

BRALORNE GOLD MINES LTD.

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Q2 INTERIM FINANCIAL STATEMENTS

FOR PERIOD ENDING JULY 31, 2005

Shares Traded

TSX Venture Exchange

Symbol: BPM

OTCPK

Symbol: BPMSF

Frankfurt/Berlin-Bremen

WKN A0B75M

Directors and Officers

Louis Wolfin, Director and Chief Executive Officer

William G. Kocken, Director & President

Lloyd Andrews, Director & Chairman

David Wolfin, Director & VP Finance

Matt Wayrynen, Director & VP Operations

William Glasier, Director

Florian Riedl-Riedenstein, Director

Howard Lonsdale, Director

Gary Robertson, Director

Connie Lillico, Secretary

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 the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

BRALORNE GOLD MINES LTD.

Balance Sheets

(Prepared by Management)

As at	July 31, 2005	January 31, 2005
	\$ (Unaudited)	\$ (Audited)
ASSETS		
Current		
Cash and cash equivalents	1,128,904	602,274
Accounts receivable and prepaid expenses	25,162	130,505
Inventory	84,025	160,176
Taxes recoverable	79,715	97,442
Share subscription receivable	32,400	16,400
	1,350,206	1,006,797
Due from related parties (Note 6(c))	8,666	8,916
Mineral property (Note 4)	13,821,708	10,714,762
Equipment	35,255	39,562
Restricted cash	115,000	115,000
	15,330,835	11,885,037
LIABILITIES		
Current		
Accounts payable and accrued liabilities	198,524	659,944
Due to related parties (Note 6(d))	48,988	83,929
	247,512	743,873
Site restoration obligation	115,000	115,000
	362,512	858,873
SHARE CAPITAL AND DEFICIT		
Share subscriptions received in advance	-	1,102,025
Share capital (Note 5(b))	21,415,766	15,971,088
Contributed surplus	2,504,453	2,405,253
Deficit	(8,951,896)	(8,452,202)
	14,968,323	11,026,164
	15,330,835	11,885,037

NOTE 1 – NATURE OF OPERATIONS

Approved by the Directors:

“Louis Wolfin” Director“William Kocken” Director

BRALORNE GOLD MINES LTD.
Interim Statements of Operations and Deficit
(Unaudited – Prepared by Management)

	Three Months ended July 31,		Six Months ended July 31,	
	2005	2004	2005	2004
	\$	\$	\$	\$
General and administrative expenses				
Administration services	6,390	3,757	11,553	6,579
Amortization	2,090	1,371	4,308	2,122
Automobile expense	3,738	6,262	8,545	7,977
Consulting	28,352	16,625	38,352	31,625
Interest	703	291	769	291
Listings and filing fees	4,150	9,610	39,510	14,732
Office, occupancy and miscellaneous	29,864	12,411	66,598	18,638
Professional fees	31,125	23,367	49,399	43,697
Salaries and benefits	20,003	21,333	46,576	42,982
Shareholder information	59,600	21,227	92,911	48,029
Stock-based compensation	-	-	99,200	32,780
Transfer fees	4,053	3,708	6,131	8,648
Travel and accommodation	28,631	40,252	47,147	96,217
	218,699	160,214	510,999	354,317
Operating loss	(218,699)	(160,214)	(510,999)	(354,317)
Other income				
Interest income	7,692	17,425	10,865	39,778
Foreign exchange gain	-	-	440	15,298
Loss for the period	(211,007)	(142,789)	(499,694)	(299,241)
Deficit, beginning of period	(8,740,889)	(7,891,220)	(8,452,202)	(7,734,768)
Deficit, end of period	(8,951,896)	(8,034,009)	(8,951,896)	(8,034,009)
Loss per share	\$(0.03)	\$(0.03)	\$(0.08)	\$(0.06)
Weighted average number of common shares outstanding	7,686,024	5,427,432	6,617,590	5,371,614

BRALORNE GOLD MINES LTD.
Interim Statements of Cash Flows
(Unaudited – Prepared by Management)

	Three Months ended July 31,		Six Months ended July 31,	
	2005	2004	2005	2004
	\$	\$	\$	\$
Cash flows from (used in) operating activities				
Loss for the period	(211,007)	(142,789)	(499,694)	(299,241)
Items not requiring cash in the period:				
Amortization	2,090	1,371	4,308	2,122
Stock-based compensation expense	-	-	99,200	32,780
	(208,917)	(141,418)	(396,186)	(264,339)
Changes in non-cash working capital:				
Accounts receivable	10,165	102,307	105,343	39,804
Inventory	-	-	76,151	-
Taxes recoverable	(7,912)	-	17,727	-
Share subscription receivable	-	7,000	(16,000)	12,000
Accounts payable and accrued liabilities	(453,295)	58,810	(461,420)	21,214
	(659,959)	26,699	(674,385)	(191,321)
Cash flows used in investing activities				
Deferred exploration expenditures	(1,535,430)	(1,263,394)	(3,001,289)	(2,383,507)
Mine and plant buildings and equipment	(181,299)	(26,111)	(189,682)	(31,077)
Gold sales prior to commencement of commercial production	-	-	84,025	-
	(1,716,729)	(1,289,505)	(3,106,946)	(2,414,584)
Cash flows from (used in) financing activities				
Share subscriptions receivable	-	(1,002,430)	(1,102,025)	(799,108)
Funds advanced to related parties, net	(39,301)	(25,887)	(34,692)	(53,748)
Issuance of common shares	10,000	1,121,913	5,444,678	2,349,680
	(29,301)	93,596	4,307,961	1,496,824
Increase (decrease) in cash and cash equivalents	(2,405,989)	(1,169,210)	526,630	(1,109,081)
Cash and cash equivalents, beginning of period	3,534,893	4,150,715	602,274	4,090,586
Cash and cash equivalents, end of period	1,128,904	2,981,505	1,128,904	2,981,505

BRALORNE GOLD MINES LTD.

Notes to Interim Financial Statements

July 31, 2005

(Unaudited – Prepared by Management)

1. Nature of Operations

Bralorne Gold Mines Ltd. ("Bralorne"), formerly Bralorne-Pioneer Gold Mines Ltd. is incorporated under the laws of the Province of British Columbia. The Company is a development stage enterprise owning a 100% interest in a mineral property in British Columbia, Canada. It is in the process of developing its mineral property interest and has not yet determined whether this property contains ore reserves that are economically recoverable. At July 31, 2005 the Company is continuing with its bulk sample testing, and accordingly defers all costs incurred, net of recoveries, during this stage in its development.

The recoverability of amounts shown for its mineral property interest and related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's legal interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete development and future profitable production or proceeds from the disposition of its mineral property interests.

The Company has positive working capital of \$1,102,694 at July 31, 2005. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company's ability to maintain its existence is dependent upon its success in obtaining new equity until such time as a self-sustaining level of production is attained. Realization values may be substantially different from carrying values, as show in the financial statements, should the Company be unable to continue as a going concern.

2. Basis of Presentation

These unaudited interim financial statements have been prepared in accordance with the instructions for the preparation of such financial statements contained in the CICA Handbook Section 1751. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such instructions. These unaudited interim financial statements should be read in conjunction with the audited financial statements and accompanying notes thereto for the fiscal year ended January 31, 2005. These interim financial statements have not been reviewed by an auditor.

In the opinion of the Company's management, all adjustments considered necessary for a fair presentation of these unaudited financial statements have been included and all such adjustments are of a normal recurring nature. Operating results for the six month period ended July 31, 2005 are not necessarily indicative of the results that can be expected for the year ended January 31, 2006.

3. Comparative figures

Certain of the comparative figures for 2004 have been reclassified, where applicable, to confirm to the presentation adopted for the current year.

BRALORNE GOLD MINES LTD.

Notes to Interim Financial Statements

July 31, 2005

(Unaudited – Prepared by Management)

4. Mineral Properties

At July 31, 2005 the Company continues its bulk sample testing from its Bralorne Property. The Company will defer all costs incurred, net of recoveries during the bulk sampling stage.

The following is a summary of mineral property expenditures for the Bralorne Property for the six months ended July 31, 2005:

Mineral property as at January 31, 2005	<u>\$ 10,714,762</u>
Mine and plant building and equipment	181,299
Assays	134,544
Camp operations	112,630
Field office	51,244
General exploration	945,430
Mine power	52,904
Mill operating	149,888
Underground exploration and mill-feed	1,545,599
Tailings pond	4,636
Taxes & permits	<u>12,797</u>
 Increase in deferred expenditures	 3,190,971
 Deduct: concentrate and gold dore sales	 <u>(84,025)</u>
 Mineral property as at July 31, 2005	 <u>\$ 13,821,708</u>

5. Share Capital

(a) Authorized Unlimited common shares without par value

(b) Issued

	<u>Shares</u>	<u>Amount</u>
Balance, January 31, 2005	5,537,122	\$ 15,971,088
For cash:		
Private placements, net of share issuance costs of \$384,447	2,132,736	5,410,678
Exercise of warrants	-	-
Exercise of stock options	<u>12,000</u>	<u>24,000</u>
Balance, April 30, 2005	7,681,858	21,405,766
For cash:		
Exercise of stock options	<u>5,000</u>	<u>10,000</u>
Balance, July 31, 2005	<u>7,686,858</u>	<u>\$ 21,415,766</u>

5. Share Capital (continued)

(c) Private Placements

During the period the Company completed a non-brokered private placement of 625,041 units at a price of \$3.00 per unit. Each non-flow-through unit comprised one common share and one non-transferable share purchase warrant to purchase one common share at \$3.25 until February 8, 2007. Each flow-through unit comprised one common share and one non-transferable share purchase warrant to purchase half of one common share at \$3.25 until February 8, 2007. In connection with this offering, the Company paid cash of \$103,047 as Finders' fees.

During the period the Company completed a non-brokered private placement of 1,000,000 units at a price of \$2.60 per unit. Each unit comprised one common share and one non-transferable share purchase warrant to purchase one common share at \$3.00 until April 26, 2010. In connection with this offering, the Company paid cash of \$195,000 as Finders' fees.

During the period the Company completed a non-brokered private placement of 507,695 units at a price of \$2.60 per unit. Each non-flow-through unit comprised one common share and one non-transferable share purchase warrant to purchase one common share at \$3.00 until April 26, 2010. Each flow-through unit comprised one common share and one non-transferable share purchase warrant to purchase half of one common share at \$3.00 until April 26, 2010. In connection with this offering, the Company paid cash of \$83,400 as Finders' fees.

(d) As at July 31, 2005, the following share purchase warrants were outstanding:

Number of Underlying Shares	Exercise Price	Expiry Date
389,887	\$3.70	November 10, 2005
100,000	\$3.75	November 28, 2005
750,935	\$5.50	December 15, 2005
152,300	\$8.30	January 9, 2006
143,400	\$8.60	May 4, 2006
505,284	\$3.25	February 8, 2007
475,962	\$3.00	April 26, 2010
<u>1,000,000</u>	<u>\$3.00</u>	<u>April 26, 2010</u>
 <u>3,517,768</u>		

During the period the expiry date of the warrants expiring April 26, 2007 was extended to April 26, 2010.

BRALORNE GOLD MINES LTD.

Notes to Interim Financial Statements

July 31, 2005

(Unaudited – Prepared by Management)

5. Share Capital (continued)

- (e) During the three months ended April 30, 2005, the Company granted 52,000 stock options to directors, officers and employees of the Company at an exercise price of \$3.00 per share. These stock options vested immediately and expire over 5 years. The Company recorded a total of \$99,200 for stock based compensation expense in the period. During the three months ended July 31, 2005, there were no stock options granted by the Company.

A summary of the stock options granted and exercised at the period ended July 31, 2005 is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, January 31, 2005	575,500	\$4.33
Granted	52,000	3.00
Exercised	(12,000)	2.00
Cancelled	(89,500)	4.44
Balance, April 30, 2005	526,000	\$4.26
Exercised	(5,000)	2.00
Balance, July 31, 2005	521,000	\$4.28

The fair value of each option granted has been estimated as of the date of the grant using the Black-Scholes option pricing model with the following assumptions: risk-interest rate of 3.0%, dividend yield 0%, volatility of 97.64% and expected lives of 3 years. A summary of weighted average fair value of stock options granted at the period ended April 30, 2005 is as follows:

	Weighted Average Exercise Price	Weighted Average Fair Value
Stock options granted	\$ 3.00	\$1.94

A summary of stock options outstanding and exercisable at the period ended July 31, 2005 is as follows:

Range of Exercise Prices	Number Outstanding	Weight Average Remaining Contractual Life (yr)	Weighted Average Exercise Price
\$2.01 - \$3.00	158,500	3.06	\$2.38
\$3.01 - \$4.00	75,500	3.43	\$3.29
\$4.01 - \$5.00	-	-	-
\$5.01 - \$6.00	287,000	3.47	\$5.59
	521,000	3.34	\$4.28

6. Related Party Transactions

Related party transactions not disclosed elsewhere in these statements are as follows:

- a) During the period ended July 31, 2005, the Company paid, or made provision for the future payment, of the following amounts to related parties:
 - i) \$110,526 for administrative expenses to a private Company beneficially owned by the Company and a number of other public companies related through common Directors;
 - ii) \$30,000 to two private companies controlled by Directors for management fees;
 - iii) \$36,000 to a private company controlled by a Director for general mine management;
 - iv) \$2,500 in fees to a private company controlled by a former Officer for accounting and corporate services.
 - v) \$2,000 to a private company controlled by a Director for consulting services.
- b) The Company was billed \$582,352 in drilling expenses from a private drilling company in which Bralorne has a 20% interest. The remaining 80% interest is owned by public companies having common directors. The drilling company reimbursed Bralorne \$135,131 for supplies, equipment rentals, and administrative expenses incurred.
- c) Due from related parties consists of \$3,146 and \$5,520 from two public companies with common management and common directors.
- d) Due to related parties consists of \$20,380 to a private Company beneficially owned by the Company and a number of other public companies related through common Directors; \$610 to a private company controlled by a Director; and \$27,998 to a company with common management and common directors.

Related party balances are unsecured, due on demand and do not bear interest.

7. Subsequent Event

The Company has entered into a 12 month Investor Relations Agreement with Investor Relations Services Group John Mullen & Partners (“IRS”) to provide investor relations services in Europe. In consideration for the services rendered, the Company has agreed to pay IRS fees totaling \$18,000 plus expenses.

The following discussion and analysis of the operations, results, and financial position of Bralorne Gold Mines Ltd. (the "Company") for the quarter ended July 31, 2005 should be read in conjunction with the July 31, 2005 interim financial statements and the related notes. The effective date of this Management Discussion and Analysis is September 23, 2005. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Forward Looking Statements

Except for historical information, the MD&A may contain forward looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward looking statements.

Business Description

The Company is a natural resource company, primarily engaged in the acquisition, exploration and development of natural resource properties since its inception. The Company's principal business activities for the last eight years has been the exploration and development of certain mineral properties located in the Lillooet Mining District of British Columbia in the Bridge River area near Lillooet, specifically referred to as the Bralorne Gold Mine. The Property includes mineral properties that have produced in the past approximately 4 million ounces of gold over 40 years in the historic Bralorne gold camp of British Columbia.

Geological reports titled "Geological Modeling and Exploration Targeting for the Bralorne-Pioneer Mine Property" dated September 16, 2002, as revised October 10, 2003, prepared by Dr. Matt Ball, PhD., P.Geol. of North Vancouver, B.C. (the "Ball Report (2002)"), and the update report entitled, "Report on the 2002 and 2003 Drilling and Trenching on the Bralorne Pioneer Mine Property", dated October 15, 2003, prepared by David St. Clair Dunn, P.Geol. of Gibsons, B.C. (the "St. Clair Dunn Report") are available at www.sedar.com.

The Property consists of 154 Crown granted mineral claims, ten freehold parcels of land, five reverted Crown granted claims, four located mineral claims and two placer leases that includes the former Bralorne-Pioneer gold mine in the historic Bridge River gold mining camp of southwest British Columbia. The entire Bralorne-Pioneer Mine Property covers approximately 2422 hectares. The Property is located 160 kilometres due north of Vancouver, British Columbia.

The claims comprising a small portion of the Property are subject to an underlying covenant in which the Company is required to pay 1.6385% of Net Smelter Proceeds of Production to Bralorne Resources Limited of Calgary, Alberta. In addition, there is an underlying agreement on 12 specific crown grants that requires the Company to pay to Bralorne Resources Limited of Calgary, Alberta, an amount of fifty cents (\$0.50) per ton of ore produced from these claims, if the ore grade exceeds $\frac{3}{4}$ (0.75) ounce per ton gold.

Business Overview

The Company completed the first phase of sampling on the Bralorne Mine's Peter Zone, where 458 metres of underground development were carried out on two levels. Data from this program is now being compiled and analyzed. Recent development of the Upper Peter produced 3,500 tons of ore grading 0.35 ounces of gold per ton. This material will be shipped to the mill and processed with the next mill start-up. The Bralorne mill operated from March 2004 to May 2005, using material from low grade stockpiles and old tailings dumps. During this period, the mill processed 23,032 tons of ore containing 2,210 ounces of gold.

Limited exploration and development continue at Bralorne, with drilling, sampling and underground work now focusing on the 51B and Taylor zones. The mill remains shut down while this work, along with environmental studies and compliance measures, continues.

612 metres of underground development has been carried out to the 51BFW vein. Mapping and drilling continue on the 51BFW vein, as well.

Bralorne reported that during the commissioning and testing of the mill, 10 dore bars were produced and sold to Technic Canada in Richmond, B.C. together with 222 bags of flotation concentrate. Most of the flotation concentrate bags were shipped to Barrick Goldstrike Mine in Nevada for further processing.

Bralorne continues to convert large amounts of historical and current data to digital format for 3-D modelling. Additionally, an independent engineering firm is preparing a study of current and historical work completed at the project. This report will help guide the next phase of operation and will assist the company in raising further funds. A team of mining, engineering and environmental experts is visiting the project in late July as part of this study.

From August, 2003 to the present, Bralorne has invested more than C\$6 million in capital and operating expenditures to bring the project to its current stage of development. As a result, the facility now includes an operating mill, tailings dam with a five-year design life, assay laboratory, new mine dry, mine equipment (including scoops, ventilation fans, electric air compressors, generators, excavator, dump truck and hydraulic jumbo). In addition, it has allowed the Company to open up three additional headings for the Peter and 51B veins, relocate the powder magazine and install an escape manway for the 800 adit.

Results of Operations

Three months ended July 31, 2005 ("Q2-2006") compared with the three months ended July 31, 2004 ("Q2-2005")

Head office-general and administrative expenses

General and administrative expenses totaled \$218,699 for Q2-2006 compared with \$160,214 for Q2-2005, an increase of \$58,485. This change was due primarily to Q2-2006 increases of \$11,727, \$17,453, \$7,758 and \$38,373 in consulting, office, professional fees and shareholder information costs respectively and offset with decreased in travel costs of \$11,621 and listing and filing fees of \$5,460. The higher office costs were primarily due to property insurance premiums being charged to the Q2-2006 period and not in Q2-2005. To a lesser extent general office costs associated with the cost sharing agreement with Oniva increased due to higher staffing levels and corporate activity in Q2-2006. Significantly higher shareholder information expenses were the result of more promotional efforts to increase company awareness and an investor relations services agreement with Renmark Financial Communications Inc. that took effect in Q1-2006 and ended in Q2-2006. Travel costs were lower in Q2-2006 due to improved cost efficiency in attending trade shows.

Loss for the period

Loss for Q2-2006 was \$211,007 compared with a loss of \$142,789 for Q2-2005, an increase of \$68,218. The primary reasons for the increase are the same as those referred to above for head office and administrative expenses. Also contributing to the higher loss was a decrease of \$9,733 in interest revenue in Q2-2006 due to less cash invested in guaranteed investment certificates. There were no other extraordinary items or stock-based compensation charged in either periods.

Six months ended July 31, 2005 ("YTD-2006") compared with the six months ended July 31, 2004 ("YTD-2005")

Head office-general and administrative expenses

General and administrative expenses totalled \$510,999 for YTD-2006 with a comparative expense of \$354,317 for YTD-2005, an increase of \$156,682. The increase in general and administrative expenses is due primarily to increases of \$24,778, \$47,960 and \$66,420 listing and filing fees, office, occupancy and miscellaneous charges, and stock-based compensation respectively. Office costs were higher for the same reasons noted for Q2-2006, namely insurance premiums and general administrative costs associated with increased staffing levels and corporate activity. Listing and filing fees were substantially higher in YTD-2006 due to private placement fees and fees associated with the upgrading to Tier 1 status on the Toronto Venture Stock Exchange.

Loss for the period

Loss for YTD-2006 was \$499,694 compared with a loss of \$299,241 for YTD-2005, for an increase of \$200,453. The main reasons for the increase in loss for YTD-2006 compared with YTD-2005 are the above noted increased general and administrative expenses of \$156,682, a decrease of \$28,913 in interest income and a decrease of \$14,858 in foreign exchange gains. There were no other extraordinary items recorded in either period.

Summary of Quarterly Results

Period ended	Jul 31 2005	Apr 30 2005	Jan 31 2005	Oct 31 2004	Jul 31 2004	Apr. 30 2004	Jan. 31 2004	Oct. 31 2003
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Net Loss	(211,007)	(288,687)	(126,569)	(291,624)	(142,789)	(123,672)	(2,359,871)	(211,982)
Loss per Share	(0.03)	(0.05)	(0.02)	(0.07)	(0.03)	(0.02)	(0.10)	(0.00)

The general trend has been an increase in overall expenses because of the increase in exploration activities, the start up of the mill in March 2004, the associated support staff, and continuing efforts to promote company awareness and raise funds through private placements. As of January 1, 2004 the Company is required to record the fair value of stock options granted to employees and non-employees whereas prior to that time only non-employee stock options were applicable. The quarters that stock-based compensation significantly impacts are Q4-January 31, 2004 for \$2,158,050, Q3-October 31, 2004 for \$113,525 and Q1-April 30, 2005 for \$99,200.

Liquidity

The Company has accrued \$3,190,971 in YTD-2006 on mineral exploration on its Bralorne Property. A new exploration and development program has been underway since early December 2003 and currently there is limited exploration and development taking place. The mill had shut down during the recent quarter while this work, along with environmental studies and compliance measures, continues.

At this time the Company has no operating revenues, and does not anticipate any operating revenues until the Company has reached its "*Commercial*" stage upon completion of its "*Bulk Sampling*" stage. Once commercial production is consistent the Company will be recording revenues. At the present time the Company applies any income as a recovery of costs expended on its exploration program.

At July 31, 2005, the Company has \$84,025 worth of gold concentrate and dore bars in inventory.

At July 31, 2005, the Company had working capital of \$1,102,694 and cash and cash equivalents of \$1,128,904. The Company has sufficient cash on hand at this time to finance the limited exploration work on its mineral properties and maintain administrative operations. Mineral exploration and development is capital extensive, and in order to maintain its interest the Company will likely be required to raise new equity capital in the future. There is no assurance that the Company will be successful in raising additional new equity capital.

There have been no material changes in the Company's contractual obligations since its latest fiscal year end, January 31, 2005.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Transactions with related parties

During the six months ended July 31, 2005, the Company paid, or made provision for the future payment, of the following amounts to related parties:

- i) \$110,526 for administrative expenses to a private Company beneficially owned by the Company and a number of other public companies related through common Directors;
- ii) \$30,000 to two private companies controlled by Directors for management fees;
- iii) \$36,000 to a private company controlled by a Director for general mine management;
- iv) \$2,500 in fees to a private company controlled by a former Officer for accounting and corporate services; and
- v) \$2,000 to a private company controlled by a Director for consulting services.

The Company was billed \$582,352 in drilling expenses from a private drilling company in which Bralorne has a 20% interest. The remaining 80% interest is owned by public companies having

common directors. The drilling company reimbursed Bralorne \$135,131 for supplies, equipment rentals, and administrative expenses incurred.

Amounts due from related parties consist of \$3,146 and \$5,520 from two public companies with common management and common directors.

Amounts due to related parties consists of \$20,380 to a private Company beneficially owned by the Company and a number of other public companies related through common Directors; \$610 to a private company controlled by a Director; and \$27,998 to a company with common management and common directors.

Disclosure of Management Compensation

During the quarter, \$18,000 was paid to the President for his services as director and officer of the Company; \$2,000 was paid to the Chief Executive Officer for his services as director and officer of the Company; \$7,500 was paid to the V.P., Finance for his services as director and officer of the Company; \$7,500 was paid to the V.P., Operations for his services as director and officer of the Company; and \$3,094 was paid to the Secretary for her services as an officer of the Company.

Critical Accounting Estimates

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

Financial Instruments

The Company's financial instruments include cash, accounts and advances receivable and prepaid expenses, taxes recoverable, share subscriptions receivable, accounts payable and amounts due from and to related parties. The carrying values of these instruments approximate their fair values.

The Company is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Changes in Accounting Policies

None.

Outstanding Share Data

At July 31, 2005 there were 7,686,858 common shares issued and outstanding.

The following is an analysis of outstanding share options and warrants.

Summary of management incentive options outstanding is as follows:

Exercise Price Per Share	Expiry Date	Number of Shares Remaining Subject to Options
\$2.50	September 25, 2006	6,000
\$2.00	December 17, 2007	88,500
\$2.50	December 17, 2007	12,000
\$3.30	September 25, 2008	55,500
\$5.20	September 25, 2008	6,000
\$5.60	January 20, 2009	279,500
\$5.80	January 20, 2009	1,500
\$3.25	October 6, 2009	20,000
\$3.00	February 28, 2010	42,000
\$3.00	March 1, 2010	10,000
		521,000

Summary of warrants outstanding is as follows:

Exercise Price	Expiry Date	Underlying Shares
\$3.70	November 10, 2005	389,887
\$3.75	November 28, 2005	100,000
\$5.50	December 15, 2005	750,935
\$8.30	January 9, 2006	152,300
\$8.60	May 4, 2006	143,400
\$3.25	February 8, 2007	505,284
\$3.00	April 26, 2010	475,962
\$3.00	April 26, 2010	1,000,000
		3,517,768

Subsequent Events

The Company has entered into a 12 month Investor Relations Agreement with Investor Relations Services Group John Mullen & Partners ("IRS") to provide investor relations services in Europe. In consideration for the services rendered, the Company has agreed to pay IRS fees totalling \$18,000 plus expenses.