 2003, the Company agreed to acquire 100% of the licences to a gold prospect property, (“Langu”) comprised of 2,500 hectares of land in the Satun Province, Southern Thailand for US\$50,000 (paid) and the reimbursement of up to US\$125,000 (paid) in exploration costs and other obligations related to the licenses as advanced by the vendor. The Company also agreed, subject to closing of the agreement, to fund a two phase work program on the licenses, for a total cost of approximately US\$358,400. This property is subject to a 2% net smelter royalty payable to the vendor of the property.

Note 4 Mineral Properties – Notes 5, 8 and Schedule 1 – (cont'd)

b) Arun

By an agreement dated December 30, 2002 and amended April 30, 2003, the Company agreed to purchase the right to acquire the exploration and development rights to 100% of the gold prospect property (“Arun”) comprised of 15.4 hectares of land in the Satun Province, Southern Thailand for 500,000 Baht (paid, (\$17,065)) plus four annual payments of 500,000 Baht (500,000 Baht paid, (\$19,735)). \$16,115 (500,000 Baht) has been paid at May 31, 2005. This agreement is subject to a 2% net smelter royalty payable to the vendor of the property.

At May 31, 2005, the Company has exploration advances outstanding totalling \$8,589. This amount was used for exploration costs incurred subsequent to May 31, 2005.

c) Doi Ngom

By a memorandum of understanding dated August 31, 2004 and amended December 30, 2004, the Company was granted an option to acquire a 100% interest in the exploration and development rights of a multi-commodity mineral property in the Phrae Province in Northern Thailand for consideration of US\$100,000 (paid \$123,460). Under the terms of the option, the Company is required to complete a three phase exploration and development program. Phases 1 and 2, including a pre-feasibility study, are to be completed by June 29, 2006. Phase 3, including a full feasibility study, is to be completed by June 29, 2008. Upon completion of the feasibility study, the Company will have six months to reach a decision on the economic and technical feasibility of the mine which, if approved, will require a US\$250,000 payment. This agreement is also subject to a 5% carried interest in the mining operation and a 1% net smelter royalty on any mineral production.

Note 5 Related Party Transactions – Notes 6 and 8

- a) The Company incurred the following amounts charged by directors of the Company, officers of the Company, companies controlled by directors of the Company and a former director of the Company:

	Three months ended	
	May 31, <u>2005</u>	May 31, <u>2004</u>
Accounting fees	\$ -	\$ 963
Consulting fees	25,500	7,500
Directors fees	60,000	-
Mineral property deferred exploration costs:		
Field administration	4,658	-
Geological fees	85,970	-
Travel	48,862	-
Wages	<u>19,489</u>	<u>-</u>
	<u>\$ 244,479</u>	<u>\$ 8,463</u>

The charges were measured by the exchange amount which is the amount agreed upon by the transacting parties.

- b) The exploration advance of \$8,589(2004: \$Nil) was paid to a company with a common director.

Accounts payable at May 31, 2005 includes \$Nil (May 31, 2004: \$35,327) due to a Company controlled by a director of the Company and directors and officers of the Company in respect to unpaid fees. There was also \$Nil (May 31, 2004: \$234,967) owing to a company with a common director in respect to mineral property costs.

- c) The Company entered into management contracts dated March 1, 2005, with one director of the Company and two companies controlled by directors of the Company for a three year period ending February 28, 2007 for management services at an aggregate cost of \$39,750 per month.

Note 6 Share Capital

a) Authorized:

50,000,000 common shares without par value

b) Issued:

	<u>Number</u>	<u>Amount</u>
Balance, February 28, 2005	22,841,722	\$ 9,201,886
For cash:		
Pursuant to exercise of warrants - at \$0.20	10,000	2,000
Less: share issue costs	=	<u>(6,677)</u>
Balance, May 31, 2005	<u>22,851,722</u>	<u>\$ 9,197,209</u>

c) Commitments:

Stock-based Compensation Plan

The Company has granted common share purchase options. These options are granted with an exercise price equal to the discounted market price of the Company's shares on the date of the grant. The options vest when granted except for options granted to consultants for investor relations which vest 25% upon granting and 25% every three months thereafter. The maximum number of options outstanding is limited to 10% of the total shares issued and outstanding.

During the three months period ended May 31, 2005, the fair value of the share purchase options granted was \$209,000, which was expensed as stock-based compensation.

Assumptions used for the Black-Scholes model are as follows:

	<u>2005</u>	<u>2004</u>
Weighted average fair value of options granted	\$0.30	-
Expected dividend yield	0.0%	-
Expected volatility	63%	-
Risk-free interest rate	2.78%	-
Expected term in years	5	-

Note 6 Share Capital – (cont'd)

c) Commitments – (cont'd)

Stock-based Compensation Plan – (cont'd)

A summary of the stock options granted is presented below:

	Three Months ended May 31, 2005		Three Months ended May 31, 2004	
	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding, beginning of period	1,300,000	\$0.21	-	-
Granted	950,000	\$0.30	-	-
Cancelled/expensed	-	-	-	-
Exercised	<u>-</u>	-	<u>-</u>	-
Outstanding and exercisable, end of period	<u>2,250,000</u>	\$0.25	<u>-</u>	-

At May 31, 2005 there were 2,250,000 share purchase options outstanding, exercisable into 2,250,000 common shares. 1,300,000 of these options are exercisable at \$0.21 until August 10, 2009 and 950,000 are exercisable at \$0.30 until April 06, 2010.

Share Purchase Warrants

As at May 31, 2005, there were 15,228,428 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

<u>Number of of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
9,815,000	\$0.20	June 25, 2006
4,666,749	\$0.45	February 28, 2007
<u>746,679</u>	\$0.30	February 28, 2007
<u>15,228,428</u>		

Note 6 Share Capital – (cont'd)

d) Escrow:

At May 31, 2005, 5,379,645 (2004: Nil) common shares are held in escrow by the Company's transfer agent. A total of 1,075,929 common shares are to be released every six months until all escrowed shares have been released.

Note 7 Income Taxes

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	<u>2005</u>	<u>2004</u>
Future income tax assets:		
Net tax non-capital losses carried forward	\$ 306,627	\$ 288,639
Capital losses	190,448	190,448
Amortization	(299)	(46)
Valuation allowance for future income tax assets	<u>(496,776)</u>	<u>(479,041)</u>
Net future income tax assets	<u>\$ -</u>	<u>\$ -</u>

Management considers it more-likely-than-not that the amounts will not be utilized and accordingly a full valuation allowance has been applied.

The Company has accumulated capital losses of \$488,328 and non-capital losses totalling \$786,222 that can be utilized to offset taxable income of future years. The capital losses are available indefinitely and the non-capital losses expire as follows:

2006	\$ 96,097
2007	115,220
2008	84,074
2009	66,628
2010	91,621
2011	155,927
2015	<u>176,655</u>
	<u>\$ 786,222</u>

Note 8 Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the cash flow statements.