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Item 86

DURGA RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED JUNE 30, 1990
(UNAUDITED)

DURGA RESOURCES LTD.

CONSOLIDATED BALANCE SHEET

THREE MONTHS ENDED JUNE 30, 1990
(UNAUDITED)

ASSETS	June 30/90	March 31/90
CURRENT ASSETS		
Cash and Term Deposits	\$ 60,022	\$ 134,600
Accounts Receivable	25,000	-0-
Due From Mine Operator	-0-	14,422
Prepaid expenses	<u>2,734</u>	<u>2,734</u>
	<u>87,756</u>	<u>151,756</u>
PROPERTY AND EQUIPMENT		
Deferred expl. expenditures	2,214,831	1,877,699
Mill and other equipment	110,265	103,680
Furniture and fixtures	<u>17,775</u>	<u>17,775</u>
	2,342,871	1,999,154
Less accumulated depreciation	<u>8,455</u>	<u>8,455</u>
	<u>2,334,416</u>	<u>1,990,699</u>
	\$ 2,422,172	\$ 2,142,455
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	419,716	321,645
Long-term debt	100,000	71,700
MINORITY INTEREST IN SUBSIDIARY	<u>339,720</u>	<u>290,124</u>
	<u>859,436</u>	<u>683,469</u>
SHAREHOLDERS' EQUITY		
Capital Stock	<u>1,562,736</u>	<u>1,458,986</u>
Issued and To Be Issued 4,703,133 Common Shares (June 30, 1989 - 3,849,764)	\$ 2,422,172	\$ 2,142,455
	=====	=====

DURGA RESOURCES LTD.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

THREE MONTHS ENDED JUNE 30, 1990

	<u>June 30/90</u>	<u>June 30/89</u>
CASH PROVIDED BY (USED FOR):		
INVESTING ACTIVITIES		
Deferred expl. expenditures	\$ (337,132)	\$ (53,962)
Gain on issue of shares by Durvada Resources Ltd.	(28,404)	-0-
Depreciation, which does not involve cash	<u>-0-</u>	<u>-0-</u>
	(365,536)	(53,962)
Mill and other equipment Acquisition of Durvada Resources Ltd.	(6,585)	-0-
	-0-	-0-
Change in non-cash working capital	<u>87,493</u>	<u>(41,734)</u>
	<u>(284,628)</u>	<u>(95,756)</u>
FINANCING		
Issue of common shares	103,750	65,000
Long-term debt	28,300	-0-
Issue of shares by Durvada Resources Ltd.	<u>78,000</u>	<u>-0-</u>
	<u>210,050</u>	<u>65,000</u>
INCREASE (DECREASE) IN CASH AND TERM DEPOSITS	(74,578)	(30,756)
Cash and term deposits at beginning of year	<u>134,600</u>	<u>67,303</u>
CASH AND TERM DEPOSITS AT END OF YEAR	\$ <u>60,022</u>	\$ <u>36,547</u>

DURGA RESOURCES LTD.

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION EXPENDITURES

THREE MONTHS ENDED JUNE 30, 1990
(UNAUDITED)

	<u>June 30/90</u>	<u>June 30/89</u>
Mining claims	\$ 333,147	\$ 34,108
General and Administrative	33,677	21,656
Interest expense	-0-	-0-
Depreciation	<u>-0-</u>	<u>-0-</u>
	366,824	55,764
Gain on issues of shares by Durvada Resources Ltd.	(28,404)	-0-
Interest income	<u>(1,289)</u>	<u>(1,802)</u>
	337,131	53,962
Pre-acquisition expenditures of Durvada Resources Ltd.	-0-	-0-
Balance at beginning of year	<u>1,877,699</u>	<u>1,047,344</u>
BALANCE AT END OF YEAR	\$ 2,214,830 =====	\$ 1,101,306 =====