

2005

Birim Goldfields Inc.

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*Second Quarter
Interim Report
September 30, 2005*

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Birim Goldfields Inc.

Second Quarter Interim Report

As at September 30th, 2005

President's Message

The second quarter of 2005, ended September 30, 2005 has been a busy period of fieldwork activity for Birim Goldfields Inc. especially on the newly acquired Tinga concession, in the northern region of the Company's Bui District, in Ghana. Reconnaissance exploration work has already begun on the Bibiani-Sefwi Belt properties and Golden Star Resources (GSR) continues to advance the development of the Dunkwa royalty property on the Ashanti gold belt.

On August 3, 2005 Birim announced that drilling had commenced on the Far East Zone of the Tinga Gold Concession. The Company acquired the 43.8 square kilometer property from Semafo Inc. ("Semafo") in June 2005 to consolidate current and potential resources in the vicinity of the Company's Kuri gold prospect which lies 10 kilometers to the east of Tinga. Prior to the acquisition, Semafo conducted an internal resource estimate based on 100 Reverse Circulation ("RC") drill holes totalling 8,308 meters. **The resource calculation, which pre-dates the requirements of NI 43-101, gave 1,334,300 tonnes at 3.31 g/t gold, containing 142,000 ounces as indicated resources** (see August 3, 2005 news release).

Birim's current drill program consists of 21 drill holes exceeding 3,000 meters in a combination of both RC and diamond drilling in the vicinity of Semafo's previous drill holes. As of the end of the second quarter 16 of the 21 holes had been completed. A second phase of drilling is planned, based on the results from Phase I, to follow the strike of the mineralized shear system, which remains open to the north and south and at depth. An advanced 3-D modeling of the deposit, based on previous and new data, is currently being assembled. The Tinga Far East prospect is only one of a number of mineral prospects defined by Semafo on the Tinga concession. Little drilling or trenching has been conducted on other key targets within the property. In spite of the Company's best of intentions, the intense exploration activity in Ghana results in huge delays on the part of the labs in delivering assays to their clients. These long turnaround times explain the sluggish pace in reporting results from Birim's current drilling program.

Once the current drilling campaign is completed at Tinga, the drill will be relocated to the Kuri target, where approximately 4,000 meters of drilling is planned to test the extensive gold-in-soil anomalies in this region. The Kuri region is underlain by the same geological environment (Dixcove granites) as the gold zones on Tinga, including the Far East Gold Zone.

Birim has also applied for the conversion of its 7,000 km² Bui Reconnaissance License (the Bui District) into ten new Prospecting Licenses: the required status that allows companies to proceed with drilling. These Prospecting Licenses were designed to fully encompass the gold-in-soil anomalies that Birim has defined in the Bui region during the tenure of the Bui Reconnaissance License. Detailed soil sampling is already being carried out in four of the forthcoming Prospecting Licenses, and some of these targets are now ready for drill testing. Approval for the conversion to these licenses has already been obtained from the Minerals Commission in Ghana, conditional upon successful EPA permitting. This is expected to occur within the next few months and the Company is testing the availability of the required drill rigs to address these targets.

Along the Bibiani-Sefwi Gold Belt in central Ghana, Birim has commenced its reconnaissance exploration program on the three newly acquired concessions; Nkenkasu, Bia Tano and Banda Ahenkro. Work has started at the Banda Ahenkro property where stream sediment sampling is nearing completion. During this phase, the Company has become aware of much galamsey interest on and near this license. The Bibiani-Sefwi Gold Belt has historically produced a total of 3.2 million ounces of gold and still contains at least 20 million gold ounces.

On the Dunkwa royalty concession, Golden Star Resources (GSR) has been active with three drill rigs (diamond, reverse circulation and rotary air blast) over several key areas. Definition drilling of the Mampon gold deposit has been pursued with 35 diamond holes (4,696 meters), 17 RC holes (1,368 meters) and 121 RAB holes (2,731 meters); the neighboring Aboronye zone has been drilled to a 30 meter depth with 52 RAB holes (1,000 meters) and the Aniamote anomaly, located in the southern portion of the concession, has been drilled with 106 RAB holes (2,439 meters). Over the next few months, GSR will initiate the permitting process and complete in-house reserve/resource calculations.

As of September 30th, 2005, the number of common shares outstanding for Birim was 51, 576,604. The Company's cash position was a \$CAD 3.1 million, enabling the Company to continue with its aggressive exploration of prime target areas. Birim's exploration mandate continues to be the focused exploration and development of gold mineral properties in Ghana, West Africa. On behalf of the management and Board of Birim Goldfields Inc., I thank you for your ongoing support of our mandate and I look forward to an exciting work period ahead and the advancement of our strategic land holdings in gold-rich Ghana.

Denis Simoneau
President and Chief Executive Officer
November 9, 2005

Birim Goldfields Inc.

Consolidated Balance Sheets

	September 30, 2005	March 31, 2005
	(unaudited)	(audited)
Assets		
Current assets		
Cash and cash equivalents	\$ 3,101,664	\$ 959,256
Accounts receivable	46,413	7,569
Prepaid expenses	68,841	139,420
	<hr/>	<hr/>
	3,216,918	1,106,245
Property, plant and equipment (Note 3)	295,298	189,038
Mining interests (Note 4)	12,891,192	10,675,319
	<hr/>	<hr/>
	\$ 16,403,408	\$ 11,970,602
	<hr/>	<hr/>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 236,931	\$ 244,863
	<hr/>	<hr/>
Shareholders' Equity		
Share Capital (Note 5)	26,022,929	21,396,611
Options (Note 5)	920,860	767,223
Warrants (Note 5)	540,666	-
Deficit	(11,317,978)	(10,438,095)
	<hr/>	<hr/>
	16,166,477	11,725,739
	<hr/>	<hr/>
	\$ 16,403,408	\$ 11,970,602
	<hr/>	<hr/>

See accompanying notes

Birim Goldfields Inc.

Consolidated Statements of Operations and Deficit

(unaudited)

	Three-month period ended September 30		Six-month period ended September 30	
	2005	2004	2005	2004
Revenues				
Interest income, net	16,790	(29,206)	31,264	53,162
Administrative expenses				
Stock - based compensation cost (Note 5)	163,253	23,617	163,253	251,485
Salaries and fringe benefits	50,198	50,192	100,390	100,384
Office and general	47,782	44,789	99,771	98,928
Professional and consulting fees (Note 6)	35,326	38,202	70,731	66,643
Travel and entertainment	23,736	19,745	34,570	73,381
Rent (Note 6)	6,000	6,000	12,000	12,000
	326,295	182,545	480,715	602,821
Net loss	309,505	211,751	449,451	549,659
Deficit at beginning	11,008,473	9,813,271	10,438,095	9,475,363
Share issue expenses	-	-	430,432	-
Deficit at end	<u>\$ 11,317,978</u>	<u>\$ 10,025,022</u>	<u>\$ 11,317,978</u>	<u>\$ 10,025,022</u>
Basic and diluted net loss per share	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ 0.01</u>

See accompanying notes

Birim Goldfields Inc.

Consolidated Statements of Cash Flows

(unaudited)

	Three-month period ended September 30		Six-month period ended September 30	
	2005	2004	2005	2004
Operating activities				
Net loss	\$ (309,505)	\$ (211,751)	\$ (449,451)	\$ (549,659)
Item not affecting cash and cash equivalents				
Stock - based compensation cost	163,253	23,617	163,253	251,485
	(146,252)	(188,134)	(286,198)	(298,174)
Net change in non-cash working capital items				
Accounts receivable	50,577	21,225	(38,844)	61,231
Prepaid expenses	34,450	11,565	70,579	23,132
Accounts payable and accrued liabilities	133,108	(27,376)	(7,932)	(88,588)
Tax payable	-	-	-	(58,000)
	218,135	5,414	23,803	(62,225)
	71,883	(182,720)	(262,395)	(360,399)
Financing activities				
Share capital	40,500	860,500	3,854,000	1,260,315
Share issue expenses	-	-	(345,875)	-
	40,500	860,500	3,508,125	1,260,315
Investing activities				
Mineral interests - exploration costs	(644,950)	(508,356)	(957,142)	(1,580,479)
Additions to property, plant and equipment	(69,353)	-	(135,949)	-
Business acquisition (Note 2)	-	-	(10,231)	-
Prepaid expenses	-	22,663	-	45,326
	(714,303)	(485,693)	(1,103,322)	(1,535,153)
Net change in cash and cash equivalents	(601,920)	192,087	2,142,408	(635,237)
Cash and cash equivalents at beginning	3,703,584	2,032,631	959,256	2,859,955
Cash and cash equivalents at end	<u>\$ 3,101,664</u>	<u>\$ 2,224,718</u>	<u>\$ 3,101,664</u>	<u>\$ 2,224,718</u>

Cash and cash equivalents are represented by cash and term deposits.

Additional Information

Items not affecting cash and cash equivalents related to financing and investing activities

Options granted (mining interests)	\$ -	\$ 11,429	\$ 30,811	\$ 32,189
Options exercised	\$ 7,262	\$ -	\$ 40,427	\$ 6,509
Warrants exercised	\$ -	\$ 2,257	\$ -	\$ 23,548
Business acquisition (Note 2)	\$ -	\$ -	\$ 1,188,000	\$ -
Warrants (share issue expenses)	\$ -	\$ -	\$ 84,557	\$ -
Capitalized amortization (mining interests)	\$ 16,578	\$ -	\$ 29,689	\$ -

See accompanying notes.

Birim Goldfields Inc.

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2005 and 2004

1. General

The accompanying unaudited consolidated financial statements do not include all the disclosure required by generally accepted accounting principles for annual statements and should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended March 31, 2005, specifically the Note 1 on the Nature of activities and going concern and Note 2 on the Summary of significant accounting policies.

2. Acquisition of EBI (Ghana) Ltd.

On June 22, 2005, the Company acquired 100% of the shares of EBI (Ghana) Ltd., wholly-owned subsidiary of Semafo Inc., which holds a 90% interest into the Tinga concession located in Ghana. The Company recorded this transaction using the acquisition method which is summarized as follows:

Assets acquired

Acquisition costs - Mining interests \$1,188,000

Consideration

Share capital (A) \$1,188,000

(A) The value of the 3,300,000 shares issued as consideration for the acquisition of the 100% shares of EBI (Ghana) Ltd. was determined using the average closing share price on the TSX over a reasonable period before and after the date the terms were agreed to by the parties.

In addition, acquisition costs of \$10,231, have been engaged and paid in cash for the acquisition of the shares of EBI (Ghana) Ltd.

3. Property, plant and equipment

	Balance as at April 1, 2005	Addition	Amortization	Balance as at September 30, 2005
Motor vehicles	\$ 154,135	\$ 135,949	\$ (25,541)	\$ 264,543
Furnitures and fixtures	4,297	-	(322)	3,975
Office equipment	16,812	-	(2,102)	14,710
Field equipment	13,794	-	(1,724)	12,070
	<u>\$ 189,038</u>	<u>\$ 135,949</u>	<u>\$ (29,689)</u>	<u>\$ 295,298</u>

Birim Goldfields Inc.

Notes to Consolidated Financial Statements

(unaudited)

September 30, 2005 and 2004

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4. Mining interests

	Balance as at April 1, 2005 \$	Costs \$	Disposal \$	Balance as at September 30, 2005 \$
Bui	10,394,623	464,006	-	10,858,629
Tinga (Note 2)	-	1,610,746	-	1,610,746
Others	280,696	141,121	-	421,817
	<u>10,675,319</u>	<u>2,215,873</u>	<u>-</u>	<u>12,891,192</u>

	Balance as at April 1, 2004 \$	Costs \$	Disposal \$	Balance as at September 30, 2004 \$
Bui	8,295,838	1,612,668	-	9,908,506
Others	103,017	-	-	103,017
	<u>8,398,855</u>	<u>1,612,668</u>	<u>-</u>	<u>10,011,523</u>

5. Share capital

Authorized

Unlimited number of common shares, without par value.

Issued

Changes in the Company's share capital were as follows:

	2005		2004	
	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning	40,246,604	\$ 21,396,611	36,726,204	\$ 20,003,973
Issued following a private placement	7,330,000	3,208,891 *	-	-
Issued following the exercise of warrants	-	-	1,995,400	975,363
Issued following the exercise of options	700,000	229,427	1,175,000	315,009
Business acquisition (Note 2)	3,300,000	1,188,000	-	-
Balance at end	<u>51,576,604</u>	<u>\$ 26,022,929</u>	<u>39,896,604</u>	<u>\$ 21,294,345</u>

* This amount is net of the fair value of the warrants amounting \$456,109.

Notes and Comments to Consolidated Financial Statements

(unaudited)

September 30, 2005 and 2004

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5. Common share purchase options (cont'd)

Common share purchase options

The company has a fixed-price share option plan. Under the Employee, Director and Consultant Share Option Plan, the company may grant options to its key employees, officers, directors and consultants for up to 9,500,000 common shares. Under the plan, the exercise price of each option equals the market price of the company's shares on the date of grant and an option's maximum term is ten years. The number of share options granted is determined by the Board of Directors and the aggregate number of share options granted to any one individual cannot exceed 5% of the issued and outstanding common shares of the company. Options terminate 90 days following the key employee's, officer's or director's date of departure, except in the case of retirement, death or disability, in which case they terminate one year after the event. Options also terminate 90 days following the cancellation of contracts with the consultants. The options are exercisable at any time, unless otherwise specified.

The following table presents the stock option activity since April 1, 2005 and 2004:

	2005		2004	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding – Beginning of period	2,850,000	0.65	3,325,000	0.52
Granted	1,115,000	0.40	1,100,000	0.54
Exercised	(700,000)	0.27	(1,175,000)	0.26
Matured	-	-	(50,000)	0.3
Outstanding – End of period	3,265,000	0.65	3,200,000	0.62

The following table summarizes information about fixed stock options outstanding and exercisable as at September 30, 2005:

Options outstanding as at September 30, 2005	Weighted average remaining contractual life (years)	Exercise price \$
1,000,000	0.71	0.54
100,000	0.84	0.56
1,050,000	0.29	1.03
150,000	1.52	0.42
965,000	1.85	0.40
3,265,000	0.94	0.65

Notes and Comments to Consolidated Financial Statements

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September 30, 2005 and 2004

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5. Common share purchase options (cont'd)

The fair value of options granted was estimated using the Black-Scholes options pricing model with the following weighted average assumptions :

	2005	2004
Risk-free interest rate	3.14%	2.99%
Expected volatility	75%	75%
Dividend yield	Nil	Nil
Weighted average expected life	2 years	2 years
Weighted average cost of option granted	\$0.17	\$0.23

The cost recorded as expenses for the options granted to directors, officer and consultant during the period ended September 30, 2005 is \$163,253 (\$251,485 in 2004) and the amount of \$163,253 (\$251,485 in 2004) has been recorded under the heading Options. In addition, during the period ended September 30, 2005, \$30,811 (\$32,189 in 2004) was accounted for as mining interests for options granted to technical consultants through the vesting period and the amount of \$30,811 (\$32,189 in 2004) has been recorded under the heading Options.

Warrants

The following table presents the warrant activity since April 1, 2005 and 2004:

	2005		2004	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding – Beginning of period	-	-	2,475,000	0.48
Granted	4,251,400	0.64	-	-
Exercised	-	-	(1,995,400)	0.49
Matured	-	-	(430,000)	0.50
Outstanding – End of period	4,251,400	0.64	50,000	0.35

Birim Goldfields Inc.

Notes and Comments to Consolidated Financial Statements

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5. Common share purchase options (cont'd)

The following table summarizes information about warrants outstanding and exercisable as at September 30, 2005:

Exercise price	Warrants outstanding and exercisable as at September 30, 2005	Weighted average remaining contractual life
\$0.65	3,665,000	1.45 years
\$0.55	586,400	1.45 years

6. Related party transactions

During the period, the Company paid \$39,000 (\$39,000 in 2004) in professional service fees and \$12,000 (\$12,000 in 2004) in rent, to a company controlled by an officer. 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.