

**PETAQUILLA MINERALS LTD.
(formerly Adrian Resources Ltd.)**

**CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)**

Three Months ended April 30, 2005

(Unaudited – Prepared by Management)

PETAQUILLA MINERALS LTD.

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.

"Michael Levy"
President

"Kenneth W. Morgan"
Chief Financial Officer

June 14, 2005

PETAQUILLA MINERALS LTD.
(formerly Adrian Resources Ltd.)
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Dollars)

	April 30, 2005	January 31, 2005 (Audited)
ASSETS		
Current		
Cash and cash equivalents	\$ 284,905	\$ 891,548
Receivables	55,409	71,263
Prepaid expenses	<u>41,295</u>	<u>10,783</u>
Total current assets	381,609	973,594
Property and equipment (Note 4)	143,317	49,825
Performance bond – restricted cash (Note 5)	<u>980,382</u>	<u>966,055</u>
	<u>\$ 1,505,308</u>	<u>\$ 1,989,474</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 103,624	\$ 51,973
Other accrued liabilities	<u>51,078</u>	<u>51,078</u>
Total current liabilities	<u>154,702</u>	<u>103,051</u>
Shareholders' equity		
Capital stock (Note 6)		
Authorized		
100,000,000 common shares without par value		
20,000,000 preferred shares without par value		
Issued and outstanding		
51,506,003 (January 31, 2005 – 51,264,537) common shares	51,505,373	51,430,792
Contributed surplus (Note 6)	1,056,953	887,432
Deficit	<u>(46,817,331)</u>	<u>(44,143,412)</u>
	5,744,995	8,174,812
Treasury stock, at cost (Note 9)		
Repurchased, not cancelled		
1,160,200 (January 31, 2005 – 1,660,200) common shares	<u>(4,394,389)</u>	<u>(6,288,389)</u>
	<u>1,350,606</u>	<u>1,886,423</u>
	<u>\$ 1,505,308</u>	<u>\$ 1,989,474</u>

Nature of operations and going concern (Note 1)

On behalf of the Board:

“Michael Levy”

Director

“Kenneth W. Morgan”

Director

The accompanying notes are an integral part of these consolidated financial statements.

PETAQUILLA MINERALS LTD.
(formerly Adrian Resources Ltd.)
(An Exploration Stage Company)
CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
(Expressed in Canadian Dollars, Unaudited)
PERIODS ENDED APRIL 30

	Three Months Ended April 30, 2005	Three Months Ended April 30, 2004
EXPENSES		
Accounting and legal	\$ 49,317	\$ 48,306
Consulting fees	30,282	41,751
Depreciation	6,796	76
Filing fees	4,309	9,543
Insurance	362	173
Investor relations and shareholder information	82,112	30,899
Office administration	44,358	16,896
Rent	25,926	18,392
Resource property costs	640,705	27,733
Stock-based compensation (Note 7)	198,566	380,525
Travel	52,203	7,367
Wages and benefits	<u>60,746</u>	<u>90,988</u>
Total expenses	(1,195,682)	(672,649)
OTHER INCOME (EXPENSE)		
Foreign exchange gain	87,566	(64,094)
Write-down of property and equipment	-	(42,705)
Gain on redemption of performance bond	-	208,944
Interest income and amortization of discount on bond	<u>8,212</u>	<u>7,007</u>
Loss for the period	(1,099,904)	(563,497)
Deficit, beginning of period	(44,143,412)	(42,345,139)
Loss on sale of treasury stock (Note 9)	<u>(1,574,015)</u>	<u>-</u>
Deficit, end of period	<u>\$ (46,817,331)</u>	<u>\$ (42,908,636)</u>
Basic and diluted loss per share	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
Weighted average number of shares outstanding	<u>49,380,546</u>	<u>34,807,650</u>

The accompanying notes are an integral part of these consolidated financial statements.

PETAQUILLA MINERALS LTD.
(formerly Adrian Resources Ltd.)
(An Exploration Stage Company)
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars, Unaudited)
PERIODS ENDED APRIL 30

	Three Months Ended April 30, 2005	Three Months Ended April 30, 2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (1,099,904)	\$ (563,497)
Items not affecting cash:		
Depreciation	6,796	76
Stock-based compensation	198,566	380,525
Foreign exchange gain on performance bond	(14,327)	
Write-down of property and equipment	-	42,705
Changes in non-cash working capital items:		
(Increase) decrease in receivables	15,854	46,449
(Increase) decrease in prepaid expenses	(30,512)	4,789
(Decrease) increase in accounts payable and accrued liabilities	51,651	39,682
Net cash used in operating activities	<u>(872,063)</u>	<u>(49,271)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from sale of treasury stock	319,985	-
Net proceeds from issuance of capital stock	<u>45,537</u>	<u>263,325</u>
Net cash provided by financing activities	<u>365,522</u>	<u>263,325</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(100,102)	(3,702)
Purchase of performance bond	<u>-</u>	<u>(375,380)</u>
Net cash provided used in investing activities	<u>(100,102)</u>	<u>(379,082)</u>
Change in cash and cash equivalents	(606,643)	(165,028)
Cash and cash equivalents, beginning of period	<u>891,548</u>	<u>1,836,465</u>
Cash and cash equivalents, end of period	<u>\$ 284,905</u>	<u>\$ 1,671,437</u>

The accompanying notes are an integral part of these consolidated financial statements.

PETAQUILLA MINERALS LTD.
(formerly Adrian Resources Ltd.)
(An Exploration Stage Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2005

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated in the Province of British Columbia and is in the business of the acquisition and exploration of resource properties and has not yet determined whether its properties contain ore reserves that are economically recoverable. On October 12, 2004, the Company changed its name from Adrian Resources Ltd. to Petaquilla Minerals Ltd. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

At April 30, 2005, the Company has working capital of \$226,907 (January 31, 2005 - \$870,543). The Company will have to raise additional funds to meet its planned corporate and administrative expenses for the coming year and to undertake further exploration and subsequent development of its mineral properties. Management is pursuing additional sources of financing and while it has been successful in the past there can be no assurance that it will be able to do so in the future. Accordingly, there is substantial doubt about the ability of the Company to continue as a going concern.

These interim consolidated financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These consolidated financial statements do not include any adjustments that would be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the interim consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality. These interim consolidated financial statements should be read in conjunction with the most recent annual consolidated financial statements. The significant accounting policies follow that of the most recently reported annual consolidated financial statements.

3. MARKETABLE SECURITIES

The Company holds shares of certain publicly traded companies with a book value of \$Nil (January 31, 2005 - \$Nil) and a market value of \$42,642 (January 31, 2005 - \$37,419).

PETAQUILLA MINERALS LTD.
(formerly Adrian Resources Ltd.)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2005

4. PROPERTY AND EQUIPMENT

	April 30, 2005			January 31, 2005		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Computer equipment	\$ 35,315	\$ 5,337	\$ 29,978	\$ 12,530	\$ 2,202	\$ 10,328
Equipment	88,301	4,567	83,734	15,384	2,308	13,076
Furniture and fixtures	11,358	1,565	9,793	10,780	1,078	9,702
Leasehold improvements	8,951	1,301	7,650	7,781	778	7,003
Office equipment	13,789	1,627	12,162	10,796	1,080	9,716
	<u>\$ 157,714</u>	<u>\$ 14,397</u>	<u>\$ 143,317</u>	<u>\$ 57,271</u>	<u>\$ 7,446</u>	<u>\$ 49,825</u>

During the year ended January 31, 2005, the Company wrote-off to operations certain property and equipment with a net book value of \$44,855.

During the year ended January 31, 2004, the Company wrote-off certain fully depreciated equipment with an original cost of \$335,702.

5. PERFORMANCE BOND – RESTRICTED CASH

The Company is required to post a performance bond of US\$780,000 to maintain its interest in the Petaquilla property. As at January 31, 2004, the Company fulfilled this requirement by holding a Republic of Panama Sovereign Bond (the "Panama Bond") with a face value of US\$750,000, which the Company had purchased earlier at a discount of US\$630,000, and an additional one-year time deposit of US\$31,175. The discount on the Panama Bond was being amortized to income over the original term of the bond. The Panama Bond was also returning a portion of its principal to the Company over the term of the loan. During the year ended January 31, 2005, the Panama Bond was redeemed early resulting in a gain of \$198,142. The Company subsequently pledged a guaranteed investment certificate in the amount of \$1,035,060 (US\$780,000) as security for a letter of credit with the Bank of Nova Scotia to satisfy the requirements of the performance bond.

PETAQUILLA MINERALS LTD.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2005

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Issued			
Balance as at January 31, 2003	33,340,543	\$ 48,842,442	\$ 48,290
Non-brokered private placement, net of finders' fees (a)	8,333,333	1,125,000	-
Non-brokered private placement, net of finders' fees (b)	6,666,666	900,000	-
Exercise of stock options	489,000	87,850	(14,500)
Finder's fee warrants	-	-	51,563
Stock-based compensation	-	-	242,469
Share issuance costs	-	(105,966)	-
Balance as at January 31, 2004	48,829,542	50,849,326	327,822
Exercise of stock options	2,185,497	476,209	(114,383)
Exercise of warrants	249,498	105,257	(42,883)
Stock-based compensation	-	-	716,876
Balance as at January 31, 2005	51,264,537	\$ 51,430,792	\$ 887,432
Exercise of stock options	148,000	35,277	(13,032)
Exercise of warrants	93,166	39,304	(16,013)
Stock-based compensation	-	-	198,566
Balance as at April 30, 2005	51,506,003	\$ 51,505,373	\$ 1,056,953

PETAQUILLA MINERALS LTD.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
APRIL 30, 2005

7. STOCK OPTIONS

The Company has a stock option plan which authorizes the board of directors to grant incentive stock options to directors, officers and employees whereby the maximum number of shares reserved for issuance under the Company's plan is 7,436,158 common shares. The aggregate number of common shares reserved for issuance to any person may not exceed 5% of the number of outstanding common shares. The exercise price of the options will be determined by the fair market value of the shares at the closing price on the date prior to date of the grant.

Stock option transactions are summarized as follows:

	Number of Shares	Weighted Average Exercise Price
Balance at January 31, 2003	2,398,297	\$ 0.15
Granted	1,180,000	0.23
Exercised	(489,000)	0.15
Expired	-	-
Forfeited	-	-
Balance at January 31, 2004	3,089,297	0.18
Granted	2,770,000	0.43
Exercised	(2,185,497)	0.17
Expired	-	-
Forfeited	(1,300,000)	0.41
Balance at January 31, 2005	2,373,800	0.36
Granted	1,125,000	0.50
Exercised	(148,300)	0.15
Expired	-	
Forfeited	-	
Balance at April 30, 2005	3,350,500	\$ 0.41
Number of stock options exercisable	2,035,064	

PETAQUILLA MINERALS LTD.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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APRIL 30, 2005

7. STOCK OPTIONS (cont'd...)

As at April 30, 2005, the following stock options were outstanding as follows:

Number of Shares	Exercise Price	Expiry Date
500	\$ 0.15	April 18, 2007
655,000	\$ 0.23	September 24, 2008
920,000	\$ 0.42	April 28, 2009
450,000	\$ 0.42	September 22, 2009
200,000	\$ 0.50	January 10, 2010
1,125,000	\$ 0.50	April 21, 2010

Total stock options granted during the period ended April 30, 2005 are 1,125,000. Total stock-based compensation for the fair value of stock options granted during the current period was \$198,566 which has been recorded in the interim consolidated statement of operations as stock-based compensation with corresponding contributed surplus recorded in shareholders' equity. The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes option pricing model with the following assumptions:

	Period Ended April 30, 2005
Risk-free interest	2.98%
Expected dividend yield	-
Expected stock price volatility	85%
Expected option life in years	2 years

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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APRIL 30, 2005

8. SHARE PURCHASE WARRANTS

Share purchase warrant transactions are summarized as follows:

	Number of Shares	Weighted Average Exercise Price
Balance at January 31, 2003	-	-
Issued	7,799,994	0.25
Expired	-	-
Balance at January 31, 2004	7,799,994	0.25
Issued	-	-
Exercised	249,498	0.25
Expired	-	-
Balance at January 31, 2005	7,550,496	\$ 0.25
Issued	-	-
Exercised	93,166	0.25
Expired	-	-
Balance at April 30, 2005	7,457,330	\$ 0.25

As at April 30, 2005, the following share purchase warrants were outstanding and exercisable as follows:

Number of Shares	Exercise Price	Expiry Date
4,416,666	\$ 0.25	September 24, 2005
3,040,664	\$ 0.25	November 18, 2005

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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APRIL 30, 2005

9. TREASURY STOCK

During the period ended April 30, 2005, the Company sold 500,000 of its shares held in treasury at a price of \$0.65 per share for net proceeds of \$319,985. These shares were previously issued and reacquired at a cost of \$3.79 per share by the Company some years ago pursuant to an issuer bid. The loss of \$1,574,015 resulting from the sale of these shares and related broker fees has been charged to deficit in the current period.

10. RELATED PARTY TRANSACTIONS

During the period ended April 30, 2005:

- a. The Company paid consulting fees of \$27,377 to a company controlled by a director.
- b. The Company paid wages of \$33,600 to directors.
- c. Included in accounts payable at April 30, 2005 is \$23,343 due to a company related by virtue of a common director.

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.

**PETAQUILLA MINERALS LTD.
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**CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)**

Three Months ended April 30, 2005

(Unaudited – Prepared by Management)

PETAQUILLA MINERALS LTD.

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"Michael Levy"
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"Kenneth W. Morgan"
Chief Financial Officer

June 14, 2005

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	<u>1,350,606</u>	<u>1,886,423</u>
	<u>\$ 1,505,308</u>	<u>\$ 1,989,474</u>

Nature of operations and going concern (Note 1)

On behalf of the Board:

“Michael Levy”

Director

“Kenneth W. Morgan”

Director

The accompanying notes are an integral part of these consolidated financial statements.

PETAQUILLA MINERALS LTD.
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CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
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PERIODS ENDED APRIL 30

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EXPENSES		
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Loss on sale of treasury stock (Note 9)	<u>(1,574,015)</u>	<u>-</u>
Deficit, end of period	<u>\$ (46,817,331)</u>	<u>\$ (42,908,636)</u>
Basic and diluted loss per share	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
Weighted average number of shares outstanding	<u>49,380,546</u>	<u>34,807,650</u>

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PETAQUILLA MINERALS LTD.
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CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars, Unaudited)
PERIODS ENDED APRIL 30

	Three Months Ended April 30, 2005	Three Months Ended April 30, 2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (1,099,904)	\$ (563,497)
Items not affecting cash:		
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Stock-based compensation	198,566	380,525
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CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(100,102)	(3,702)
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1. NATURE OF OPERATIONS AND GOING CONCERN

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3. MARKETABLE SECURITIES

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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APRIL 30, 2005

4. PROPERTY AND EQUIPMENT

	April 30, 2005			January 31, 2005		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Computer equipment	\$ 35,315	\$ 5,337	\$ 29,978	\$ 12,530	\$ 2,202	\$ 10,328
Equipment	88,301	4,567	83,734	15,384	2,308	13,076
Furniture and fixtures	11,358	1,565	9,793	10,780	1,078	9,702
Leasehold improvements	8,951	1,301	7,650	7,781	778	7,003
Office equipment	13,789	1,627	12,162	10,796	1,080	9,716
	<u>\$ 157,714</u>	<u>\$ 14,397</u>	<u>\$ 143,317</u>	<u>\$ 57,271</u>	<u>\$ 7,446</u>	<u>\$ 49,825</u>

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During the year ended January 31, 2004, the Company wrote-off certain fully depreciated equipment with an original cost of \$335,702.

5. PERFORMANCE BOND – RESTRICTED CASH

The Company is required to post a performance bond of US\$780,000 to maintain its interest in the Petaquilla property. As at January 31, 2004, the Company fulfilled this requirement by holding a Republic of Panama Sovereign Bond (the "Panama Bond") with a face value of US\$750,000, which the Company had purchased earlier at a discount of US\$630,000, and an additional one-year time deposit of US\$31,175. The discount on the Panama Bond was being amortized to income over the original term of the bond. The Panama Bond was also returning a portion of its principal to the Company over the term of the loan. During the year ended January 31, 2005, the Panama Bond was redeemed early resulting in a gain of \$198,142. The Company subsequently pledged a guaranteed investment certificate in the amount of \$1,035,060 (US\$780,000) as security for a letter of credit with the Bank of Nova Scotia to satisfy the requirements of the performance bond.

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6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Issued			
Balance as at January 31, 2003	33,340,543	\$ 48,842,442	\$ 48,290
Non-brokered private placement, net of finders' fees (a)	8,333,333	1,125,000	-
Non-brokered private placement, net of finders' fees (b)	6,666,666	900,000	-
Exercise of stock options	489,000	87,850	(14,500)
Finder's fee warrants	-	-	51,563
Stock-based compensation	-	-	242,469
Share issuance costs	-	(105,966)	-
Balance as at January 31, 2004	48,829,542	50,849,326	327,822
Exercise of stock options	2,185,497	476,209	(114,383)
Exercise of warrants	249,498	105,257	(42,883)
Stock-based compensation	-	-	716,876
Balance as at January 31, 2005	51,264,537	\$ 51,430,792	\$ 887,432
Exercise of stock options	148,000	35,277	(13,032)
Exercise of warrants	93,166	39,304	(16,013)
Stock-based compensation	-	-	198,566
Balance as at April 30, 2005	51,506,003	\$ 51,505,373	\$ 1,056,953

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7. STOCK OPTIONS

The Company has a stock option plan which authorizes the board of directors to grant incentive stock options to directors, officers and employees whereby the maximum number of shares reserved for issuance under the Company's plan is 7,436,158 common shares. The aggregate number of common shares reserved for issuance to any person may not exceed 5% of the number of outstanding common shares. The exercise price of the options will be determined by the fair market value of the shares at the closing price on the date prior to date of the grant.

Stock option transactions are summarized as follows:

	Number of Shares	Weighted Average Exercise Price
Balance at January 31, 2003	2,398,297	\$ 0.15
Granted	1,180,000	0.23
Exercised	(489,000)	0.15
Expired	-	-
Forfeited	-	-
Balance at January 31, 2004	3,089,297	0.18
Granted	2,770,000	0.43
Exercised	(2,185,497)	0.17
Expired	-	-
Forfeited	(1,300,000)	0.41
Balance at January 31, 2005	2,373,800	0.36
Granted	1,125,000	0.50
Exercised	(148,300)	0.15
Expired	-	
Forfeited	-	
Balance at April 30, 2005	3,350,500	\$ 0.41
Number of stock options exercisable	2,035,064	

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7. STOCK OPTIONS (cont'd...)

As at April 30, 2005, the following stock options were outstanding as follows:

Number of Shares	Exercise Price	Expiry Date
500	\$ 0.15	April 18, 2007
655,000	\$ 0.23	September 24, 2008
920,000	\$ 0.42	April 28, 2009
450,000	\$ 0.42	September 22, 2009
200,000	\$ 0.50	January 10, 2010
1,125,000	\$ 0.50	April 21, 2010

Total stock options granted during the period ended April 30, 2005 are 1,125,000. Total stock-based compensation for the fair value of stock options granted during the current period was \$198,566 which has been recorded in the interim consolidated statement of operations as stock-based compensation with corresponding contributed surplus recorded in shareholders' equity. The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes option pricing model with the following assumptions:

	Period Ended April 30, 2005
Risk-free interest	2.98%
Expected dividend yield	-
Expected stock price volatility	85%
Expected option life in years	2 years

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8. SHARE PURCHASE WARRANTS

Share purchase warrant transactions are summarized as follows:

	Number of Shares	Weighted Average Exercise Price
Balance at January 31, 2003	-	-
Issued	7,799,994	0.25
Expired	-	-
Balance at January 31, 2004	7,799,994	0.25
Issued	-	-
Exercised	249,498	0.25
Expired	-	-
Balance at January 31, 2005	7,550,496	\$ 0.25
Issued	-	-
Exercised	93,166	0.25
Expired	-	-
Balance at April 30, 2005	7,457,330	\$ 0.25

As at April 30, 2005, the following share purchase warrants were outstanding and exercisable as follows:

Number of Shares	Exercise Price	Expiry Date
4,416,666	\$ 0.25	September 24, 2005
3,040,664	\$ 0.25	November 18, 2005

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9. TREASURY STOCK

During the period ended April 30, 2005, the Company sold 500,000 of its shares held in treasury at a price of \$0.65 per share for net proceeds of \$319,985. These shares were previously issued and reacquired at a cost of \$3.79 per share by the Company some years ago pursuant to an issuer bid. The loss of \$1,574,015 resulting from the sale of these shares and related broker fees has been charged to deficit in the current period.

10. RELATED PARTY TRANSACTIONS

During the period ended April 30, 2005:

- a. The Company paid consulting fees of \$27,377 to a company controlled by a director.
- b. The Company paid wages of \$33,600 to directors.
- c. Included in accounts payable at April 30, 2005 is \$23,343 due to a company related by virtue of a common director.

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.