

NOTICE TO SHAREHOLDERS FOR THE THREE MONTHS ENDED MARCH 31, 2005

SIMBERI GOLD CORPORATION

Responsibility for consolidated financial statements

The accompanying consolidated financial statements for Simberi Gold Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the December 31, 2004 audited consolidated financial statements. Only changes in accounting information have been disclosed in these consolidated financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the consolidated financial statements, management is satisfied that these consolidated financial statements have been fairly presented.

Auditors' involvement

The auditors of Simberi Gold Corporation have not performed a review of the unaudited consolidated financial statements for the three months ended March 31, 2005 and March 31, 2004.

SIMBERI GOLD CORPORATION

Consolidated Balance Sheets

	March 31, 2005 (Unaudited)	December 31, 2004 (Audited)
Assets		
Current		
Cash	\$ 76,769	\$ 267,066
Accounts receivable	3,863,283	21,368
Due from related parties (Note 5)	387,538	428,857
	4,327,590	717,291
Mining interests (Note 2)	958,101	3,500,547
	\$ 5,285,691	\$ 4,217,838
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	\$ 99,698	\$ 167,392
Net liabilities assumed from related party (Note 5)	29,880	29,880
	129,578	197,272
Shareholders' equity		
Share capital		
Authorized		
Unlimited common shares		
Issued		
Common shares (Note 3)	5,961,052	5,961,052
Contributed Surplus (Note 4(c))	469,823	314,742
Deficit	(1,274,762)	(2,255,228)
	5,156,113	4,020,566
	\$ 5,285,691	\$ 4,217,838

SIMBERI GOLD CORPORATION

Consolidated Statements of Operations and Deficit

	Three months ended March 31, (Unaudited)	
	2005	2004
Sale of property (Note 6)	\$ 4,000,000	\$ -
Cost of sale		
Property allocation	2,571,274	-
Other direct costs	161,979	-
	2,733,253	-
Operating expenses	1,266,747	-
Stock option compensation	131,200	215,542
	155,081	-
	286,281	215,542
Net income (loss) for the period	\$ 980,466	\$ (215,542)
Deficit, beginning of period (2)	\$ (2,255,228)	\$ (383,841)
Net income (loss) for the period	980,466	(215,542)
Reorganization costs	-	(258,259)
DEFICIT, end of period	\$ (1,274,762)	\$ (857,642)
Income (loss) per share	0.01	(0.01)
Weighted average number of shares	94,381,831	23,398,314

(2) Refer to the December 31, 2004 audited consolidated financial statements for details.

SIMBERI GOLD CORPORATION

Consolidated Statements of Cash Flows

Three months ended
March 31,
(Unaudited)

2005 2004

Cash provided by (used in)

OPERATING ACTIVITIES

Net income (loss) for the period	\$ 980,466	\$ (215,542)
Stock option compensation	155,081	-
Changes in non-cash working capital items	(1,297,016)	(131,546)

(161,469) (347,088)

INVESTING ACTIVITIES

Mining interests	(28,828)	(311,990)
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FINANCING ACTIVITIES

Cash held in escrow	-	3,203,865
Reorganization costs	-	(15,546)
Cash acquired from Novaking Pty Ltd. acquisition	-	102,823
Advance to Alive International Inc.	-	40,086
Due to a related party	-	11,188
Cost of issue - cash outlay	-	(17,565)

- 3,324,851

Change in cash (190,297) 2,665,773

Cash, beginning of period 267,066 532,234

Cash, end of period \$ 76,769 \$ 3,198,007

SIMBERI GOLD CORPORATION

Notes to Consolidated Financial Statements

Three Months Ended March 31, 2005

(Unaudited)

1. NATURE OF BUSINESS AND ACCOUNTING POLICIES

Simberi Gold Corporation (the "Company" or "Simberi") was incorporated on October 28, 2003 under the Ontario Business Corporations Act. The Company is in the process of exploring and developing mineral properties in Papua, New Guinea.

The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes to the consolidated financial statements required by Canadian generally accepted accounting principles for annual consolidated financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 2005 may not be necessarily indicative of the results that may be expected for the year ending December 31, 2005.

The balance sheet at December 31, 2004 has been derived from the audited consolidated financial statements of the Company at that date but does not include all of the information and footnotes required by Canadian generally accepted accounting principles for complete consolidated financial statements. The interim consolidated financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual consolidated financial statements for the year ended December 31, 2004. For further information, refer to the consolidated financial statements and notes thereto included in the Company's annual consolidated financial statements for the year ended December 31, 2004.

2. MINING INTERESTS

As of March 31, 2005, accumulated costs with respect to the Company's interest in mineral properties owned, leased or under option, consisted of the following:

	Opening Balance January 1, 2005	Additions (Reductions)	Ending Balance March 31, 2005	Ending Balance December 31, 2004
Simberi Mining Joint Venture (1)	\$ 3,428,366	\$ (2,571,274)	\$ 857,092	\$ 3,428,366
Novaking properties (1)	72,181	28,828	101,009	72,181
	<u>\$ 3,500,547</u>	<u>\$ (2,542,446)</u>	<u>\$ 958,101</u>	<u>\$ 3,500,547</u>

(1) Refer to Note 5 of the audited December 31, 2004 consolidated financial statements for details of the properties.

SIMBERI GOLD CORPORATION

Notes to Consolidated Financial Statements

Three Months Ended March 31, 2005

(Unaudited)

3. SHARE CAPITAL

	Shares	Amount
Balance, December 31, 2004 (audited) and March 31, 2005 (unaudited)	94,381,831	\$ 5,961,052

4. STOCK OPTIONS, WARRANTS AND CONTRIBUTED SURPLUS

(a) Stock Options

The following summarizes the stock option activity for the period:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, December 31, 2004 (audited) and March 31, 2005 (unaudited)	10,000,000	0.15

As at March 31, 2005, the Company had the following stock options outstanding:

BLACK-SCHOLES VALUE (\$)	NUMBER OF EXERCISABLE OPTIONS	NUMBER OF OPTIONS	EXERCISE PRICE	EXPIRY DATE
9,162	3,055,000	3,055,000	\$0.15	June 30, 2008
460,661	5,208,750	6,945,000	0.15	May 13, 2009
469,823	8,263,750	10,000,000		

(b) Warrants

As at March 31, 2005, the Company had the following warrants outstanding:

	NUMBER OF WARRANTS	EXERCISE PRICE (\$)	EXPIRY DATE
	20,000,000	0.40	December 8, 2005
	2,000,000	0.25	December 8, 2005

(c) Contributed Surplus

Included in contributed surplus are the following items:

	VALUE (\$)
Stock options	469,823

SIMBERI GOLD CORPORATION

Notes to Consolidated Financial Statements

Three Months Ended March 31, 2005

(Unaudited)

5. RELATED PARTY TRANSACTIONS

Management fees aggregating \$60,000 (2004 - \$60,000) were incurred during the period. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Balances to/from related parties at March 31 are summarized as follows:

	Three months ended March 31, (Unaudited)	Year Ended December 31, (audited)
	2005	2004
Due from PGM Ventures Corporation	\$ 306,221	\$ 393,800
Due from director of Novaking Pty Ltd.	<u>81,317</u>	<u>35,057</u>
Due from related parties	<u>\$ 387,538</u>	<u>\$ 428,857</u>
Net liabilities assumed from related party	\$ <u>29,880</u>	\$ <u>29,880</u>
Due to related parties	<u>\$ 29,880</u>	<u>\$ 29,880</u>

6. SALE OF PROPERTY

The Company sold 75% of its 50% interest, (37.5% while maintaining a 12.5% free carried interest), in the Simberi Mining Joint Venture ("SMJV") and its 1% interest in the Tabar Exploration Joint Venture ("TEJV") located on Simberi Island, Tabar Island and Tatau Island, Papua New Guinea to Allied Gold Limited ("Allied"). As consideration for the sale the Company received \$4,000,000 cash plus a 14% interest in the Young Shannon Mine ("YSM"). The 14% interest in YSM is presently owned by Nord Pacific Limited which is a wholly owned subsidiary of Allied.

The 12.5% free carried direct equity interest will be sold to Allied on the earlier of the 15 days after Allied gives a conversion notice to the Company because Allied has decided to mine the SMJV tenements; and December 31, 2009. Allied will pay for the 12.5% interest by issuing fully paid shares of itself to the Company after it is quoted on the Australian Stock Exchange. The number of shares will be calculated by dividing the value of the 12.5% interest (which is the Net Present Value from the bankable feasibility of the Simberi Oxide Project agreed to by the parties or an independent valuation) by the greater of :

- (i) \$0.50 (50 Australian cents) per share;
- (ii) the average weighted trading price of the shares over the 28 days trading days prior to the Conversion Date; and
- (iii) the last price at which Allied raised working capital by the issue of shares.

7. SEGMENTED INFORMATION

The Company's operations comprise a single reporting operating segment engaged in mineral exploration through investing in resource properties. As the operations comprise a single reporting segment, amounts disclosed in the financial statements for revenue, and income (loss) or the period also represent segment amounts.

The mining interests are located in the south eastern hemisphere. The head office of the Company is located in Canada.

SIMBERI GOLD CORPORATION

Notes to Consolidated Financial Statements

Three Months Ended March 31, 2005

(Unaudited)

8. INCOME TAXES

The estimated taxable income for the period is \$nil. Based upon the level of historical taxable income, it cannot be reasonably determined if the Company will realize the benefits from future income tax assets or the amounts owing from future income tax liabilities. Consequently, the future recovery or loss arising from differences in tax values and accounting values have been reduced by an equivalent estimated taxable temporary difference valuation allowance. This estimated taxable temporary difference valuation allowance will be adjusted in the period that it can be determined that it is more likely than not that some or all of the future tax assets or future tax liabilities will be realized.

9. SUBSEQUENT EVENT

Simberi, through its wholly owned Australian subsidiary Renaissance Corporation PTY LTD ("Renaissance"), has completed a joint venture arrangement with Korab Resources Limited ("Korab") on its Mt Elephant gold prospect in Western Australia. Korab can earn a 70% interest in the Mt Elephant properties by expending a minimum of A\$40,000 in the next 12 months and a total of A\$500,000 in exploration over a three year period. Korab will be the Manager of the Joint Venture and undertake and manage the exploration programs in cooperation with Simberi's subsidiary Renaissance.

Supplement I to Consolidated Financial Statements

Three Months Ended March 31, 2005

(Unaudited)

As at May 5, 2005, the following securities were outstanding:

Share Capital

94,381,831 common shares

Warrants and stock options

See Note 4