

Energold Mining Ltd.
Interim Consolidated Financial Statements
March 31, 2004 and 2003
Unaudited

NOTICE

These interim consolidated financial statements for the three months ended March 31, 2004 of Energold Mining Ltd. have been prepared by management and have not been subject to review by the Company's auditors.

Interim Consolidated Balance Sheets**As at**

Canadian Funds

Unaudited

ASSETS	March 31, 2004	March 31, 2003	December 31, 2003
Current			
Cash and term deposits	\$ 1,279,362	\$ 1,028,249	\$ 851,800
Accounts receivable and prepaid expenses	2,400,894	1,071,667	1,301,472
Short-term investments	11,504	32,969	13,769
Inventory	2,780,187	1,059,035	2,251,063
	6,471,947	3,191,920	4,418,104
Resource Property Costs - Schedule - (Note 3)	3,590,243	3,336,308	3,439,932
Property, Plant and Equipment - (Note 4)	1,312,929	772,373	1,099,467
	\$ 11,375,119	\$ 7,300,601	\$ 8,957,503
LIABILITIES			
Current			
Accounts payable and accrued liabilities	\$ 1,595,857	\$ 674,904	\$ 1,014,998
Due to Kluane Drilling Ltd.	1,562,533	853,527	1,562,533
	3,158,390	1,528,431	2,577,531
Non-Controlling Interests - (Note 6)	1,874,190	1,070,163	1,245,155
	5,032,580	2,598,594	3,822,686
Commitment - (Note 10)			
SHAREHOLDERS' EQUITY			
Share Capital - (Note 7,8)	10,158,164	9,402,664	9,455,164
Contributed Surplus - (Note 7b)	376,195	348,696	364,696
Deficit - Statement 2	(4,191,820)	(5,049,353)	(4,685,043)
	6,342,539	4,702,007	5,134,817
	\$ 11,375,119	\$ 7,300,601	\$ 8,957,503

ON BEHALF OF THE BOARD:

"F.W. Davidson" _____, Director

"H.W. Sellmer" _____, Director

Interim Consolidated Statements of Income and Deficit**For the Three Months Ended March 31**

Canadian Funds

Unaudited

	2004	2003
Revenue from Drilling Contracts, net of direct costs	\$ 1,503,979	\$ 834,929
Indirect and Administrative Expenses		
Accounting, audit and legal	63,261	26,757
Amortization	50,355	40,000
Foreign exchange	(20,844)	147,245
Insurance	17,321	14,508
Investor relations, promotion and travel	25,792	35,010
Management fees and consulting	55,500	55,349
Office and sundry	58,869	25,051
Office salaries and services	66,174	60,417
Rent	23,174	20,533
Stock-based compensation expense – (Note 8(b))	24,614	-
	364,216	424,870
Income Before the Following	1,139,763	410,059
Other Income (Expenses)		
Withholding and other taxes	(21,822)	(22,219)
Non-controlling interest	(615,920)	(187,372)
Write-off of resource properties	(11,473)	(5,621)
Gain on sale of short-term investments	2,675	-
	(646,540)	(215,212)
Net Income for the Period	493,223	194,847
Deficit - Beginning of period	(4,685,043)	(5,244,200)
Deficit - End of Period	\$ (4,191,820)	\$ (5,049,353)
Earnings per Share - Basic	\$ 0.03	\$ 0.01
- Diluted	\$ 0.03	\$ 0.01

-The accompanying notes form an integral part of these interim consolidated financial statements-

Interim Consolidated Statements of Cash Flows**For the Three Months Ended March 31***Canadian Funds**Unaudited*

Cash Provided By (Used In)	2004	2003
Operating Activities		
Income for the period	\$ 493,223	\$ 194,847
Items not affected by cash		
Amortization	50,355	40,000
(Gain) on disposal of short-term investments	(2,675)	-
Non-controlling interest	615,920	187,372
Stock-based compensation expense	24,614	-
Write-off of resource properties	11,473	5,621
Changes in non cash working capital	(1,047,687)	(533,970)
	<u>145,223</u>	<u>(106,130)</u>
Investing Activities		
Purchase of property, plant and equipment	(263,817)	(26,522)
Proceeds on sale of short-term investments	4,940	-
Resource properties	(161,784)	(24,036)
	<u>(420,661)</u>	<u>(50,558)</u>
Financing Activities		
Share capital	703,000	-
	<u>703,000</u>	<u>-</u>
Net Increase (Decrease) in Cash and Term Deposits	427,562	(156,688)
Cash and term deposits - Beginning of period	851,800	1,184,937
Cash and Term Deposits - End of Period	\$ 1,279,362	\$ 1,028,249
Non-Cash Financing/Investing Activities		
Stock-based compensation expense included in contributed surplus	\$ 11,499	\$ -

-The accompanying notes form an integral part of these interim consolidated financial statements-

Interim Consolidated Schedules of Resource Property Costs**For the Three Months Ended March 31**

Canadian Funds

Unaudited

	2004	2003
Actividades Concessions, Dominican Republic – (Note 3(b)(ii), 3(c), 3(d))		
Deferred exploration costs		
Consulting and geological	\$ -	\$ 809
Field administration	-	269
Field office, rent and costs	113	1,245
	<u>113</u>	<u>2,323</u>
Casa Real Concessions, Dominican Republic – (Note 3(b)(i), 3(d))		
Deferred exploration costs		
Consulting and geological	-	5,508
Field administration	-	269
Field office, rent and costs	142	1,414
	<u>142</u>	<u>7,191</u>
Los Pedregones Concession, Dominican Republic – (Note 3(b)(i))		
Deferred exploration costs		
Consulting and geological	-	251
Field office, rent and costs	-	79
	<u>-</u>	<u>330</u>
Proyectos Concessions, Dominican Republic – (Note 3(b)(ii), 3(d))		
Deferred exploration costs		
Consulting and geological	8,750	(984)
Field administration	-	269
Field office, rent and costs	57	85
Vehicles	-	-
	<u>8,807</u>	<u>(630)</u>
Subtotal	<u>\$ 9,062</u>	<u>\$ 9,214</u>

Interim Consolidated Schedules of Resource Property Costs**For the Three Months Ended March 31**

Canadian Funds

Unaudited

	2004	2003
Balance forward	\$ 9,062	\$ 9,214
La Parcela Concession, Dominican Republic – (Note 3(b)(i))		
Deferred exploration costs		
Consulting and geological	811	6,000
Real de Belem, Mexico – (Note 3(e))		
Acquisition costs	72,907	-
Deferred exploration costs		
Assaying and laboratory	1,958	-
Consulting and geological	43,340	-
Field office, rent and costs	2,398	-
Staff costs	1,765	-
Travel and accommodation	10,099	-
Vehicles	7,339	-
	66,899	-
	149,679	-
Other Concessions, Dominican Republic – (Note 3(b)(ii), 3(d))		
Deferred exploration costs		
Consulting and geological	6,225	(1,528)
Field administration	1,565	1,605
Field office, rent and costs	782	12,121
Staff costs	3,533	5,956
Travel and accommodation	-	166
Vehicles	-	(9,498)
	12,105	8,822
Write-off of resource properties	(11,473)	(5,621)
	632	3,201
Deferred Exploration Costs for the Period	161,784	24,036
Write-off of Resource Property Costs for the Period	(11,473)	(5,621)
	150,311	18,415
Balance – Beginning of Period	3,439,932	3,317,893
Balance – End of Period	\$ 3,590,243	\$ 3,336,308

-The accompanying notes form an integral part of these interim consolidated financial statements-

Energold Mining Ltd.

Notes to the Interim Consolidated Financial Statements

March 31, 2004 and 2003

Canadian Funds

Unaudited

1. Significant Accounting Policies

a) Basis of Presentation

These interim financial statements follow the same accounting policies and methods of their application of the most recent annual financial statements. These financial statements should be read in conjunction with the audited financial statements as at December 31, 2003.

2. Financial Instruments

The Company's financial instruments consist of cash and term deposits, accounts receivable, short-term investments and accounts payable. As at March 31, 2004, the Company holds an equivalent of CAD\$641,358 held in U.S., and Dominican Republic currency, which is exposed to currency risk based on fluctuations in the prevailing foreign exchange rates. 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. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

3. Resource Property Costs

a) Details are as follows:

	Acquisition Costs	Deferred Exploration	Accumulated Write-off	2004	2003
Dominican Republic					
Actividades Concessions	\$ 142,640	\$ 200,435	\$ -	\$ 343,075	\$ 336,354
Casa Real Concessions	302,694	686,994	-	989,688	979,801
Los Pedregones Concession	353,038	216,142	(239,531)	329,649	328,375
Proyectos Concessions	549,324	310,548	-	859,872	841,364
La Parcela Concession	597,007	67,497	-	664,504	630,710
Other Concessions	315,230	2,235,219	(2,323,808)	226,641	219,704
	2,259,933	3,716,835	(2,563,339)	3,413,429	3,336,308
Mexico					
Real de Belem	99,173	77,641	-	176,814	-
	\$ 2,359,106	\$ 3,794,476	\$ (2,563,339)	\$ 3,590,243	\$ 3,336,308

b) Royalty Agreements

By various agreements dated between January 20, 1995 and October 26, 1998, the Company purchased 100% of the issued and outstanding shares of Minera Hispaniola, S.A. ("Minera"). Minera is the holder of several exploration concessions located in the Dominican Republic. These exploration concessions are subject to the following terms:

- i) On the properties already granted to Minera as at January 20, 1995 (*Schedule*), the Company agrees to make the following cash payments:

- Upon commencement of commercial production US\$ 250,000
- On the first anniversary of commercial production US\$ 250,000

The vendors also retain a 1% net smelter return capped at US\$4,000,000 on these properties.

Energold Mining Ltd.

Notes to the Interim Consolidated Financial Statements

March 31, 2004 and 2003

Canadian Funds

Unaudited

3. Resource Property Costs – continued

- ii) On any additional properties acquired directly or indirectly by the Company from January 20, 1995 to October 26, 1998 (*Schedule*) the vendors retain a 1% net smelter return royalty capped at US\$1,000,000.

c) MJD Agency Ltd. ("MJD")

By agreement dated July 25, 1996 and amended November 4, 1998, and March 28, 2002, the Company acquired the right from MJD to purchase a 40% interest in the Dominican Republic company, Actividades Mineras, S.A. ("AMSA") for an exploration work commitment of \$300,000 to be completed by July 25, 2003. To March 31, 2004, a total of \$293,075 has been spent by the Company, including allowable acquisition costs of \$92,640. The 40% interest will be earned proportionately as the \$300,000 is spent. Once complete, the Company has the right to purchase another 20% for an additional \$300,000 work commitment to be completed by July 25, 2004. All costs spent to date with regard to the purchase of AMSA have been recorded as resource property costs. This agreement is subject to the 1% net smelter royalty (*Note 3(b)(ii)*).

d) Option Agreements – Dominican Republic (*Note 3(b)(i)*)

- i) In the prior year, the Company entered into an agreement with a third party who, by October 2003, was to incur, at its option, exploration expenditures of US\$1,300,000 on certain concessions located in the Dominican Republic, to earn a 51% interest in the concessions. Each concession had a minimum amount that must be incurred to be included in the option. In October 2003, the optionee confirmed that it met the minimum amount required on Bacco y Ofir and Josephina, but failed to meet the threshold expenditures on the remaining concessions, which were then returned to the Company.

Under a similar agreement with IMPACT the third party was to incur, at its option, exploration expenditures of US\$1,000,000, US\$500,000 and US\$200,000 on the El Brujo, La Bruja and Rey Croesus concessions respectively, to earn a 51% interest in each concession. The La Bruja expenditures were to be made by March 2004 and El Brujo and Rey Croesus by October 2003. In October 2003, IMPACT was advised that the third party did not meet the threshold expenditures prior to the expiry of its option, and as a result returned all the concessions to IMPACT.

- ii) On December 1, 2003, the Company entered into a joint venture with a third party on the Longyear concession in the Dominican Republic. The third party is required to spend \$US1.5 million over three years to earn a 60% interest in the project including the commitment to drill 1,000 meters within six months. The third party can earn an 80% interest by taking the project to a bankable feasibility study.
- iii) In January, 2004, the Company entered into a joint venture with a third party on the Centenario concession in the Dominican Republic. The third party is required to spend \$US1.0 million over three years to earn a 60% interest in the project. The third party can earn an 80% interest by taking the project to a bankable feasibility study.

Energold Mining Ltd.

Notes to the Interim Consolidated Financial Statements

March 31, 2004 and 2003

Canadian Funds

Unaudited

3. Resource Property Costs – continued

e) Real de Belem

On December 22, 2003, the Company acquired an option from a third party on the Real de Belem project in Mexico. Under the terms of the agreement, the Company will advance \$US70,000 (paid) and complete an exploration program and a 1,500 meter drill program in the next six months. Upon completion of this program, the Company, at its option, may loan US\$1.43 million to the third party after which the third party has two years to achieve commercial production. At any time, the Company has the right to acquire a 100% interest in the project for an additional US\$5.0 million, which expires three months following the commencement of commercial production.

4. Property, Plant and Equipment

	2004		2003
Drilling Equipment	\$ 1,661,863	\$	1,017,682
Exploration Equipment	37,720		37,720
Vehicles	154,832		150,062
Office Furniture and Equipment	301,860		257,403
	<u>2,156,275</u>		<u>1,462,867</u>
Accumulated amortization	(843,346)		(690,494)
Net Book Value	<u>\$ 1,312,929</u>	\$	<u>772,373</u>

5. Due to Kluane Drilling Ltd.

As at March 31, 2004, an amount of \$1,562,533 (2003 - \$853,904) was due to Kluane Drilling Ltd. Monies owed are unsecured, non-interest bearing and without specific repayment terms. Management anticipates that the amount will be repaid within one year and accordingly it has been classified as current.

6. Non-Controlling Interests

The non-controlling interests are recorded at the carrying values in the records of the subsidiary. This amount is adjusted by the non-controlling interest's portion of the income (loss) that occurs subsequent to the acquisition of control of the company.

Effective June 27, 2002, the Company increased its ownership of IMPACT to 46.72% by acquiring, through a private placement, 850,000 units of IMPACT at a price of \$0.10 per unit. As a result, the non-controlling interest was reduced to 53.28%.

On May 15, 2002, the Company acquired 50% of the issued and outstanding shares of Minera Pacific Rim Peru, S.A.C. ("Pac Rim") by paying \$11,635.

Energold Mining Ltd.

Notes to the Interim Consolidated Financial Statements

March 31, 2004 and 2003

Canadian Funds

Unaudited

6. Non-Controlling Interests – continued

IMPACT

Total net assets as at the date of acquisition at carrying value	<u>\$ 1,165,403</u>
Multiplied by the non-controlling interest – 57.21%	666,727
1999-2003 losses allocated to non-controlling interest and non-controlling interest adjustments	(202,720)
2004 loss allocated to non-controlling interest and non-controlling interest adjustment	<u>(19,881)</u>
Total non-controlling interest – IMPACT	<u>\$ 444,126</u>

Pac Rim

Total net assets as at the date of acquisition at carrying value	<u>\$ 1</u>
Multiplied by the non-controlling interest – 50.00%	1
2002-2003 income allocated to non-controlling interest	815,190
2004 income allocated to non-controlling interest	<u>161,824</u>
Total non-controlling interest – Pac Rim	<u>\$ 977,015</u>

Kluane International Drilling Inc. (“Kluane”)

Total assets as at the date of incorporation	<u>\$ 100</u>
Multiplied by the non-controlling interest – 50.00%	50
1999-2003 income allocated to non-controlling interest	(34,093)
2004 income allocated to non-controlling interest	<u>487,092</u>
Total non-controlling interest – Kluane	<u>\$ 453,049</u>
Total non-controlling interest	<u>\$ 1,874,190</u>

Energold Mining Ltd.

Notes to the Interim Consolidated Financial Statements

March 31, 2004 and 2003

Canadian Funds

Unaudited

7. Share Capital

a) Details are as follows:

	Number	Amount
Authorized:		
30,000,000 shares without par value		
Issued and outstanding:		
Balance – March 31, 2003	14,432,396	\$ 9,402,664
Issued as bonus to officers	75,000	15,000
Issued for cash	250,000	37,500
Balance – December 31, 2003	14,757,396	9,455,164
Issued for cash	1,020,000	703,000
Balance – March 31, 2004	15,777,396	\$ 10,158,164

b) Contributed Surplus

Balance – March 31, 2003	\$ 348,696
Stock-based compensation - IMPACT	16,000
Balance – December 31, 2003	364,696
Stock-based compensation - IMPACT	11,499
Balance – March 31, 2004	\$ 376,195

The addition to Contributed Surplus for 2004 and 2003 is for the Company's proportionate share of the stock-based compensation relating to the stock options issued in IMPACT.

c) During the quarter ended March 31, 2004, 500,000 warrants were issued with respect to a non-brokered private placement. One warrant entitles the holder to purchase an additional share of the Company until March 11, 2006 at a price of \$0.75 per share.

8. Share Purchase Options

The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant. Options vest 25% on the date granted and 12½% every quarter thereafter.

a) A summary of the Company's options at March 31, 2004 and the changes for the period are as follows:

Number Outstanding March 31, 2003	Granted	Exercised	Forfeited	Expired	Number Outstanding March 31, 2004	Exercise Price Per Share	Expiry Date
215,000	-	(195,000)	-	(20,000)	-	\$ 0.15	December 14, 2003
1,310,000	-	(75,000)	-	-	1,235,000	\$ 0.15	June 14, 2006
865,000	-	-	-	-	865,000	\$ 0.16	April 29, 2007
2,390,000	-	-	-	-	2,100,000	\$ 0.15 – 0.16	June 16, 2006 – April 29, 2007

Energold Mining Ltd.

Notes to the Interim Consolidated Financial Statements

March 31, 2004 and 2003

Canadian Funds

Unaudited

8. Share Purchase Options - continued

- b) The fair value of stock options used to calculate compensation for employees is estimated using the Black-Scholes Option Pricing Model. For the quarter ended March 31, 2004, no stock options were granted.

The total pro-forma value stock compensation expense on stock options granted to employees of IMPACT for the quarter ended March 31, 2004 is \$24,614, which has been recorded in the accounts of the Company. This value is estimated at the date of the grant with the following weighted average assumptions:

Risk-free interest rate	4.14%
Expected dividend yield	Nil
Expected stock price volatility	191.6%
Expected option life in years	5

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input 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 stock options.

9. Related Party Transactions

- a) During the three months ended March 31, 2004, fees in the amount of \$46,500 (2003 - \$37,500) were accrued or paid to two directors and officers of the Company and fees of \$20,527 (2003- \$20,677) were accrued or paid to an individual related to a director.
- b) During the three months ended March 31, 2004, fees in the amount of \$9,000 (2003 - \$9,000) were paid or accrued to two directors and officers of IMPACT.
-

10. Commitment

The company has signed a lease for office premises which commenced May 15, 2002 and ends May 14, 2007. Lease obligations, net of operating costs, are \$65,441 per year during this period.

11. Comparative Figures

Certain of the prior period's figures have been reclassified to conform to the current period's presentation.

12. Subsequent Events

- a) In April 2004, IMPACT issued a private placement of 3.0 million units at a price of \$0.15 per unit. Each unit consists of one common share and one share purchase warrant. One share purchase warrant entitles the holder to acquire one common share at a price of \$0.165 per share for 2.5 million units and \$0.185 per share for 500,000 units. IMPACT granted a further 214,166 warrants at \$0.165 as a finder's fee. All the warrants expire April 14, 2005.
- b) On May 12, 2004, IMPACT granted additional incentive stock options under its Stock Option Plan to directors and employees exercisable for up to 475,000 shares of IMPACT. The options are exercisable on or before May 12, 2009 at an exercise price of \$0.15 per share.
-

Energold Mining Ltd.

Notes to the Interim Consolidated Financial Statements

March 31, 2004 and 2003

Canadian Funds

Unaudited

13. Segmented Information

Details at March 31 are as follows:

	2004	2003
Revenue by geographic area		
Caribbean	\$ 394,422	\$ 311,863
Orient/Southeast Asia	96,849	218,249
Middle East/Africa	-	199,451
South America	1,012,708	105,366
	<u>\$ 1,503,979</u>	<u>\$ 834,929</u>
Net income (loss) by geographic area		
Caribbean	\$ 224,106	\$ 236,393
Canada	(245,825)	(459,329)
Orient/Southeast Asia	48,424	218,249
Middle East/Africa	-	199,451
South America	466,518	83
	<u>\$ 493,223</u>	<u>\$ 194,847</u>
Revenue by industry		
Drilling	\$ 1,503,979	\$ 834,929
Net income (loss) by industry		
Drilling	\$ 708,230	\$ 410,292
Exploration	(215,007)	(215,445)
	<u>\$ 493,223</u>	<u>\$ 194,847</u>
Assets by geographic area		
Caribbean	\$ 4,048,858	\$ 4,266,888
Canada	5,514,449	2,235,982
South America	1,811,812	797,731
	<u>\$ 11,375,119</u>	<u>\$ 7,300,601</u>
Property, plant and equipment by geographic area		
Caribbean	\$ 116,327	\$ 116,795
Canada	878,583	469,477
South America	318,020	186,101
	<u>\$ 1,312,930</u>	<u>\$ 772,373</u>
Assets by industry		
Drilling	\$ 6,896,398	\$ 3,257,389
Exploration	4,478,721	4,043,212
	<u>\$ 11,375,119</u>	<u>\$ 7,300,601</u>
Property, plant and equipment by industry		
Drilling	\$ 1,170,927	\$ 646,493
Exploration	142,003	125,880
	<u>\$ 1,312,930</u>	<u>\$ 772,373</u>