

PAN AFRICAN MINING CORP.

CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2005 AND 2004

(Expressed in Canadian Dollars)

AUDITORS' REPORT

To the Shareholders of
Pan African Mining Corp.

We have audited the consolidated balance sheet of Pan African Mining Corp. as at September 30, 2005 and 2004, and the consolidated statements of loss and deficit, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, B.C.

January 18, 2006

"Morgan & Company"

Chartered Accountants

PAN AFRICAN MINING CORP.

CONSOLIDATED BALANCE SHEETS

(Expressed in Canadian Dollars)

	SEPTEMBER 30	
	2005	2004
ASSETS		
Current		
Cash and cash equivalents	\$ 5,331,269	\$ 4,798,247
Advances receivable	2,240	-
GST receivable	13,261	15,177
Prepaid expenses	70,200	22,407
	<u>5,416,970</u>	<u>4,835,831</u>
Capital Assets (Note 5)	69,782	62,430
Resource Property Costs (Note 4)	3,486,537	1,313,130
	<u>\$ 8,973,289</u>	<u>\$ 6,211,391</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 97,567	\$ 43,754
Due to related parties	5,999	-
	<u>103,566</u>	<u>43,754</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 7 (b))	8,629,874	7,040,083
Share Subscriptions (Note 7(d))	1,875,000	-
Contributed Surplus	696,216	395,000
Deficit	(2,331,367)	(1,267,446)
	<u>8,869,723</u>	<u>6,167,637</u>
	<u>\$ 8,973,289</u>	<u>\$ 6,211,391</u>

Commitments (Notes 4 and 10)

Approved on Behalf of the Board:

"Irwin A. Olian"

Director

"Ron Jorgensen"

Director

PAN AFRICAN MINING CORP.

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

(Expressed in Canadian Dollars)

	YEARS ENDED SEPTEMBER 30	
	2005	2004
Expenses		
Amortization	\$ 30,062	\$ 6,422
Automobile	43,528	5,443
Bank charges	12,883	7,804
Filing fees	32,133	31,102
Investor relations	97,580	28,708
Management fees	294,781	299,230
Office, postage, and miscellaneous	108,688	59,261
Printing and reproduction	3,907	8,629
Professional fees	76,227	93,212
Rent	67,028	15,991
Stock based compensation	127,198	313,000
Trade shows and seminars	26,587	19,455
Telephone	26,044	11,875
Travel	83,598	85,767
Wages and benefits	87,807	3,662
Foreign exchange loss	25,720	127,016
	(1,143,771)	(1,116,577)
Loss Before Other Income and Non-Controlling Interests		
Rental Income	16,126	-
Interest Income	63,724	9,852
Non-Controlling Interest Share of Loss	-	2,614
	(1,063,921)	(1,104,111)
Net Loss For The Year		
Deficit, Beginning Of Year	(1,267,446)	(163,335)
	\$ (2,331,367)	\$ (1,267,446)
Deficit, End Of Year		
Basic Loss Per Share	\$ (0.07)	\$ (0.11)
Weighted Average Number of Common Shares Outstanding	16,092,742	10,417,811

PAN AFRICAN MINING CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

Cash provided by (used for)	YEAR ENDED SEPTEMBER 30	
	2005	2004
Operating Activities		
Loss for the year	\$ (1,063,921)	\$ (1,104,111)
Items not affecting cash:		
Non-controlling interest share of loss	-	(2,614)
Amortization	30,062	6,422
Stock based compensation benefit	127,198	313,000
Changes in non-cash operating working capital:		
Advances receivable	(2,240)	-
GST receivable	1,916	(14,045)
Prepaid expenses	(47,793)	(17,050)
Accounts payable and accrued liabilities	53,813	(7,151)
	<u>(900,965)</u>	<u>(825,549)</u>
Investing Activities		
Resource property costs, net of \$197,303 (2004 – \$82,000) in stock based payments	(1,976,104)	(1,099,370)
Acquisition of capital assets	(37,414)	(68,852)
	<u>(2,013,518)</u>	<u>(1,168,222)</u>
Financing Activities		
Issue of common shares	1,566,506	6,495,502
Due to related parties	5,999	-
Share subscriptions	1,875,000	-
	<u>3,447,505</u>	<u>6,495,502</u>
Increase In Cash and Cash Equivalents	533,022	4,501,731
Cash and Cash Equivalents, Beginning of Year	4,798,247	296,516
Cash and Cash Equivalents, End of Year	\$ 5,331,269	\$ 4,798,247
Supplemental Disclosure of Cash Flow Information		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

PAN AFRICAN MINING CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company is incorporated under the laws of the Province of British Columbia.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's continued existence is dependent upon its ability to continue to raise additional financing and to generate profitable operations.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation and Principles of Consolidation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. These consolidated financial statements include the accounts of the Company and its 98% owned subsidiary, PAM Madagascar S.A.R.L., ("PAMM"), and its 99.8% owned subsidiary PAM Atomique S.A.R.L., ("PAMA"). (Note 11(d)). Both Companies are organized under Malagasy law.

b) Cash and Equivalents

Cash and equivalents consist of cash and highly liquid investments that are readily convertible to known amounts of cash.

c) Resource Property Costs

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral deposits that are economically recoverable.

Mineral exploration and development costs are capitalized on an individual prospect basis until such time as the properties are brought into production, at which time they will be amortized against production, or until the prospect is sold or abandoned at which time they are written off.

The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable mineral deposits, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

PAN AFRICAN MINING CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Resource Property Costs (Continued)

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

On an annual basis or when impairment indicators arise, the Company evaluates the future recoverability of its resource property costs. Impairment losses or write-downs are recorded in the event that the net book value of such assets exceeds the estimated indicated future cash flows attributable to these assets.

c) Depreciation

The Company depreciates its capital assets over their estimated useful lives as follows:

Computer hardware and software	Straight line method over a period of 2-3 years
Furniture and fixtures	Straight line method over a period of 5 years

d) Environmental Remediation and Reclamation Expenditures

The operations of the Company may in the future be affected from time to time in varying degree by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly and are not predictable.

The Company is in the early stages of exploring its resource properties. The Company has no current legal obligation for reclamation and remediation costs.

e) Income Taxes

Income taxes are calculated using the asset and liability method of accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future tax assets are recognized to the extent that they are considered more likely than not to be realized. Future income tax liabilities or assets are calculated using the tax rates anticipated to apply in the periods that the temporary differences are expected to reverse.

PAN AFRICAN MINING CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Stock Based Compensation

The Company's stock-based compensation plan is described in Note 7(e).

The Company has adopted the recommendations of CICA Handbook Section 3870 – "Stock Based Compensation and Other Stock Based Payments" to account for stock based transactions with officers, directors, and outside consultants. Accordingly the fair value of stock options is charged to operations or resource property costs as appropriate, with an offsetting credit to contributed surplus. The fair value of stock options which vest immediately is recorded at the date of grant; the fair value of options which vest in future is recognized on a straight-line basis over the vesting period. Any consideration received on exercise of stock options together with the related portion of contributed surplus is credited to share capital.

g) Foreign Currency Translation

Transactions recorded in United States dollars and Malagasy ariarys have been translated into Canadian dollars using the temporal method as follows:

- i) monetary items at the rate prevailing at the balance sheet date;
- ii) non-monetary items at the historical exchange rate;
- iii) revenue and expense at the average rate in effect during the applicable accounting period.

Gains or losses arising on translation are included in the statement of loss and deficit.

h) Loss Per Share

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issue would have a dilutive effect. Diluted earnings per share is not presented as the effect of loss per share is anti-dilutive.

i) Use of 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 amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

PAN AFRICAN MINING CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

(Expressed in Canadian Dollars)

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, advances receivable, GST receivable, and accounts payable, accrued liabilities and due to related parties. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short term maturity or capacity of prompt liquidation.

The Company's property interests in Madagascar make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position and results.

4. RESOURCE PROPERTY COSTS

All of the Company's resource properties are located in Madagascar.

Resource property costs are detailed in the attached Consolidated Schedule of Resource Property Costs.

a) The Company acquired certain rights, through assignment from the Resident Manager of the Company's Madagascar subsidiary, to 2,079 mining claims located in Madagascar. In addition to the reimbursement of filing fees by the Company, the Resident Manager received 20,000 common shares of the Company and a 1% interest in the Company's Madagascar subsidiary.

b) Agreement of Assignment of Mining Permits dated April 1, 2004 relating to a 100% interest in four permits in the Dabolava Area as follows:

Permit No. 1070 for US \$75,000 payable upon execution (paid);

Permit No. 1074 for US \$75,000 payable within 6 months from April 1 (paid);

Permit No. 1071 and 1072 for US \$50,000 payable within one year from April 1 (paid).

The Company will pay a production bonus of US \$25,000 upon commencement of commercial mining operations on any of the foregoing.

c) Agreement of Assignment of Mining Permits dated March 1, 2004, as supplemented March 5, 2004, relating to options on Permit Nos. 7698, 7301, 7302 and 7661 in the Area of Kianjavato for:

US \$35,200 payable upon execution (paid);

US \$58,333 payable within 30 days from execution (paid);

US \$75,000 payable within 6 months from execution (paid); and

US \$40,000 payable within 12 months to perfect The Company's interest (paid).

PAN AFRICAN MINING CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

(Expressed in Canadian Dollars)

4. RESOURCE PROPERTY COSTS

The Company will pay a production bonus upon commencement of commercial mining operations between US \$100,000 and US \$250,000 depending upon results.

d) Agreement, dated April 1, 2004, for a 100% interest in the Tamatave Chrome Project, for US \$2,000 payable upon execution (paid).

e) Agreement, dated April 2, 2004, for a 100% option interest in Permit No. 1053 for:

US \$15,000 payable upon execution (paid);
US \$15,000 payable 6 months from execution (paid); and
US 45,000 payable within 12 months from execution (paid).

The Company will pay a variable production bonus within 90 days from commencement of commercial mining operations of up to US \$250,000 depending upon results.

The Company, has been granted the exclusive rights to conduct exploration, development and exploitation of certain mining prospectives known as Tranomaro, Folakara, Faratsiho and Makay. The properties encompass approximately 9000 sq. km.

5. CAPITAL ASSETS

	2005			2004
	COST	ACCUMULATED AMORTIZATION	TOTAL	TOTAL
Computer hardware and software	\$ 61,132	\$ 27,806	\$ 33,326	\$ 39,151
Furniture and fixtures	44,929	8,473	36,456	23,279
	<u>\$ 106,061</u>	<u>\$ 36,279</u>	<u>\$ 69,782</u>	<u>\$ 62,430</u>

6. RELATED PARTY TRANSACTIONS

The Company's President and the Resident Manager of PAMM, the Company's 98% owned subsidiary, each own a 1% interest in PAMM. The Company has the right to purchase the 1% interest owned by the Resident Manager for US\$5,000 until December 31, 2004 after which date, the purchase price will increase by US\$5,000 per year.

The Company incurred the following expenses with directors and officers of the Company and its subsidiaries:

	September 30 2005	September 30 2004
Management fees (Note 10)	\$ 241,199	\$ 278,719

As at September 30, 2005, \$ Nil (2004 - \$4,479) was outstanding to a director.

PAN AFRICAN MINING CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

(Expressed in Canadian Dollars)

RELATED PARTY TRANSACTIONS (Continued):

During the year ended September 30, 2005 \$68,765 (2004 - \$65,063) was capitalized as a component of mineral properties representing management fees to officers for geological services and exploration activities.

The Company shares administrative costs and received rent from a company with common directors. Rent in the amount of \$16,126 (2004 – \$ Nil) was received from that company on a month to month basis for shared office space.

7. SHARE CAPITAL

a) Authorized

100,000,000 common shares without par value

100,000,000 preferred share without par value

b) Common Shares Issued

	<u>NUMBER</u>	<u>AMOUNT</u>
Balance, September 30, 2003	8,165,000	\$ 544,581
November 10, 2003 - Issue of shares for cash by private placement at \$0.50 per share	700,000	350,000
February 27, 2004 - Issue of shares for cash by private placement at \$0.75 per share	840,167	630,125
July 23, 2004 - Issue of shares for cash, initial public offering	6,000,000	6,000,000
Share issuance costs	-	(484,623)
Balance, September 30, 2004	15,705,167	\$ 7,040,083
July 18, 2005 - Issue of shares for cash by private placement at \$1.00 per share	1,500,000	1,500,000
Stock options exercised to date	55,000	78,285
Warrants exercised to date	104,718	120,426
Issue of shares as finder's fees in connection with IPO	80,000	80,000
Share issuance costs	-	(188,920)
Balance, September 30, 2005	<u>17,444,885</u>	<u>\$ 8,629,874</u>

As at September 30, 2005, 3,648,000 (2004- 5,472,000) shares were held in escrow.

PAN AFRICAN MINING CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

(Expressed in Canadian Dollars)

c) Initial Public Offering

On July 26, 2004 the Company completed its initial public offering and commenced trading on the TSX Venture Exchange under the symbol "PAF". The offering consisted of 6,000,000 units at a price of \$1.00 per unit ("Units") for gross proceeds of \$6,000,000. Each unit consists of one Common Share of the Company and one-half of one non-transferrable share purchase warrant. Each whole warrant entitled the holder to purchase one additional common share of the Company at a price of \$1.35 until July 23, 2005.

The Company incurred \$469,623 of costs in connection with the offering and issued 900,000 Agents' warrants entitling the purchase of one common share per warrant. 450,000 warrants were exercisable at a price of \$1.05 per share until July 23, 2005. The remaining 450,000 warrants are exercisable at a price of \$1.15 up to July 23, 2006.

On July 18, 2005 the Company completed a non-brokered private placement to raise gross proceeds of \$1,500,000. Under the terms of the offering the Company sold 1,500,000 units at \$1.00 per unit. Each unit consist of one common share and one-half of one non-transferable share purchase warrant. The Company paid finders' fees of \$75,000 plus 120,000 warrants to purchase common shares up to 5% of the gross proceeds and finders' warrants up to 8% of the number of units sold. Each warrant will entitle the holder to purchase one common share of the Company at \$1.20 for a period of one year from the closing date.

The continuity of share purchase warrants during the year ended September 30, 2005 is as follows:

Expiry dates	Exercise price	Outstanding as of September 30, 2004	Issued throughout the year	Exercised throughout the year	Expired throughout the year	Outstanding as of September 30, 2005
July 23, 05	\$1.05	450,000	-	-	(450,000)	-
July 23, 06	\$1.15	450,000	-	(104,718)	-	345,282
July 23, 05	\$1.35	3,000,000	-	-	(3,000,000)	-
July 18, 06	\$1.20	-	120,000	-	-	120,000
July 18, 07	\$1.20	-	750,000	-	-	750,000
		3,900,000	870,000	(104,718)	(3,450,000)	1,215,282

d) Share Subscriptions

On October 3, 2005 the Company completed a non-brokered private placement to raise gross proceeds of \$1,875,000. Under the terms of the offering the Company sold 1,250,000 units at \$1.50 per unit. Each unit consists of one common share of the Company and one-half of one share purchase warrants. Each whole warrant will entitle the holder to purchase one common share of the Company at \$2.00 until April 3, 2007. The Company paid finders' fees of \$65,625 plus 60,000 finders' warrants. Each finder's warrant entitles the holder to purchase one common share of the Company at \$2.00

PAN AFRICAN MINING CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

until April 3, 2007. All the funds were received as of September 30, 2005.

e) Share Purchase Options

Effective March 31, 2004, the Company adopted the 2004 Stock Incentive Plan (the "Plan"). The total number of shares of stock which may be offered under, or issued under, options granted pursuant to the Plan shall not exceed 2,500,000 common shares. The number and terms and conditions of options which may be issued to certain individuals is limited as required by the TSX Venture Exchange. No options may be granted under the Plan after March 31, 2014.

The continuity of share purchase options is as follows:

	September 2005		September 2004	
	Number of shares	Average Price	Number of shares	Average Price
Opening Balance	1,205,000	\$ 1.00	-	\$ -
Granted during the year	466,000	1.00	1,205,000	1.00
Exercised during the year	(55,000)	1.00	-	-
Expired/cancelled during the year	(125,000)	1.00	-	-
Closing Balance	1,491,000		1,205,000	
Average contractual remaining life (years)		0.97		1.81
Range of exercised prices		\$ 1.00		\$ 1.00

The fair value of the options granted has been estimated using the Black-Scholes option pricing model. The estimated fair value of all options granted during the year ended September 30, 2005 was 295,000 (2004- \$395,000). \$ 167,802 (2004- \$82,000) of these amounts have been included as geological consulting and services in resource property costs. The weighted average fair value of options granted during the year is \$0.20 (2004- \$0.30).

Assumptions used in the option pricing model are as follows:

	Year ended September 30, 2005	Year ended September 30, 2004
Average risk-free interest rate	4.00%	4.00%
Expected life	2 years	2 years
Expected volatility	95.49%	58.36%
Expected dividends	Nil	Nil

PAN AFRICAN MINING CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

(Expressed in Canadian Dollars)

8. INCOME TAXES

The Company has incurred losses which may be carried forward and used to reduce taxable income in future years. The Company has available approximate non-capital losses which may be carried forward to apply against future years' income for Canadian income tax purposes. The losses expire as follows:

Available to	Amount
2010	\$145,675
2014	691,279
2015	760,422
	<hr/>
	\$1,597,376

The benefit of these losses have not been recorded in these financial statements.

The Company has established a valuation allowance against potential tax benefits as the tax benefits are not more likely than not to be realized.

9. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operation decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mineral exploration sector. The Company's mining operations are centralized whereby the Company's head office is responsible for the exploration results and for providing support in addressing local and regional issues. The Company's resource properties are in Madagascar.

	September 30 2005	September 30 2004
Loss for the year		
Canada	\$ 757,569	\$ 877,331
Madagascar	306,352	226,780
	<hr/> 1,063,921	<hr/> 1,104,111
Capital assets		
Canada	\$ 34,889	\$ 34,863
Madagascar	34,893	27,567
	<hr/> \$ 69,782	<hr/> \$ 62,430
Resource Property costs		
Canada	\$ -	\$ -
Madagascar	3,486,537	1,313,130
	<hr/> \$ 3,486,537	<hr/> \$ 1,313,130

PAN AFRICAN MINING CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

(Expressed in Canadian Dollars)

10. COMMITMENTS

The Company has entered into long term arrangements with commitments for years ended September 30 as follows:

	2006	2007	2008	2009	2010
Management and consulting services	\$ 851,337	\$ 289,460	\$ 31,200	\$ 6,000	\$ 6,000
Rent	\$ 32,484	\$ 32,484	\$ 24,363	\$ -	\$ -

11. SUBSEQUENT EVENTS

- a) On October 17, 2005 the Company granted stock options to employees and consultants to purchase 100,000 common shares at a price of \$1.30 per share exercisable for a period of two years.
- b) On November 10, 2005 the Company granted stock options to employees and consultants to purchase 72,500 common shares at a price of \$1.30 per share exercisable for a period of two years.
- c) On January 2, 2006 the Company granted stock options to a consultant to purchase 50,000 common shares at a price of \$1.40 per share exercisable for a period of two years.
- d) On November 7, 2005 the Company announced it has entered into a formal agreement with L'Office des Mines Nationales et des Industries Strategiques ("OMNIS") under which the Company transferred 20% of its investment in PAM Atomique S.A.R.L., for the right of the Company to explore, develop or exploit certain prospective uranium properties in Madagascar. OMNIS is a government agency of the Malagasy State charged with oversight and administration of the country's strategic resources of uranium and hydrocarbons.

The non-controlling interest in PAM Atomique S.A.R.L., is reducible under certain circumstances to a floor of not less than 10% in the event OMNIS elects not to participate in funding of commercial mining operations at the exploitation stage. The Company will contribute all initial capital for exploration.

PAN AFRICAN MINING CORP.

CONSOLIDATED SCHEDULE OF RESOURCE PROPERTY COSTS

(Expressed in Canadian Dollars)

SEPTEMBER 30

	2005			2004		
	ACQUISITION/ MAINTENANCE	DEFERRED EXPLORATION	TOTAL	ACQUISITION/ MAINTENANCE	DEFERRED EXPLORATION	TOTAL
Dabolava Project						
Balance – beginning of year	\$ 217,326	\$ 312,679	\$ 530,005	\$ 15,544	\$ 12,002	\$ 27,546
Administration	1,419	210,957	212,376	44	59,186	59,230
Geological consulting and services	-	462,730	462,730	-	85,404	85,404
Travel	-	54,775	54,775	-	9,512	9,512
Research/report writing	-	6	6	-	-	-
Field equipment	-	234,288	234,288	-	69,433	69,433
Drilling and sampling	-	382,386	382,386	-	-	-
Field staff	-	52,262	52,262	-	-	-
Satellite mapping	-	7,130	7,130	-	2,298	2,298
Aeromagnetic survey	-	25,960	25,960	-	74,844	74,844
Government permit fees	412,001	-	412,001	201,738	-	201,738
Balance end of year	<u>630,746</u>	<u>1,743,173</u>	<u>2,373,919</u>	<u>217,326</u>	<u>312,679</u>	<u>530,005</u>
Andavakooera Project						
Balance – beginning of year	83,839	50,339	134,178	18,414	13,700	32,114
Administration	-	-	-	-	1,703	1,703
Geological consulting and services	-	-	-	-	29,767	29,767
Aeromagnetic survey	-	-	-	-	5,169	5,169
Government permit fees	-	-	-	65,425	-	65,425
Balance end of year	<u>83,839</u>	<u>50,339</u>	<u>134,178</u>	<u>83,839</u>	<u>50,339</u>	<u>134,178</u>
Andramasina Project						
Balance – beginning of year	17,966	32,889	50,855	3,946	12,002	15,948
Administration	-	-	-	-	1,703	1,703
Geological consulting and services	-	-	-	-	19,184	19,184
Government permit fees	-	-	-	14,020	-	14,020
Balance end of year	<u>17,966</u>	<u>32,889</u>	<u>50,855</u>	<u>17,966</u>	<u>32,889</u>	<u>50,855</u>
Chrome exploration properties						
Balance – beginning of year	-	-	-	-	-	-
Geological consulting and services	-	54,321	54,321	-	-	-
Travel	-	3,683	3,683	-	-	-
Research/report writing	-	2,628	2,628	-	-	-
Field equipment	-	293	293	-	-	-
Balance end of year	<u>-</u>	<u>60,925</u>	<u>60,925</u>	<u>-</u>	<u>-</u>	<u>-</u>
Diamond exploration properties						
Balance – beginning of year	-	50,000	50,000	-	-	-
Administration	40	-	40	-	-	-
Geological consulting and services	-	86,500	86,500	-	-	-
Travel	-	7,189	7,189	-	-	-
Field equipment	-	9,807	9,807	-	-	-
Drilling and sampling	-	13	13	-	4,516	4,516
Field staff	-	2,531	2,531	-	45,484	45,484
Balance end of year	<u>40</u>	<u>156,040</u>	<u>156,080</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Uranium exploration properties						
Balance – beginning of year	-	-	-	-	-	-
Administration	42	-	15,740	-	-	-

		15,698				
Research/report writing	-	440	440	-	-	-
Payments to third parties	3,054	-	3,054	-	-	-
Government permit fees	43,058	-	43,058	-	-	-
Balance end of year	46,154	16,138	62,292	-	-	-

Other						
Balance – beginning of year	480,779	67,313	548,092	50,996	5,155	56,151
Administration	9	1,189	1,198	-	2,154	2,154
Geological consulting and services	-	315	315	-	41,098	41,098
Travel	-	21,649	21,649	-	164	164
Field equipment	-	22,959	22,959	-	-	-
Field staff	-	2,221	2,221	-	-	-
Drilling and sampling	-	478	478	-	-	-
Research/report writing	-	518	518	-	13,573	13,573
Payments to third parties	48,630	-	48,630	225,860	-	225,860
Aeromagnetic survey	-	-	-	-	5,169	5,169
Government permit fees	2,228	-	2,228	203,923	-	203,923
Balance end of year	531,646	116,642	648,288	480,779	67,313	548,092

Summary for all Properties

Balance - Beginning of year	799,910	513,220	1,313,130	88,900	42,860	131,760
Costs for the year	510,481	1,662,926	2,173,407	711,010	470,360	1,181,370
Balance - End of Year	\$ 1,310,391	\$ 2,176,146	\$ 3,486,537	\$ 799,910	\$ 513,220	\$ 1,313,130