

# **ALHAMBRA RESOURCES LTD**

Consolidated Financial Statements  
(Unaudited)

For the Three Months and Six Months Ended  
June 30, 2005



Alhambra Resources Ltd.  
**Consolidated Balance Sheets**

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	June 30, 2005 (unaudited)	December 31, 2005 (audited)
<b>Assets</b>		
Current assets		
Cash	\$ 3,162,678	\$ 82,488
Accounts receivable	299,153	490,902
Deposits and prepaid expenses	579,240	69,589
Assets of discontinued operations (note 2)	<u>155,943</u>	<u>1,308,833</u>
	4,197,014	1,951,812
Mineral properties, equipment and deferred exploration and development costs (note 3)	15,499,022	11,411,289
Property and equipment	<u>27,135</u>	<u>29,674</u>
	<u>\$ 19,723,171</u>	<u>\$ 13,392,775</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,412,186	\$ 1,842,675
Convertible debenture (note 4)	833,408	-
Convertible promissory notes (note 5)	-	540,000
Due to officers and directors	-	550,250
Liabilities of discontinued operations (note 2)	<u>105,014</u>	<u>281,893</u>
	3,350,608	3,214,818
Convertible debenture (note 4)	-	1,418,360
Asset retirement obligation on mineral properties (note 6)	<u>81,911</u>	<u>77,938</u>
	<u>3,432,519</u>	<u>4,711,116</u>
<b>Shareholders' Equity</b>		
Share capital (note 7)	17,168,889	10,273,768
Contributed surplus (note 8[c])	921,638	527,292
Deficit	<u>(1,799,875)</u>	<u>(2,119,401)</u>
	<u>16,290,652</u>	<u>8,681,659</u>
	<u>\$ 19,723,171</u>	<u>\$ 13,392,775</u>

**Alhambra Resources Ltd.**  
**Consolidated Statements of Loss and Deficit**  
**(unaudited)**

	Three Months Ended June 30		Six Months Ended June 30	
	2005	2004	2005	2004
Expenses				
General and administrative	\$ 96,491	\$ 177,307	\$ 243,076	\$ 350,036
Interest	36,700	54,908	82,242	107,826
Stock-based compensation costs (note 8[c])	377,776	96,184	407,815	130,824
Depreciation	<u>2,680</u>	<u>2,310</u>	<u>5,150</u>	<u>4,450</u>
	<u>513,647</u>	<u>330,639</u>	<u>769,394</u>	<u>593,136</u>
Loss before the following	(513,647)	(330,709)	(738,283)	(593,136)
Foreign exchange loss	<u>(7,737)</u>	<u>(35,088)</u>	<u>(36,516)</u>	<u>(62,069)</u>
Net loss before discontinued operations	(521,384)	(365,797)	(774,799)	(655,205)
Discontinued operations (note 2)	<u>974,905</u>	<u>67,391</u>	<u>1,094,325</u>	<u>129,633</u>
Net earnings (loss)	453,521	(398,406)	319,526	(525,572)
Deficit, beginning of period	<u>(2,253,396)</u>	<u>(1,767,306)</u>	<u>(2,119,401)</u>	<u>(1,540,141)</u>
Deficit, end of period	<u><u>\$(1,799,875)</u></u>	<u><u>\$(2,065,712)</u></u>	<u><u>\$(1,799,875)</u></u>	<u><u>\$(2,065,712)</u></u>
Net loss per share before discontinued operations (note 10) – basic and diluted	<u><u>\$ (0.011)</u></u>	<u><u>\$ (0.012)</u></u>	<u><u>\$ (0.017)</u></u>	<u><u>\$ (0.024)</u></u>
Net earnings (loss) per share (note 10)				
- Basic	<u><u>\$ 0.009</u></u>	<u><u>\$ (0.010)</u></u>	<u><u>\$ 0.007</u></u>	<u><u>\$ (0.019)</u></u>
- Diluted	<u><u>\$ 0.009</u></u>	<u><u>N/A</u></u>	<u><u>\$ 0.007</u></u>	<u><u>N/A</u></u>

**Alhambra Resources Ltd.**  
**Consolidated Statements of Cash Flows**  
**(unaudited)**

	Three Months Ended June 30		Six Months Ended June 30	
	2005	2004	2005	2004
Operating activities				
Net loss for the period from continuing operations	\$(521,384)	\$ (365,797)	\$ (774,799)	\$ (655,205)
Items not involving cash:				
Stock-based compensation costs	377,776	96,184	407,815	130,824
Depreciation	2,680	2,310	5,150	4,450
Unrealized foreign exchange loss	9,930	29,362	16,048	48,676
	<u>(130,998)</u>	<u>(237,941)</u>	<u>(345,786)</u>	<u>(471,255)</u>
Change in continuing non-cash working capital items	<u>18,086</u>	<u>519,881</u>	<u>(104,287)</u>	<u>84,008</u>
Operating activities from continuing operations	(112,912)	281,940	(450,073)	(387,247)
Operating activities from discontinued operations	<u>(212,459)</u>	<u>112,369</u>	<u>(119,899)</u>	<u>222,439</u>
	<u>(325,371)</u>	<u>394,309</u>	<u>(569,972)</u>	<u>(164,808)</u>
Financing activities				
Issuance of shares, net of share issue costs	(11,861)	3,157,352	6,881,652	4,068,977
Repayment of convertible debenture	-	-	(601,000)	-
Repayment of convertible promissory notes	(550,250)	-	(550,250)	(40,000)
Repayments to officers and directors, net	<u>(540,000)</u>	<u>-</u>	<u>(540,000)</u>	<u>-</u>
	<u>(1,102,111)</u>	<u>3,157,352</u>	<u>5,190,402</u>	<u>4,028,977</u>
Investing activities				
Acquisition of mineral properties, equipment and deferred exploration and development costs	(3,192,513)	(1,899,877)	(4,083,760)	(2,105,956)
Proceeds from disposition of assets	2,200,000	-	2,200,000	-
Change in continuing non-cash working capital items	703,910	-	355,898	-
Other assets	-	-	-	(2,180)
Acquisition of property and equipment, net	(2,611)	(6,624)	(2,611)	(11,705)
Discontinued operations	<u>-</u>	<u>-</u>	<u>(9,767)</u>	<u>-</u>
	<u>(291,214)</u>	<u>(1,906,501)</u>	<u>(1,540,240)</u>	<u>(2,119,841)</u>
Cash inflow	(1,718,696)	1,645,160	3,080,190	1,744,328
Cash, beginning of period	<u>4,881,374</u>	<u>129,150</u>	<u>82,488</u>	<u>29,982</u>
Cash, end of period	<u>\$ 3,162,678</u>	<u>\$ 1,774,310</u>	<u>\$ 3,162,678</u>	<u>\$ 1,774,310</u>
Supplemental disclosure of cash flows information:				
Interest paid	<u>\$ 30,753</u>	<u>\$ 43,458</u>	<u>\$ 82,242</u>	<u>\$ 85,582</u>

**Alhambra Resources Ltd.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2005**  
**(unaudited)**

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1. Nature of operations and basis of presentation

Nature of operations

Alhambra Resources Ltd. (the "Company" or "Alhambra") was incorporated on January 27, 1993 and amalgamated with its wholly-owned subsidiaries, Signature Capital Corp. and Tarco Oil & Gas Ltd., effective January 1, 2002.

The Company's business is the exploration for and development of mineral properties in the Republic of Kazakhstan ("Kazakhstan"). Effective January 1, 2005 the Company entered into an agreement to sell 100% of its oil and natural gas properties thus allowing management to focus all of its attention on the mineral exploration and development business. Prior to the sale, these properties generated cash flow to offset corporate overhead. The net proceeds received from the sale have been and will continue to be used to fund the continued development of the Company's Uzboy property located in north central Kazakhstan, pay down debt, and for working capital.

The Company's operations are subject to economic, political and social risks inherent in doing business in Kazakhstan. These risks include matters arising out of the policies of the government, economic conditions, imposition of or changes to taxes and regulations, foreign exchange fluctuations and the enforceability of contract rights. The accompanying financial statements reflect management's assessment of the impact of the Kazakhstan business environment on the operations and the financial position of the Company. The future business environment may differ from management's assessment.

Basis of presentation

These interim consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles following the same accounting principles and methods of computation as the consolidated financial statements for the year ended December 31, 2004. The specific accounting principles used are described in the annual consolidated financial statements of the Company and should be read in conjunction with these interim financial statements.

Due to Alhambra's continued net operating losses and working capital deficiency, its ability to continue with its business plan is dependent upon its ability to raise additional capital to fund these activities and upon achieving positive earnings and cash flow. Management believes the equity capital raised (note 7) and the sale of the oil and natural gas assets in 2005 have increased Alhambra's ability to carry out its business plan and to continue as a going concern.

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a "going concern", which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

If the going concern assumption was not appropriate for these interim consolidated financial statements, then adjustments would be necessary to the carrying values of the assets and liabilities, the reported revenues and expenses and the balance sheet classifications used.

**Alhambra Resources Ltd.**  
**Notes to Consolidated Financial Statements**  
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**(unaudited)**

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2. Discontinued operations

In late 2004, the Company evaluated its oil and natural gas operations in Canada and decided to pursue the sale of these assets. Effective January 1, 2005, the Company entered into an agreement with a private Canadian corporation for the sale of these assets. The sale resulted in gross proceeds of \$2,200,000 prior to working capital adjustments and transaction costs. The sale closed on April 8, 2005 with a gain on sale of approximately \$979,000. Under Canadian generally accepted accounting principles all revenues and expenses incurred between the effective date (January 1, 2005) and the closing date (April 8, 2005) have been recorded as discontinued operations with an equivalent adjustment to gain on disposal of property and equipment.

The assets sold comprised 100% of the Company's oil and natural gas assets in Canada. These assets as well as the results of operations from these assets have been classified as discontinued operations during 2005. Certain financial information has been reclassified in the prior period as discontinued operations.

Selected financial information for the operations included in discontinued operations is reported below:

	Three months ended, June 30,		Six Months ended June 30,	
	2005	2004	2005	2004
Oil and gas sales, net of royalties	<u>\$ (8,683)</u>	<u>\$159,356</u>	<u>\$ 165,554</u>	<u>\$298,723</u>
Net earnings from discontinued operations	<u>\$ 974,905</u>	<u>\$ 67,391</u>	<u>\$1,094,325</u>	<u>\$129,633</u>

The major classes of assets and liabilities of discontinued operations are as follows:

	June 30, 2005 (unaudited)	December 31, 2004 (audited)
Accounts receivable	\$ 155,943	\$ 87,830
Property and equipment	-	1,038,193
Future income tax asset	-	182,810
	<u>155,943</u>	<u>1,308,833</u>
Accounts payable	105,014	183,634
Asset retirement obligation on oil and gas assets	-	98,259
	<u>105,014</u>	<u>281,893</u>
Net assets of discontinued operations	<u>\$ 50,929</u>	<u>\$ 1,026,940</u>

**Alhambra Resources Ltd.**  
**Notes to Consolidated Financial Statements**  
**June 30, 2005**  
**(unaudited)**

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3. Mineral properties, equipment and deferred exploration and development costs

Mineral properties, equipment and deferred exploration and development costs as at June 30, 2005 consist of the following:

Deferred exploration and development costs	\$ 9,605,825
Equipment, net of accumulated depreciation of \$199,536	4,659,812
Construction in progress	643,492
Inventory	589,893
	<u>\$15,499,022</u>

During the six months ended June 30, 2005, all expenditures relating to the Uzboy Project were capitalized. These expenditures consisted of pre-production costs, property and equipment and construction in process costs. Pre-production costs are expenditures that related to geological exploration, pre-production works and directly attributable overhead expenditures. The Company also capitalized to pre-production costs, the proceeds received on the sale of gold and silver recovered as part of the test heap leach.

4. Convertible debenture

During the year ended December 31, 2003, the Company issued a 10% secured convertible debenture (the "debenture"), due March 31, 2006, with a face value of US\$680,000. On November 10, 2004, the Company and the holder of the debenture entered into a First Supplemental Debenture agreement whereby a previously issued 10% unsecured convertible subordinated promissory note in the amount of US\$500,000 (note 5) was transferred to the debenture holder thus increasing the principal amount from US\$680,000 to US\$1,180,000. The principal amount of the debenture is convertible at any time, in whole or in part, at the option of the holder into common shares at Can\$0.60 (the "Conversion Price") based on the exchange rate in effect at the time of conversion (US\$0.816 at June 30, 2005). The debenture can be converted at the option of the Company if the common shares of the Company trade over a ten day consecutive period at a closing price equal to or greater than Can\$1.20 per common share. Interest on the debenture is compounded semi-annually and is payable on a quarterly basis. The debenture is secured against the assets of the Company. The Company recorded an expense for a finder's fee of \$100,000 associated with this financing. On February 25, 2005, US\$500,000 of the secured convertible debenture was repaid.

The Company has not allocated its convertible debenture or convertible promissory notes (note 5) into an equity component as the calculation of the equity component is not significant using an approximate interest rate that would have been applicable to the issuance of similar debt without the conversion features at the time the debenture and notes were issued. The interest rate used in calculating the components was 12% and the time period used was 37 months and 21 months for the debenture and notes, respectively.

**Alhambra Resources Ltd.**  
**Notes to Consolidated Financial Statements**  
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**(unaudited)**

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5. Convertible promissory notes

During the year ended December 31, 2003, the Company issued 10% unsecured convertible subordinated promissory notes, due June 30, 2005, totaling Can\$400,000 ("Can\$ notes") and US\$625,000 ("US\$ notes"). The Can\$ notes were convertible at any time, in whole or in part, at the option of the holder into common shares at Can\$0.60. A US\$ note in the amount of \$500,000 was transferred to the debenture holder pursuant to an agreement dated November 4, 2004 (note 4). The remaining US\$ notes were convertible at any time, in whole or in part, at the option of the holder into common shares at a rate of 11,459 common shares for each US\$5,000 of principal amount converted. The Can\$ notes and US\$ notes were convertible at the option of the Company if the common shares of the Company traded over a ten day consecutive period at a closing price equal to or greater than Can\$0.90 per common share. Interest on the Can\$ notes and US\$ notes was payable on a quarterly basis. The holders of the Can\$ notes were directors of the Company. The Company recorded an expense for a finder's fee of \$82,506 in the form of 137,510 common shares of the Company related to the US\$ notes. On April 29, 2005, Can\$350,000 of the Can\$ notes and US\$125,000 (Can\$150,250) of US\$ notes were repaid. On June 30, 2005 the final Can\$50,000 was repaid.

6. Asset retirement obligation on mineral properties

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the asset retirement obligations associated with the retirement of the Uzboy gold project in Kazakhstan.

	June 30, 2005 (unaudited)	December 31, 2004 (audited)
Balance, beginning of period	\$ 77,938	\$ -
Future site restoration provision	-	70,853
Liabilities settled	-	-
Accretion	3,973	7,085
Balance, end of period	<u>\$ 81,911</u>	<u>\$ 77,938</u>

Total estimated future retirement costs of \$114,869 have been discounted using a credit-adjusted risk free rate of 10%. Most of these obligations are not expected to be paid for several years and will be funded from general company resources at the time of abandonment.

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7. Share capital

(a) Authorized

Unlimited voting common shares  
 Unlimited non-voting preferred shares

(b) Issued

	Number	Stated Value
Common shares		
Balance, beginning of period	35,233,612	\$10,273,768
Shares issued pursuant to a private placement (note 7 [c])	13,510,818	7,430,950
Exercise of stock options (note 7 [d])	60,000	37,719
	<u>48,804,430</u>	<u>17,742,437</u>
Less: Share issue costs		<u>573,548</u>
Balance, end of period		<u>\$17,168,889</u>

(c) Pursuant to a Brokered Private Placement announced on January 28, 2005, the Company completed an initial issue of 10,920,000 units on February 25, 2005 for cash proceeds of \$6,006,000 and an additional 349,000 units on March 4, 2005 for cash proceeds of \$191,950 at a price of \$0.55 per unit. Each unit comprises one common share and one-half common share purchase warrant. Each full common share purchase warrant entitles the holder to purchase one common share of the Company at \$0.75 per share until August 24, 2006 on the initial units and September 4, 2006 on the additional units. The Company paid cash equal to 7% of gross proceeds raised and issued agent's warrants to purchase 1,092,000 common shares of the Company at a price of \$0.60 per share expiring August 24, 2006 on the initial units and 34,900 common shares at a price of \$0.60 expiring September 4, 2006 on the additional units, as commission for the financing. In addition, the Company paid the agent a corporate finance fee equal to 60,000 units exercisable on the same terms and conditions as those provided in the Brokered Private Placement. The net proceeds from the Brokered Private Placement are to be used for exploratory drilling on the Company's Uzboy gold deposit, together with four other zones of gold mineralization on the Company's licenses and for working capital.

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In conjunction with the Brokered Private Placement announced on January 28, 2005, the Company issued 2,181,818 units at a price of \$0.55 per unit for cash proceeds of \$1,200,000 by way of a Non-Brokered Private Placement. The warrants expire on September 4, 2006 with the same terms and conditions as the Brokered Private Placement except that the sale of the non-brokered units was not subject to any commissions, agent's warrants or fees. The net proceeds from the non-brokered private placement will be used to retire outstanding unsecured loans and promissory notes and for working capital.

- (d) During the six months ended June 30, 2005, a total of 60,000 stock options were exercised for total proceeds of \$24,250. In addition, a total of \$13,469 was transferred from contributed surplus to reflect the value of the options calculated on the grant date and charged as stock-based compensation expense.

8. Stock-based compensation

- (a) The Company has a stock option plan under which directors, officers, employees and consultants of the Company are eligible to receive stock options. The aggregate number of common shares to be issued upon the exercise of all options granted under the plan shall not exceed 10% of the issued common shares of the Company at the time of granting of the options. Options granted under the plan generally have a term of three years but may not exceed five years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the policy or policies of the stock exchange(s) on which the Company's common shares are then listed.

A summary of the status of the Company's stock option plan as at June 30, 2005 and changes during the period then ended are as follows:

	Number of options	Weighted Average Exercise Price
Outstanding, beginning of period	3,045,000	\$0.43
Granted	1,520,000	\$0.55
Exercised	(60,000)	\$0.40
Cancelled or expired	(35,000)	\$0.36
Outstanding at June 30, 2005	4,470,000	\$0.47
Exercisable at June 30, 2005	3,195,417	\$0.47

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In addition to the above, there are 162,216 broker options outstanding to purchase units at \$0.50 per unit until September 8, 2005. The value of these options was not recorded as it is not significant. The Company also granted during 2004, 250,000 options to an officer at \$0.45 per share with vesting to begin when the Company attains 7,000 ounces of gold production. No compensation cost has been recorded for this option as it is not practical to determine if or when the Company will reach the required level of production.

- (b) The following table summarizes information about stock options outstanding and exercisable at June 30, 2005.

Exercise Prices	Outstanding		Exercisable	
	Number	Weighted-Average Remaining Contractual Life	Number	Weighted-Average Remaining Contractual Life
\$ 0.20	50,000	1.25 years	-	-
\$ 0.30	290,000	1.67	290,000	1.67 years
\$ 0.40	1,150,000	1.86	963,750	1.83
\$ 0.45	500,000	1.82	166,667	1.82
\$ 0.50	470,000	1.22	305,000	1.22
\$ 0.52	500,000	1.88	500,000	1.88
\$ 0.55	1,510,000	3.94	970,000	4.53
	<u>4,470,000</u>	<u>2.47 years</u>	<u>3,195,417</u>	<u>2.59 years</u>

- (c) During the six months ended June 30, 2005, the Company granted 1,510,000 stock options to directors, officers, employees and consultants to purchase common shares of the Company at an exercise prices of \$0.55 per common share. The stock options had a fair value of \$479,519, which is being amortized to compensation expense over the vesting period of the options. During the six months ended June 30, 2005, these options resulted in an increase in compensation expense of \$350,614 with corresponding increase to contributed surplus. The fair value of the options granted during 2005 was determined using the Black-Scholes option pricing model with the following weighted average assumptions: average risk free interest rate of 3.34%, an average expected life of 3.95 years and an expected average volatility of 75% with no dividends expected to be paid during the term of the options. The remaining \$57,201 charged to compensation expense for the six months ended June 30, 2005 relates to options granted prior to 2005.

**Alhambra Resources Ltd.**  
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- (d) During the six months ended June 30, 2005, 60,000 stock options were exercised and a total of \$13,469 was transferred from contributed surplus to reflect the value of the options calculated on the grant date and charged as stock-based compensation expense. During the six months ended June 30, 2005, 35,000 stock options expired unexercised.

9. Related party transactions

- (a) During the period, the Company paid \$43,088 in rent and other expenses to a public company with common officers and directors.
- (b) During the period, the Company paid \$60,000 in consulting fees to a company controlled by the President and Chief Operating Officer of Alhambra. Of this amount, \$45,000 was capitalized to mineral properties, equipment and deferred exploration and development costs.

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

10. Loss per share

Basic earnings (loss) per share is calculated using the weighted average number of shares outstanding during the year. Diluted earnings per share is calculated for 2005 net earnings only as in 2004 the Company was in a loss position.

	Three months ended June 30		Six months ended June 30	
	2005	2004	2005	2004
Basic:				
Loss before discontinued operations	\$ (0.011)	\$ (0.012)	\$ (0.017)	\$ (0.024)
Discontinued operations	0.020	0.002	0.024	0.005
Net earnings (loss) per share	<u>\$ 0.009</u>	<u>\$ (0.010)</u>	<u>\$ 0.007</u>	<u>\$ (0.019)</u>
Basic weighted average shares	48,756,930	29,552,186	44,476,176	27,717,485
Diluted:				
Net earnings per share	\$ 0.009	N/A	\$ 0.007	N/A
Diluted weighted average shares	49,714,430	N/A	45,433,676	N/A

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In calculating the weighted average number of diluted common shares outstanding for the three and six month periods ended June 30, 2005 all options were included because their exercise prices were less than the average common share market price in the period. During the periods presented, outstanding stock options were the only potential dilutive instruments.

11. Financial instruments

(a) Fair values

The fair values of accounts receivable, accounts payable and accrued liabilities, amounts due to officers and directors, convertible debenture and convertible promissory notes are approximated by their carrying values because of their short-term nature or because they bear interest at market rates.

(b) Interest rate risk

The Company is exposed to interest rate price risk to the extent that the convertible debenture and convertible promissory notes are at a fixed rate of interest.

(c) Foreign currency risk

The convertible debenture, a portion of the convertible promissory notes and the Pre-Payment Gold Sales Facility Agreement (note 13) are denominated in U.S. dollars and therefore the Company is subject to the risk of fluctuating exchange rates between the Canadian and U.S. dollars.

12. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

13. Commitment

On December 14, 2004, the Company's wholly owned subsidiary, Saga Creek, entered into a Gold Sales and Marketing Agreement (the "Sales Agreement") and a US\$780,000 Pre-Payment Gold Sales Facility Agreement (the "Pre-Payment Facility") with PLADIS Platinum Metals Distribution AG ("PLADIS") of Switzerland. Under the Sales Agreement, PLADIS has the right to purchase all the gold produced from the current test heap leach and any additional gold that may be produced from the Uzboy project for the next two and one half years. Saga Creek will be responsible for all costs related to transportation and refining and will pay a marketing fee of 0.95% per troy ounce of gold sold. Under the Pre-Payment Facility, Saga Creek has the right to receive up to US\$750,000 as a pre-payment for gold to be sold to PLADIS under the Sales Agreement. Amounts drawn under the Pre-Payment Agreement bear interest at LIBOR plus 8% and are secured by pledge of future deliveries of gold up to a maximum value of US\$1.0 million and a corporate guarantee by Alhambra. Any unused portion under the Pre-Payment Facility bears interest at LIBOR plus 3%.

At June 30, 2005, advances received from PLADIS totaled US\$770,337 (CDN\$944,125) and

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is included in accounts payable and accrued liabilities.

# Corporate Information

## Officers

John J. Komarnicki  
Chairman and Chief Executive Officer

Elmer B. Stewart  
President and Chief Operating Officer

Donald D. McKechnie  
Vice President Finance and Chief Financial Officer

## Directors

John J. Komarnicki  
Chairman of the Board  
*Calgary, Alberta*

James S. Bunyan <sup>(2)(3)</sup>  
*London, England*

Michael E. Hriskevich <sup>(1)(2)</sup>  
*Calgary, Alberta*

Gordon L. Levang <sup>(1)(3)</sup>  
*Calgary, Alberta*

Elmer B. Stewart  
*Calgary, Alberta*

Clarence K. Wagenaar <sup>(1)(2)(3)</sup>  
*Calgary, Alberta*

<sup>(1)</sup> Audit Committee

<sup>(2)</sup> Corporate Governance

<sup>(3)</sup> Compensation Committee

## Stock Exchange Listing

TSX Venture Exchange  
Trading Symbol: "ALH"

## Registrar And Transfer Agent

Olympia Trust Company  
*Calgary, Alberta*

## Bankers

Royal Bank of Canada  
Main Branch  
*Calgary, Alberta*

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