

**CONSOLIDATED PUMA MINERALS CORP.**

**CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended June 30, 2006

**CONSOLIDATED PUMA MINERALS CORP.**

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**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of 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 these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

# CONSOLIDATED PUMA MINERALS CORP.

## CONSOLIDATED BALANCE SHEETS

(Expressed in Canadian dollars)  
(Unaudited)

	As at June 30 2006	As at December 31 2005
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 7,319,879	\$ 11,503,644
Accounts receivable	22,830	10,885
	<b>7,342,709</b>	<b>11,514,529</b>
<b>Long-term</b>		
Prepaid resource property costs	439,740	269,564
Resource property (Note 2)	14,458,227	12,735,378
	<b>14,897,967</b>	<b>13,004,942</b>
	<b>\$ 22,240,676</b>	<b>\$ 24,519,471</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 224,820	\$ 181,551
Notes payable to Bema Gold Corporation (Note 4)	-	2,341,000
	<b>224,820</b>	<b>2,522,551</b>
<b>Long-term</b>		
Notes payable to Bema Gold Corporation (Note 4)	1,915,957	1,964,212
Future income tax liabilities	840,894	837,854
	<b>2,756,851</b>	<b>2,802,066</b>
	<b>2,981,671</b>	<b>5,324,617</b>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Capital stock (Note 5)</b>		
<b>Authorized</b>		
Unlimited number of common shares, without par value		
<b>Issued</b>		
45,467,154 common shares (December 31, 2005 – 45,282,154)	37,022,095	36,936,428
<b>Value assigned to share purchase warrants and stock options (Note 5)</b>	<b>2,573,827</b>	<b>1,742,365</b>
<b>Deficit</b>	<b>(20,336,917)</b>	<b>(19,483,939)</b>
	<b>19,259,005</b>	<b>19,194,854</b>
	<b>\$ 22,240,676</b>	<b>\$ 24,519,471</b>

Approved by the Board           “Roger Richer”           Director           “Stephen Kay”           Director

(See accompanying notes to consolidated financial statements)

**CONSOLIDATED PUMA MINERALS CORP.**

**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT  
FOR THE PERIODS ENDED JUNE 30**

(Expressed in Canadian dollars)

(Unaudited)

	Second Quarter		Six Months	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<b>Expenses</b>				
Interest and bank charges	\$ 50,849	\$ 67,349	\$ 100,365	\$ 120,455
Office and administration	23,293	27,755	43,527	61,681
Audit and tax consulting	24,247	32,075	34,831	44,897
Shareholder information	20,579	14,176	25,584	22,722
Accounting	10,323	10,904	20,645	27,557
Legal	8,766	6,476	15,714	6,688
Management fees	7,500	7,500	15,000	15,000
Rent and utilities	7,200	7,200	14,400	14,400
Listing and filing fees	954	997	9,454	5,973
Transfer agent	2,708	3,864	4,829	5,451
	<hr/> 156,419	<hr/> 178,296	<hr/> 284,349	<hr/> 324,824
<b>Loss before the following</b>	<b>156,419</b>	<b>178,296</b>	<b>284,349</b>	<b>324,824</b>
Stock-based compensation (Note 5)	837,402	-	837,402	-
Interest income	(74,668)	(126)	(149,051)	(3,340)
Foreign exchange (gain)/ loss	(111,261)	25,029	(119,722)	41,682
	<hr/> 807,892	<hr/> 203,199	<hr/> 852,978	<hr/> 363,166
<b>Loss for the period</b>	<b>807,892</b>	<b>203,199</b>	<b>852,978</b>	<b>363,166</b>
<b>Deficit, beginning of period</b>	<b>19,529,025</b>	<b>19,152,448</b>	<b>19,483,939</b>	<b>18,992,481</b>
	<hr/> \$ 20,336,917	<hr/> \$ 19,355,647	<hr/> \$ 20,336,917	<hr/> \$ 19,355,647
<b>Deficit, end of period</b>	<b>\$ 20,336,917</b>	<b>\$ 19,355,647</b>	<b>\$ 20,336,917</b>	<b>\$ 19,355,647</b>
<b>Basic and diluted loss per common share</b>	<hr/> \$ 0.018	<hr/> \$ 0.006	<hr/> \$ 0.019	<hr/> \$ 0.011
<b>Weighted average number of common shares outstanding</b>	<hr/> 45,423,296	<hr/> 32,822,846	<hr/> 45,353,192	<hr/> 32,785,588

(See accompanying notes to consolidated financial statements)

**CONSOLIDATED PUMA MINERALS CORP.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIODS ENDED JUNE 30**

(Expressed in Canadian dollars)

(Unaudited)

	Second Quarter		Six Months	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<b>Operating activities</b>				
Loss for the period	\$ (807,892)	\$ (203,199)	\$ (852,978)	\$ (363,166)
Non-cash charges (credits)				
Accrued interest expense	45,319	65,967	93,020	116,622
Stock-based compensation	837,402	-	837,402	-
Foreign exchange loss/(gain) on notes payable to Bema Gold Corporation	(87,059)	24,655	(140,126)	41,260
Changes in non-cash working capital	(57,251)	35,044	31,324	(90,842)
	<u>(69,481)</u>	<u>(77,533)</u>	<u>(31,358)</u>	<u>(296,126)</u>
<b>Financing activities</b>				
Common shares issued on exercise of stock options and share purchase warrants, net of issue costs	88,500	-	88,500	-
Notes payable to Bema Gold Corporation	-	786,562	(2,342,149)	924,399
Share issue costs	(802)	-	(8,773)	(535)
	<u>87,698</u>	<u>786,562</u>	<u>(2,262,422)</u>	<u>923,864</u>
<b>Investing activities</b>				
Prepaid resource property costs	69,487	-	(170,176)	-
Resource property	(863,800)	(683,475)	(1,719,809)	(1,582,993)
	<u>(794,313)</u>	<u>(683,475)</u>	<u>(1,889,985)</u>	<u>(1,582,993)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(776,096)</b>	<b>25,554</b>	<b>(4,183,765)</b>	<b>(955,255)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>8,095,975</b>	<b>136,889</b>	<b>11,503,644</b>	<b>1,117,698</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 7,319,879</b>	<b>\$ 162,443</b>	<b>\$ 7,319,879</b>	<b>\$ 162,443</b>

Supplementary cash flow information (Note 3)

(See accompanying notes to consolidated financial statements)

# CONSOLIDATED PUMA MINERALS CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2006

(Expressed in Canadian dollars)  
(Unaudited)

### 1 Nature of operations

These interim financial statements do not contain all the information required for annual financial statements and should be read in conjunction with the most recent annual financial statements of the Company. These financial statements follow the same accounting policies and methods of application as the most recent annual financial statements of the Company. Certain of the prior period's comparative figures have been reclassified to conform with the presentation adopted for the current period.

The Company in association with Bema Gold Corporation ("Bema"), its principal shareholder (39%), is engaged in the acquisition, evaluation and development of mineral properties. To date, the Company has not realized any revenues from its properties and is considered to be an exploration stage company. Bema provides management, administrative and technical services, including all geological assessments, to the Company. Accordingly, the Company is operationally dependent on Bema to render such services (Note 4).

### 2 Resource property

	East Pansky Property	
	Six Months Ended June 30 2006	Year Ended December 31 2005
Balance at beginning of period	\$ 12,735,378	\$ 10,415,312
Expenditures incurred during the period:		
Acquisition costs	-	147,310
Administration	401,307	510,099
Consulting	39,853	202,794
Drilling	719,665	403,917
Field support	66,772	115,136
Future income tax expense *	3,040	66,012
Geochemistry	184,168	510,415
Geology	102,237	138,819
Geophysics	-	-
Value added tax	205,807	225,564
	<b>1,722,849</b>	<b>2,320,066</b>
Balance at end of period	\$ 14,458,227	\$ 12,735,378

\* For certain acquisition payments of mineral property interests, the Company records a future income tax liability and a corresponding adjustment to the related asset carrying amount.

**CONSOLIDATED PUMA MINERALS CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2006**

(Expressed in Canadian dollars)  
(Unaudited)

**3 Supplementary cash flow information**

Supplementary disclosure of cash flow information is provided in the table below:

	Second Quarter		Six Months	
	2006	2005	2006	2005
Non-cash investing and financing activities				
Future income tax expense relating to resource property expenditures	\$ 3,040	\$ 25,360	\$ 3,040	\$ 25,360
Common shares issued for property	\$ -	\$ -	\$ -	\$ 124,090

**4 Related party transactions**

During the six months ended June 30, 2006 and 2005, in addition to those disclosed elsewhere in the financial statements, the Company had the following transactions and balances with Bema:

	2006	2005
<b>Statement of Operations</b>		
Interest expense on notes payable	\$ 93,020	\$ 116,622
Office and administration	29,206	38,708
Accounting	20,645	26,975
Management fees	15,000	15,000
Rent and utilities	14,400	14,400
Shareholder information	5,637	8,755
	<b>\$ 177,908</b>	<b>\$ 220,460</b>
	<b>As at June 30 2006</b>	<b>As at December 31 2005</b>
<b>Balance Sheet</b>		
Accounts payable	\$ 60,032	\$ -
Project management and field work on resource property	\$ 824	\$ 6,954

The notes payable represent advances from Bema, including accrued interest, and bear interest at the prime lending rate plus 2%, payable on demand after June 30, 2007. On January 9, 2006, the Company repaid \$2,342,149 (US\$2 million) of its notes payable to Bema, including full repayment of the Canadian dollar note in the amount of \$565,315. As at June 30, 2006, the Company had a remaining note payable to Bema in the amount of \$1,915,957, which is all denominated in US dollars (US\$1,716,499).

## CONSOLIDATED PUMA MINERALS CORP.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2006

(Expressed in Canadian dollars)  
(Unaudited)

#### 5 Share capital

	Six Months Ended June 30, 2006		Year Ended December 31, 2005	
	Shares	Amount	Shares	Amount
Balance, beginning of period	45,282,154	\$ 36,936,428	32,693,161	\$ 26,961,202
Issued during the period				
For cash on exercise of stock options	180,000	81,000	-	-
For cash on exercise of share purchase warrants	5,000	7,500	-	-
For cash, net of fair value assigned to share purchase warrants issued under the units offering	-	-	12,330,000	10,595,603
For finders' fee	-	-	258,993	241,760
Transfer of fair value of stock-based compensation to share capital upon exercise of stock options	-	5,940	-	-
Share issuance costs	-	(8,773)	-	(862,137)
Balance, end of period	45,467,154	\$ 37,022,095	45,282,154	\$ 36,936,428

#### Stock options

On April 18, 2006, the Company granted 2,740,000 incentive stock options with an exercise price of \$1.75 per option to directors, officers, and employees of the Company. The stock options have a term of five years and expire on April 18, 2011. The fair value of these options totalling \$2,441,009 will be recognized over the vesting periods, of which \$837,402 has been recognized as at June 30, 2006. The fair value of these options was estimated at \$0.89 per option at the grant date using the Black-Scholes option pricing model based on a risk-free annual interest rate of 3.25%, an expected life of three years, an expected volatility of 75%, and a dividend yield rate of nil.

**CONSOLIDATED PUMA MINERALS CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2006**

*(Expressed in Canadian dollars)*

*(Unaudited)*

Changes in the value assigned to stock options and share purchase warrants, as presented on the balance sheet, are provided in the table below:

	<b>Six Months Ended June 30 2006</b>	Year Ended December 31 2005
Balance, beginning of the period	<b>\$ 1,742,365</b>	\$ 59,515
Stock-based compensation	<b>837,402</b>	-
Transfer of fair value of stock-based compensation to share capital upon exercise of stock options	<b>(5,940)</b>	-
Fair value of share purchase warrants issued under the units offering	-	1,734,397
Fair value of share purchase warrants issued for finder's fee	-	86,720
Issuance costs relating to units offering	-	(138,267)
Balance, end of the period	<b>\$ 2,573,827</b>	\$ 1,742,365