

NOTICE

Attached are the unaudited interim financial statements of Rockgate Capital Corp. (the "Corporation") for the period ended December 31, 2006. The Corporation's auditor has not reviewed the attached financial statements.

ROCKGATE CAPITAL CORP.

"signed"
Douglas E. Ford
Director

February 22, 2007

ROCKGATE CAPITAL CORP.**Balance Sheet**

Prepared by management (unaudited)

	December 31	
	<u>2006</u>	<u>2005</u>
ASSETS		
Current assets		
Cash	\$ 38,225	\$ 16,994
Investments [Note 3]	893,866	169,960
Accounts Receivable	<u>10,496</u>	<u>4,565</u>
	\$ <u>942,587</u>	\$ <u>191,519</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ <u>256,691</u>	\$ <u>2,860</u>
Shareholders' equity		
Share capital	1,249,905	300,000
Contributed surplus	66,100	-
Deficit	<u>(630,109)</u>	<u>(111,341)</u>
	<u>685,896</u>	<u>188,659</u>
	\$ <u>942,587</u>	\$ <u>191,519</u>

Approved by the Directors:

"Signed"

Karl Kottmeier

"Signed"

Douglas E. Ford

ROCKGATE CAPITAL CORP.
Statement of Operations and Deficit
Prepared by management (unaudited)

	Three Months Ended 31 December		Six Months Ended 31 December	
	2006	2005	2006	2005
Revenue				
Investment Revenue	\$ 1,282	\$ -	\$ 2,347	\$ -
Total	1,282	-	3,629	-
Expenses				
Accounting	761	200	23,994	200
Corp. Finance Fees	10,000	25,205	10,000	25,205
Filing Fees	5,725	4,511	6,959	16,185
Interest & Bank charges	21	124	63	124
Ixtapan Exploration/Drilling	173,054	-	180,000	-
Legal	10,000	11,700	16,350	31,784
Meals	-	-	1,145	-
Newswire Services	3,245	-	3,829	-
Office Supplies	-	246	16	1,005
Management services	41,250	2,000	60,000	2,000
Rent	4,953	8,750	9,906	8,750
Travel & Promotion	5,019	-	16,524	-
Total	254,028	52,736	328,786	85,253
Income (loss) for the period	(252,746)	(52,736)	(325,157)	(85,253)
Deficit, beginning of period	(377,363)	(58,605)	(304,952)	(26,088)
Deficit, end of period	\$ (630,109)	\$ (111,341)	\$ (630,109)	\$ (111,341)

ROCKGATE CAPITAL CORP.
Statement of Cash Flow
Prepared by management (unaudited)

	Three Months Ended 31 December		Six Months Ended 31 December	
	2006	2005	2006	2005
Operating Activities				
Net income (loss) for the period	\$ (252,746)	\$ (52,736)	\$ (325,157)	\$ (85,253)
Add item not involving cash:				
GST receivable Oct - Dec 06	(1,010)			-
GST receivable Jul - Dec 06			(3,068)	
Change in non-cash working capital item:				
Accounts payable and accrued liabilities	154,499	(30,890)	206,837	(14,692)
Net cash used in operating activities	<u>(99,257)</u>	<u>(83,626)</u>	<u>(121,388)</u>	<u>(99,945)</u>
Financing Activities				
Stock Option Exercised	32,775	-	32,775	-
Issuance of common shares	-	200,000	-	200,000
Net cash from financing activities	<u>32,775</u>	<u>200,000</u>	<u>32,775</u>	<u>200,000</u>
Investing Activity				
Short-term investment	<u>80,598</u>	<u>-</u>	<u>80,256</u>	<u>-</u>
Net cash used in investing activity	<u>80,598</u>	<u>-</u>	<u>80,256</u>	<u>-</u>
Net cash increase (decrease) in period	<u><u>14,116</u></u>	<u><u>116,374</u></u>	<u><u>(8,357)</u></u>	<u><u>100,055</u></u>
Cash position, beginning of period	24,109	70,580	46,582	86,899
Cash position, end of period	\$ <u><u>38,225</u></u>	\$ <u><u>186,954</u></u>	\$ <u><u>38,225</u></u>	\$ <u><u>186,954</u></u>

1. **Nature of Operations**

The Company was incorporated in the Province of British Columbia on November 23, 2004 under the Business Corporations Act of British Columbia. The Company was classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4 until April 25, 2006.

Further to Note 7 hereto, effective April 25, 2006 the Company completed an agreement with Oro Gold Resources Ltd. ("Oro Gold") pursuant to which the Company has been granted an option to earn up to a 65% undivided interest in the Ixtapan gold property, located 120 kilometres west of Mexico City, Mexico.

The acquisition of an interest in the Ixtapan gold property and the private placement constituted the Company's qualifying transaction pursuant to Policy 2.4 of the Exchange.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

2. **Significant Accounting Policies**

Management has prepared the financial statements of the Company in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment within the framework of the significant accounting policies summarized below.

a) **Basic and Diluted Loss per Share**

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

ROCKGATE CAPITAL CORP.
Notes to the Financial Statements
December 31, 2006

Note 2 Significant Accounting Policies – (cont'd)

b) Financial Instruments

The carrying value of the Company's financial instruments, consisting of cash, short-term investment and accounts payable and accrued liabilities approximate their fair value due to the short-term maturity of such instruments. 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.

c) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are determined based on differences between the tax and accounting basis of assets and liabilities. The future tax assets or liabilities are calculated using the tax rates for the period in which the differences are expected to be settled. Future tax assets are recognized to the extent that they are considered more likely than not to be realized.

d) Foreign Currency Translation

Monetary items denominated in a foreign currency are translated into Canadian dollars at exchange rates prevailing at the balance sheet date and non-monetary items are translated at exchange rates prevailing when the assets were acquired or obligations incurred. Foreign currency denominated revenue and expense items are translated at exchange rates prevailing at the transaction date. Gains or losses arising from the translations are included in operations.

e) Stock-based Compensation

The fair value of all share purchase options granted is expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these 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 share purchase options.

ROCKGATE CAPITAL CORP.
Notes to the Financial Statements
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3. **Investments**

The Company's excess cash balances are held in accounts at Canadian Chartered banks. From time to time these funds are invested in fully insured or Government guaranteed interest bearing instruments. Any invested funds are committed to instruments which mature in no more than 90 days and are redeemable without penalty to principal at any time.

4. **Share Capital [also Notes 7, 8 and 9]**

a) **Authorized**

Unlimited common shares without par value

b) **Issued**

		<u>Number</u>		<u>Amount</u>
Issued for cash pursuant to:				
Incorporation	- at \$0.05	150	\$	7
Private Placement	- at \$0.05	1,999,850		99,993
Initial public offering	- at \$0.10	<u>2,000,000</u>		<u>200,000</u>
Balance, December 31, 2005		4,000,000		300,000
Issued for cash pursuant to:				
Private placement	- at \$0.20	4,750,000		950,000
Share issue costs		-		(62,870)
Exercise of share purchase options	- at \$0.10	100,000		10,000
Finder's fee		100,000		-
Exercise of warrants	- at \$0.345	95,000		32,775
Issued pursuant to a property agreement	- at \$0.20	100,000		20,000
Balance, December 31, 2006		<u>9,145,000</u>	\$	<u>1,249,905</u>

c) **Options**

The Company's Stock Option Plan dated August 2, 2005 provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and technical consultants to the Corporation,

ROCKGATE CAPITAL CORP.
Notes to the Financial Statements
December 31, 2006

Note 4 Share Capital – (cont'd)

non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares, exercisable for a period of up to 5 years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The Company has granted officers, directors and consultants' share purchase options. These options are granted in accordance with the policies of the regulatory authorities and the Company's Stock Option Plan.

	<u>Options</u>	<u>Weighted Average Exercise Price</u>
Outstanding at December 31, 2005	-	-
Granted	600,000	\$0.10
Granted	500,000	\$0.40
Exercised	<u>(100,000)</u>	\$0.10
Outstanding and exercisable at December 31, 2006	<u>1,000,000</u>	\$0.25

As at December 31, 2006, the following stock options were outstanding:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
100,000	\$0.10	October 12, 2007
400,000	\$0.10	October 12, 2010
500,000	\$0.40	November 28, 2011
<u>1,000,000</u>		

These options entitle the holder thereof the right to acquire one common share for each option held.

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December 31, 2006

Note 4 Share Capital – (cont'd)

d) Warrants

In conjunction with the April 2006 private placement, the Company issued one share purchase warrant with each common share purchased and 117,500 warrants as a finder's fee. Accordingly, as at December 31, 2006 the following warrants are outstanding:

	<u>Options</u>	<u>Weighted Average Exercise Price</u>
Number of warrants outstanding at December 31, 2005	-	\$ -
Issued with private placement	4,750,000	\$0.345
Issued on finder's fee	117,500	\$0.345
Exercised	<u>(95,000)</u>	\$0.345
Number of warrants outstanding at December 31, 2006	<u>4,772,500</u>	<u>\$0.345</u>

All outstanding warrants at December 31, 2006 are exercisable on a 1:1 basis and are summarized as follows:

<u>Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
<u>4,772,500</u>	\$0.345	October 6, 2007

5. **Income Taxes**

Significant components of the Company's future tax assets are as follows:

	<u>2006</u>	<u>2005</u>
Non-capital losses	\$ 56,739	\$ 9,626
Resource pools	<u>27,296</u>	<u>-</u>
	84,035	9,626
Valuation allowance	<u>(84,035)</u>	<u>(9,626)</u>
Net future income tax asset	<u>\$ -</u>	<u>\$ -</u>

The Company has recorded a valuation allowance against its future income tax assets based on the extent to which it is more likely-than-not that sufficient taxable income will not be realized during the carry-forward period to utilize all the future tax assets.

The Company has accumulated foreign resource expenditures of approximately \$80,000 and non-capital losses totalling \$192,380 which are available to reduce taxable income in future taxation years. The non-capital losses expire as follows:

2015	\$ 26,088
2016	<u>166,292</u>
	<u>\$ 192,380</u>

6. **Related Party Transactions**

For the three month period ending December 31, 2006, the Company incurred expenses of \$4,953 for rent, office supplies and administrative services [2005: \$5,250] from a private company controlled by a director of the Company.

During the period ended December 31, 2006, the Company paid a director \$3,750 [2005: \$nil] for his professional services as Chief Financial Officer; \$15,000 [2005: \$nil] to a private company controlled by a director of the Company for the professional services of that director as President of the Company; and \$22,500 [2005: \$nil] to a private company controlled by a director of the Company for the professional services of that director as Vice President -- Exploration of the Company.

7. Ixtapan Gold Property

Effective April 25, 2006, the Company completed its qualifying transaction consisting of an option to earn up to a 65-per-cent undivided interest in the Ixtapan gold project from Oro Gold Resources.

The Company signed an arm's-length letter of intent dated January 6, 2006 with Oro Gold Resources Ltd. ("Oro Gold") pursuant to which the Company was granted an option to earn up to a 65% undivided interest in the Ixtapan gold property, located 120 kilometers west of Mexico City, Mexico. Oro Gold has agreed to cause the existing concession to be subdivided into two separate concessions to segregate the Company's interests in the property.

Under the terms of the option agreement, the Company may earn a 51-per-cent interest by issuing 100,000 common shares of the Company to Oro Gold (issued); incurring \$200,000 (U.S.) in expenditures on the property by April 25, 2007 and paying to Oro Gold a \$20,000 management fee (paid). The Company may earn an additional 9% interest by incurring a further US\$300,000 in expenditures on the property and by issuing a further 100,000 common shares of the Company to Oro Gold by April 25, 2008. The Company may earn an additional 5% interest by incurring a further US\$500,000 in expenditures on the property and by issuing a further 150,000 shares of the Company to Oro Gold by April 25, 2009.

During the quarter the Company and joint venture partner Oro Gold Resources Ltd. completed the first phase drill program on the Ixtapan gold property, located approximately 120 kilometers west of Mexico City, Mexico.

The Ixtapan targets to be drill tested are gold-bearing vein structures located predominantly below historic underground workings. The structures are characterized by zones up to eight meters wide cut by quartz veins up to one metre wide and stockwork veins. Individual veins can be followed up to 750 meters in length and are open along strike and at depth. The Ixtapan structural trend can be traced along strike for up to seven kilometers. The drill program will include the completion of up to 1,500 meters of core drilling in 10 to 12 holes to test the grade and width potential of the gold-bearing veins at depth below the historical workings and other known occurrences of high-grade gold mineralization. The proposed drilling will test the potential over a 750-metre-long by 200-metre-wide section of the mineralized corridor at approximately 100-metre intervals along strike.

Preliminary results from the drilling were released in press release dated August 21, 2006.

8. Falea Uranium-Copper Property

On November 29, 2006 the Company entered into an option agreement to earn a 60-per-cent interest in the Falea uranium-copper property in southwestern Mali, West Africa, from Delta Explorations Inc. ("Delta"). The Falea uranium copper property covers an area of 150 square kilometers. Under the terms of the option agreement, Rockgate can earn a 60-per-cent undivided interest in the property from Delta by incurring a total of \$1.5-million in exploration expenses within two years of the date of receipt of TSX Venture Exchange approval. Rockgate must spend \$300,000 by the first anniversary date of the approval date and an additional \$1.2-million by the second anniversary of the approval date. In addition, Rockgate must issue 150,000 shares to Delta within five days of the approval date and a further 200,000 shares on the first anniversary of the approval date. The property agreement is subject to Exchange approval.

9. Brokered Private Placement

During November 2006 the Company engaged Pacific International Securities Inc. to act as exclusive agent on a commercially reasonable efforts basis to raise up to \$3.7-million by issuing up to 9.25 million units of Rockgate at 40 cents per unit. Each unit will consist of one common share and one transferable common share purchase warrant. Each warrant will be exercisable into one additional common share of the Company at an exercise price of 60 cents per common share for a period of 18 months from the closing date. Upon completion of the offering the Company will pay the agent a commission of 7.5 per cent of the gross proceeds of the offering, in cash or in units at the election of the agent and a corporate finance fee of \$15,000. In addition, Rockgate will issue to the agent an option to acquire compensation options equal to 10.0 per cent of the number of units sold under the offering, at an exercise price equal of 45 cents for a period of 18 months following the date of closing. Proceeds of the offering are for exploration of the Falea property, Mali, West Africa, and for general working capital. The financing is subject to Exchange approval.

10. Subsequent Events

- a) The Exchange accepted the filing documentation in connection with a mining option agreement dated Nov. 29, 2006, between the Company and Delta whereby the Company has been granted an option to acquire a 60-per-cent undivided interest in the Falea uranium copper property located in Mali, West Africa. Consideration is 350,000 common shares and \$1.5-million in exploration expenditures of which the shares and \$300,000 must be expended within the first year.
- b) The Company completed the brokered private placement announced on Nov. 29, 2006, for gross proceeds of \$3.7-million. A total of 9,748,700 units at a purchase price of 40 cents per unit have been issued, including 498,700 units issued to the Company's agent, Pacific International Securities Inc., in partial satisfaction of its commission. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant is exercisable into one additional common share of Rockgate at an exercise price of 60 cents per common share for a period of 18 months. The balance of commission due to the agent in the amount of \$64,520 was satisfied in cash. The agent was also paid a corporate finance fee of \$15,000. In addition, the agent and members of its selling group have been issued agent's options for the purchase of up to 880,000 common shares at a price of 45 cents per share, exercisable for a period of 18 months. All securities issued pursuant to the private placement are subject to a hold period and may not be traded until May 11, 2007. The net proceeds of the financing will be used to finance exploration work on the Falea uranium-copper exploration project in Mali, West Africa, and for working capital.
- c) On Jan. 18, 2007, Rockgate Capital Corp. granted options under its existing stock option plan to directors and officers of the company to purchase a total of one million common shares at an exercise price of 75 cents per share for a five-year term.
- d) Effective January 31, 2007 Krister Kottmeier resigned as an independent director of the Company.

11. **Directors & Officers**

Karl Kottmeier, President & Director
Douglas E. Ford, Chief Financial Officer & Director
Lorne Warner, Vice President – Exploration & Director
Krister Kottmeier, Director
Allen V. Ambrose, Director
Kirk Gamley, Vice President – Corporate Development