

CONSOLIDATED GLOBAL MINERALS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005
(Expressed in Canadian Dollars)



AUDITORS' REPORT

To the Shareholders of
Consolidated Global Minerals Ltd.

We have audited the consolidated balance sheet of Consolidated Global Minerals Ltd. as at June 30, 2006 and the consolidated statements of operations and deficit, and cash flows for the year 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 audit.

We conducted our audit 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 June 30, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements as at June 30, 2005, and for the year ended June 30, 2005 were audited by other auditors who have ceased operations. Those auditors expressed an opinion without reservation in their report dated October 31, 2005.

Vancouver, Canada

October 4, 2006

"Morgan & Company"

Chartered Accountants

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CONSOLIDATED GLOBAL MINERALS LTD.

CONSOLIDATED BALANCE SHEETS

(Expressed in Canadian Dollars)

	JUNE 30	
	2006	2005 (restated)
ASSETS		
Current		
Cash and cash equivalents	\$ 2,753,194	\$ 1,161,066
Marketable securities (Note 4)	193,000	44,000
Accounts receivable	18,731	203,837
Prepaid expenses	13,922	116,628
	<u>2,978,847</u>	<u>1,525,531</u>
Investments (Note 5)	400,005	1,048,028
Reclamation Deposits (Note 6(d))	90,459	86,524
Mineral Properties (Note 6)	4,512,032	3,399,074
Equipment (Note 7)	242,912	264,660
	<u>\$ 8,224,255</u>	<u>\$ 6,323,817</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 84,938	\$ 146,956
Due to related parties (Note 8)	30,692	44,299
	<u>115,630</u>	<u>191,255</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 9)	14,981,833	11,577,870
Contributed Surplus	2,171,354	954,472
Deficit	(9,044,562)	(6,399,780)
	<u>8,108,625</u>	<u>6,132,562</u>
	<u>\$ 8,224,255</u>	<u>\$ 6,323,817</u>

Approved by the Directors:

"George W. Heard"
Director

"Stuart Tennant"
Director

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

CONSOLIDATED GLOBAL MINERALS LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(Expressed in Canadian Dollars)

	YEARS ENDED JUNE 30	
	2006	2005 (restated)
Operating Expenses		
Amortization - equipment	\$ 182,853	\$ 197,700
Bad debt	-	22,214
Consulting fees	169,154	150,655
General and office	128,074	143,755
Interest, bank charges and foreign exchange	7,154	65,249
Management fees	180,500	108,500
Professional fees	312,932	156,262
Rent and property taxes	37,156	73,863
Salaries and benefits	33,262	-
Shareholder information, investor relations	190,341	138,738
Stock based compensation	887,785	660,353
Transfer agent, regulatory and listing fees	21,067	43,967
Travel and accommodation	150,378	116,411
Loss Before Other Income (Expenses) And Income Taxes	(2,300,656)	(1,877,667)
Other Income (Expenses)		
Gains (loss) on marketable securities	281,800	(10,000)
Mineral properties written off	(170,923)	(102,496)
Gain on sale of mineral properties to equity investee	-	572,055
Dilution gain on issuance of shares by equity investee	-	1,166,036
Share of losses in equity investee	(798,022)	(882,507)
Interest income	20,619	-
Financing and mining services	254,160	-
Net Loss Before Income Taxes	(2,713,022)	(1,134,579)
Income Tax Recovery On Flow-Through Shares	68,240	-
Net Loss For The Year	(2,644,782)	(1,134,579)
Deficit, Beginning Of Year	(6,399,780)	(5,265,201)
Deficit, End Of Year	\$ (9,044,562)	\$ (6,399,780)
Loss Per Share – Basic and diluted	\$ (0.05)	\$ (0.03)
Weighted Average Common Shares Outstanding	59,119,210	44,377,691

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

CONSOLIDATED GLOBAL MINERALS LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

	YEARS ENDED JUNE 30	
	2006	2005 (restated)
Cash Provided By (Used For)		
Operating Activities		
Net loss for the year	\$ (2,644,782)	\$ (1,134,579)
Items not requiring cash:		
Amortization – equipment	182,853	197,700
Stock based compensation	887,785	660,353
(Gains) loss on marketable securities	(281,800)	10,000
Mineral properties written off	170,923	102,496
Gain on sale of mineral properties to equity investee	-	(572,055)
Dilution gain on issuance of shares by equity investee	-	(1,166,036)
Share of losses in equity investee	798,022	882,507
Other financing income	(230,000)	-
Income tax recovery on flow-through shares	(68,240)	-
	(1,185,239)	(1,019,614)
Change in non-cash balances relating to operations:		
Accounts receivable	185,106	(194,466)
Prepaid expenses	102,706	28,543
Accounts payable and accrued liabilities	(62,018)	13,107
Due to related parties	(9,606)	(66,202)
	(969,051)	(1,238,632)
Investing Activities		
Proceeds from sale of marketable securities	358,800	(25,000)
Acquisition of investment from a related party	(150,000)	-
Reclamation deposits	(3,935)	(86,524)
Acquisition and exploration costs on mineral properties	(1,358,881)	(2,395,679)
Proceeds from mineral property options sold	75,000	91,374
Acquisition of equipment	(161,105)	(355,430)
	(1,240,121)	(2,771,259)
Financing Activities		
Issuance of share capital	4,151,800	3,209,077
Payment of share issuance costs	(350,500)	-
	3,801,300	3,209,077
Increase (Decrease) In Cash	1,592,128	(800,814)
Cash And Cash Equivalents, Beginning Of Year	1,161,066	1,961,880
Cash And Cash Equivalents, End Of Year	\$ 2,753,194	\$ 1,161,066

Supplemental Cash Flow And Non-Cash Investing And Financing Activities (Note 13)

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

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

The Company is incorporated under the provincial laws of Alberta on July 24, 1989 and was continued in the province of British Columbia on March 31, 2006. The Company is publicly listed on the TSX Venture Exchange (the "Exchange") and trades under the symbol "CTG-V".

The Company's major activities are the acquisition, exploration and development of mineral properties. The Company has not yet determined whether the properties contain mineral deposits that are economically recoverable. As the Company does not yet have cash flow from operations, it must rely on equity financing to fund operations. The Company's main source of funding has been the issuance of equity securities for cash, through private placements to sophisticated investors and through public offering to institutional investors.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The Company have been prepared by management in accordance with Canadian generally accepting accounting principles ("GAAP") and reflect consideration of the following significant policies:

a) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Mount Royale Ventures, LLC. Mount Royale was incorporated on June 18, 2004 to facilitate the Company's operation of its Front Range Project in Colorado. All material intercompany transactions and balances have been eliminated.

b) Variable Interest Entities

The Canadian Institute of Chartered Accountants (CICA) issued Accounting Guideline 15, "Consolidation of Variable Interest Entities", to provide accounting guidance related to variable interest entities ("VIE"). A VIE exists when the entity's equity investment is at risk. When a VIE is determined to exist, the guidance requires the VIE to be consolidated by the primary beneficiary. The Company adopted the Guideline effective July 1, 2005 and has determined that it does not have primary beneficiary interests in VIEs.

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and revenues and expenses for the periods reported. Actual results could differ from these estimates. Significant estimates and assumptions include those related to the carrying values of marketable securities, investments and the recoverability of costs on its mineral properties; the estimated useful lives of equipment, determination as to whether costs are expensed or capitalized, asset retirement obligations and stock based compensation valuations.

d) Foreign Currency Translation

Transactions recorded in United States dollars 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 an average rate in effect during the applicable accounting period.
- iv) Gains or losses arising on translation are included in the statements of operations and deficit.

e) Financial Instruments

The Company's financial instruments consist of cash, marketable securities, accounts receivable, long term investments, accounts payable and accrued liabilities, and amounts due to related parties. It is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from these consolidated financial instruments.

f) Cash and Cash Equivalents

Cash and cash equivalents consist of balances with banks, investment brokers, and investments in financial instruments with maturities within 90 days held for the purpose of meeting short-term cash commitments rather than for investing or other purposes.

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Investments

- i) Investments in short-term financial instruments held for investing or other purposes and investments in marketable securities are carried at the lower of cost or market.
- ii) Investments in companies over which the Corporation exercises significant influence are accounted for using the equity method whereby the Corporation's investments are recorded at its original cost and the Corporation's share of earnings is recognized in the consolidated statements of operations and deficit with a corresponding adjustment to the investment account.
- iii) Long-term investments in companies which the Company does not exercise significant influence are accounted for using the cost method whereby the Company's investment is recorded at its original cost and earnings from the investment are recognized only to the extent earnings are received or receivable. Where there has been a permanent decline in value, the investment is stated at net realizable value.

h) Mineral Properties

The Company capitalizes acquisition and exploration expenditures directly related to specific mineral properties until such time as the extent of mineralization has been determined and the mineral properties are either sold, developed or the Company's mineral rights are allowed to lapse. Capitalized costs are amortized over the useful life of the ore body following commencement of commercial production or written off if the property is sold or abandoned.

Acquisition costs include initial vendor payments, staking costs at the date of acquisition and subsequent property staking, lease and royalty payments required to maintain ownership title. Options and royalties are exercisable at the discretion of the optionee, and accordingly, the related amounts are recorded only upon payment or receipt. Capitalized exploration and development costs include overhead directly related to the properties.

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Equipment

Equipment is recorded at cost less accumulated amortization using the following methods and rates:

<u>EQUIPMENT</u>	<u>RATE</u>	<u>AMORTIZATION METHOD</u>
Mining equipment	50%	Declining balance
Automobiles	30%	Declining balance
Office, Lab	20%	Declining balance
Computer, Software	50%	Straight-line

j) Impairment Of Long-Lived Assets

In accordance with Canadian Institute of Chartered Accountants Handbook Section 3063, "Impairment of Long-Lived Assets" ("HB 3063"), the company assesses the impairment of long-lived assets, which include mineral properties and equipment, whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used are measured by a comparison of the carrying value of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the amount of the impairment is measured by the amount by which the carrying amount of the asset exceeds its fair value.

k) Asset Retirement Obligations

In accordance with CICA Handbook Section 3110, "Asset Retirement Obligations", The Company is required to recognize a liability for an asset retirement obligation when it is determinable and calculates the liability based upon discounted future payments to be made. A corresponding amount is added to the carrying amount of the related long-lived asset, and the amount is subsequently allocated to expense over its expected life. Adjustments will also be made in subsequent periods to changes in asset retirement obligations due to changes in estimates.

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 stage of exploring its mineral properties. The Company has no current legal obligation for reclamation and remediation costs.

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Flow-Through Common Shares

Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The Company follows the accounting prescribed by the CICA Emerging Issues Committee (EIC) in EIC-146 "Flow-through Shares". On the date the expenditures are renounced, the Company recognizes the future income tax benefit arising from the renunciation as a recovery of income taxes in the statement of operations and a corresponding reduction in the share capital amounts recorded from the sale of the flow-through shares.

m) Stock Based Compensation

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. The fair value of stock options is charged to operations or capitalized to mineral properties 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 over the vesting period. Consideration received on the exercise of stock options together with the related portion of amounts previously recorded in contributed surplus is credited to share capital.

n) Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing the income (loss) for the year by the weighted average number of common shares outstanding during the year, including contingently issuable shares which are included when the conditions necessary for issuance have been met. Diluted earnings per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants. Shares issuable upon the exercise of share purchase warrants and stock options were excluded from the computation of loss per share because their effect would be anti-dilutive.

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the consolidated financial statements carrying values and their respective income tax basis (temporary differences) and on unclaimed losses carried forward. Future income tax assets and liabilities are measured using the substantially enacted tax rates expected to be in effect when the temporary differences are likely to reverse or when losses are expected to be utilized. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is likely to be realized.

p) Comparative Figures

Certain of the prior year's figures have been reclassified to conform to the current year's consolidated financial statement presentation.

3. RESTATEMENTS OF PRIOR YEARS' CONSOLIDATED FINANCIAL STATEMENTS

The restatements to the June 30, 2005 and 2004 consolidated financial statements as previously reported result from the following accounting error corrections:

- a) The Company failed to record the dilution gain on issuance of shares by its equity investee to third party investors. The effect of this change was to increase the investment by \$1,166,036, with a corresponding increase in other income.
- b) The Company's investment in its equity investee was previously reported using the cost method. The equity method should have been applied. The effect of this change was to decrease the investment by \$882,507, with a corresponding increase in other expense.
- c) Inappropriate assumptions were used to determine the fair value of stock based compensation. The effect of this change was to increase contributed surplus by \$782,247, with an increase in 2005 operating expenses of \$533,739 and an increase in 2004 operating expenses of \$248,508.
- d) The effect of the revised assumptions noted above on the exercise of options in 2005 has been recalculated and resulted in an increase in share capital of \$68,683, with a corresponding decrease in contributed surplus.

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005
(Expressed in Canadian Dollars)

3. RESTATEMENTS OF PRIOR YEARS' CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- e) The Company failed to record the fair value of the 270,000 warrants issued to the financing agents. The effect of this change was to increase contributed surplus by \$46,412, with a corresponding decrease in share capital.

As at June 30, 2005 the restatements resulted in changes to the previously reported carrying values of assets and shareholders' equity as follows:

	PREVIOUSLY REPORTED	CORRECTIONS	RESTATED
Assets			
Investments	\$ 764,499	\$ 283,529	\$ 1,048,028
Shareholders' Equity			
Share Capital	11,555,599	22,271	11,577,870
Contributed Surplus	194,496	759,976	954,472
Deficit	(5,901,062)	(498,718)	(6,399,780)
	\$ 5,849,033	\$ 283,529	\$ 6,132,562

The restatements resulted in changes to the previously reported amounts on the consolidated statements of operations and deficit for the year ended June 30, 2005, as follows:

	PREVIOUSLY REPORTED	CORRECTIONS	RESTATED
Operating Expenses			
Stock based compensation	\$ 126,614	\$ 533,739	\$ 660,353
Other Income (Expenses)			
Dilution gain on issuance of shares by equity investee	\$ -	\$ 1,166,036	\$ 1,166,036
Share of losses in equity investee	\$ -	\$ (882,507)	\$ (882,507)
Net Loss For The Year	\$ (884,369)	\$ (250,210)	\$ (1,134,579)
Deficit, Beginning Of Year	\$ (5,016,693)	\$ (248,508)	\$ (5,265,201)
Loss Per Share, Basic and Diluted	\$ (0.02)	\$ (0.01)	\$ (0.03)

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005
(Expressed in Canadian Dollars)

4. MARKETABLE SECURITIES

NAME OF ISSUER	CLASS OF SECURITY	QUANTITY	2006	
			CARRYING VALUE	MARKET
Dynamic Resources Corp.	Common shares	200,000	\$ 8,000	\$ 20,000
Aberdene Mines Ltd.	Common shares	100,000	1,000	40,000
Universal Uranium Ltd.	Common shares	400,000	184,000	228,000
			\$ 193,000	\$ 288,000

NAME OF ISSUER	CLASS OF SECURITY	QUANTITY	2005	
			CARRYING VALUE	MARKET
Dynamic Resources Corp.	Common shares	1,000,000	\$ 40,000	\$ 40,000
Aberdene Mines Ltd.	Common shares	400,000	4,000	4,000
			\$ 44,000	\$ 44,000

- a) During the year ended June 30, 2006, the Company sold 800,000 common shares of Dynamic Resources Corp. for total proceeds of \$132,631, resulting in a gain on sale of marketable securities of \$100,631.
- b) During the year ended June 30, 2006, the Company sold 300,000 common shares of Aberdene Mines Ltd. for total proceeds of \$184,169, resulting in a gain on sale of marketable securities of \$181,169. The common shares of Aberdene Mines Ltd. are recorded at cost.

5. INVESTMENTS

NAME OF ISSUER	CLASS OF SECURITY	QUANTITY	2006	
			CARRYING VALUE	MARKET
Maghreb Minerals	Common shares	12,905,000	\$ 250,005	\$ 2,727,214
Global Uranium Corp.	Common shares	1,500,000	150,000	435,000
			\$ 400,005	\$ 3,162,214

NAME OF ISSUER	CLASS OF SECURITY	QUANTITY	2005	
			CARRYING VALUE	MARKET
Maghreb Minerals	Common shares	12,905,000	\$ 1,048,028	\$ 2,600,000

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005
(Expressed in Canadian Dollars)

5. INVESTMENTS (Continued)

- a) The Company's interest in Maghreb Minerals PLC., and its wholly-owned subsidiary High Marsh Holdings Limited (HMHL), was previously disclosed as the single acquisition of a controlling interest at the effective date of August 10, 2004. The company owns 12,905,000 common shares in Maghreb Minerals PLC which trades on the Alternative Investment Market Exchange –London UK. These shares were issued as consideration in full for the Company's Tunisian properties. The Company now owns 32.6% of the issued share capital in Maghreb Minerals PLC. Cost of the acquisition was determined to be the Company's share of the fair value of the net assets totaling \$1,303,291 less a non controlling interest of \$538,793. This investment is now a non controlling interest in Maghreb Minerals PLC, a company listed on the Alternative Investment Market Exchange-London UK.
- b) The 1,500,000 common shares of Global Uranium Corp., a company that shares two common directors, are recorded at cost.

6. MINERAL PROPERTIES

Summary of the mineral properties

	<u>2006</u>	<u>2005</u>
Front Range, Colorado, USA	\$ 3,705,461	\$ 2,586,411
Nevada Properties, Nevada, USA	794,569	689,300
Others	12,002	123,363
	<u>\$ 4,512,032</u>	<u>\$ 3,399,074</u>

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005
(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES (Continued)

	BALANCE JUNE 30, 2005	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2006
Front Range, Colorado, USA				
Acquisition costs				
Cash	\$ 231,024	\$ 7,233	\$ -	\$ 238,257
50,000 common shares	15,000	-	-	15,000
Exploration costs				
Assays	18,181	3,646	-	21,827
Ball mill refurbishing	261,230	23,344	-	284,574
Consulting	334,740	611	-	335,351
Drilling and mine development	831,099	653,970	-	1,485,069
Equipment rentals	60,844	15,852	-	76,696
Geological	491,203	25,962	-	517,165
Insurance and permits	35,926	1,855	-	37,781
Mine refurbishing and supplies	3,174	360,847	-	364,021
Option and lease payments (proceeds)	30,000	-	(30,000)	-
Roadwork and site maintenance	41,327	7,954	-	49,281
Sundry	42,804	548	-	43,352
Travel	185,530	38,536	-	224,066
Utilities	4,329	8,692	-	13,021
	\$ 2,586,411	\$ 1,149,050	\$ (30,000)	\$ 3,705,461

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005
(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES (Continued)

	BALANCE JUNE 30, 2005	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2006
Nevada Properties, Elko County, Nevada				
Acquisition costs				
Cash	\$ 23,200	\$ -	\$ -	\$ 23,200
1,000,000 common shares	90,096	-	-	90,096
Exploration costs				
Aircraft and helicopter	10,548	-	-	10,548
Assays	3,986	6,801	-	10,787
Drilling	16,111	-	-	16,111
Geological	336,686	203,030	-	539,716
Maintenance fees and licenses	92,273	-	-	92,273
Option and lease payments (proceeds)	79,077	-	(45,000)	34,077
Reports and maps	23,695	-	-	23,695
Sundry	17,144	-	-	17,144
Travel and lodging	98,980	-	-	98,980
Properties written off	(102,496)	-	(59,562)	(162,058)
	<u>\$ 689,300</u>	<u>\$ 209,831</u>	<u>\$ (104,562)</u>	<u>\$ 794,569</u>
Other				
Europe	\$ 7,649	\$ -	\$ (7,649)	\$ -
Canadian Projects				
Acquisition costs				
Cash	15,861	-	(3,859)	12,002
800,000 common shares	95,182	-	(95,182)	-
Exploration costs	4,671	-	(4,671)	-
	<u>\$ 123,363</u>	<u>\$ -</u>	<u>\$ (111,361)</u>	<u>\$ 12,002</u>

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005
(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES (Continued)

	BALANCE JUNE 30, 2004	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2005
Front Range, Colorado, USA				
Acquisition costs				
Cash	\$ 231,024	\$ -	\$ -	\$ 231,024
50,000 common shares	-	15,000	-	15,000
Exploration costs				
Assays	1,374	16,807	-	18,181
Ball mill refurbishing	9,864	251,366	-	261,230
Consulting	10,031	324,709	-	334,740
Drilling and mine development	28,005	803,094	-	831,099
Equipment rentals	-	60,844	-	60,844
Geological	163,465	327,738	-	491,203
Insurance and permits	-	35,926	-	35,926
Mine refurbishing and supplies	3,174	-	-	3,174
Option and lease payments	-	30,000	-	30,000
Report and maps	8,595	-	-	8,595
Roadwork and site maintenance	-	41,327	-	41,327
Sundry	17,501	16,708	-	34,209
Travel	47,494	138,036	-	185,530
Utilities	-	4,329	-	4,329
	\$ 520,527	\$ 2,065,884	\$ -	\$ 2,586,411

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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6. MINERAL PROPERTIES (Continued)

	BALANCE JUNE 30, 2004	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2005
Nevada Properties, Elko County, Nevada				
Acquisition costs				
Cash	\$ 23,200	\$ -	\$ -	\$ 23,200
1,000,000 common shares	115,096	-	(25,000)	90,096
Exploration costs				
Aircraft and helicopter	10,548	-	-	10,548
Assays	3,986	-	-	3,986
Drilling	16,111	-	-	16,111
Geological	182,022	154,664	-	336,686
Maintenance fees and licenses	49,644	42,629	-	92,273
Option and lease payments	-	79,077	-	79,077
Reports and maps	23,695	-	-	23,695
Sundry	11,863	5,281	-	17,144
Travel and lodging	63,491	35,489	-	98,980
Properties written off	-	-	(102,496)	(102,496)
	<u>\$ 499,656</u>	<u>\$ 317,140</u>	<u>\$ (127,496)</u>	<u>\$ 689,300</u>

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005
(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES (Continued)

	BALANCE JUNE 30, 2004	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2005
Tunisian Properties				
Acquisition costs				
Cash	\$ 207,083	\$ -	\$ (207,083)	\$ -
Exploration costs				
Assays	4,292	-	(4,292)	-
Camp	2,116	-	(2,116)	-
Geological	563,825	16,000	(579,825)	-
Maintenance fees and licenses	6,198	-	(6,198)	-
Reports and maps	81,064	-	(81,064)	-
Sundry	28,954	35	(28,989)	-
Travel and lodging	94,007	-	(94,007)	-
Write down for impairment	(631,815)	-	631,815	-
Option proceeds	(111,941)	-	111,941	-
	\$ 243,783	\$ 16,035	\$ (259,818)	\$ -
Other				
Europe	\$ -	\$ 7,649	\$ -	\$ 7,649
Canadian Projects				
Acquisition costs				
Cash	15,561	300	-	15,861
800,000 common shares	95,182	-	-	95,182
Exploration costs	1,000	3,671	-	4,671
	\$ 111,743	\$ 11,620	\$ -	\$ 123,363

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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6. MINERAL PROPERTIES (Continued)

a) Front Range Project

In January 2003, the Company entered into an agreement to acquire a 50% participating interest in the Front Range Project. The Front Range Project consists of 106 patented and unpatented mineral claims located in Boulder County, Colorado. The claims encompass an area of 600 acres that include over a dozen past and producing mines along with a number of other known mineral veins or extensions of past producing veins. The property has a 50 to 100 tpd ball mill that is fully permitted and ready to operate. Title to the property remains with the owners, and the Company is the operator of the Joint Venture.

In order to maintain its 50% participating interest in this Joint Venture, the Company shall:

- Issue 1,500,000 common shares to the vendors within five business days following the acceptance of this agreement by the TSXV (issued in the year ended June 30, 2004).
- Make the following US dollar cash payments to the vendors:
 1. \$30,000 per year on or before June 1, 2003 through 2007;
 2. \$60,000 per year on or before June 1, 2008 through 2012;
 3. \$90,000 per year on or before June 1, 2013 through 2017; and
 4. \$100,000 per year on or before June 1, 2018 and every year thereafter.

In addition to the above payments, the Company shall make an annual deposit of US\$10,000 to an escrow account for the purposes of creating a fund to satisfy any reclamation or bonding requirements of the State of Colorado. The Company shall continue to make annual deposits of US\$10,000 to the escrow account until such time as the principal amount of the escrow account is equal to at least 150% of the amount required by the laws, rules, regulations or orders of the State of Colorado. The principal amount of the escrow account shall only be released from escrow with the consent of all parties to the agreement.

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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6. MINERAL PROPERTIES (Continued)

b) Nevada, USA

i) Good Hope Property

During the year ended June 30, 2003, the Company staked 104 claim units in the Good Hope District and 8 claim units in the Cornucopia District of Elko County, Nevada, known as the Good Hope Property. During the year ended June 30, 2004, the Company entered into an option agreement with Dynamic Resources Corp. ("Dynamic") in respect of the Good Hope Property. The Company granted an option to Dynamic to acquire 60% of the Company's interest in the Good Hope Property. Dynamic must pay US\$90,000 over three years (the first US\$15,000 has been received), issue 1,000,000 common shares, one-half prior to May 1, 2004 and the remainder by November 1, 2004 (issued), and make a total of US\$600,000 in exploration expenditures over three years with US\$100,000 in the first year. The Company will remain as operator of the property until such time as Dynamic has earned its interest and a formal Joint Venture agreement has been concluded. The Company is the registered owner of the now 107 claims, which make up the Good Hope Property. The Company owns the claims outright. There are no underlying royalty interests or other such obligation on the presently held claims, or back-in rights applicable to any of the claims.

ii) Quarter Horse Property

On September 30, 2003, the Company, acquired through a mining lease and surface use with conditional purchase option agreement, 45 mining claims and the mineral rights to approximately 2,025 acres of ranch land located adjacent to the Jerritt Canyon mines, in the Jerritt Canyon Mining District, Nevada, known as the Quarter Horse Property.

The terms of the lease are as follows (in US funds):

- Year 1 - \$5/acre mineral rights plus \$1/acre surface rights;
- Year 2 - \$10/acre mineral rights plus \$1/acre surface rights;
- Year 3 to 5 - \$15/acre mineral rights plus \$1/acre surface rights.

The property owners retain a 3% net smelter return (NSR) royalty on the property, and the Company can buy back 2% of the NSR at the rate of US\$1,000,000 per 1% of the NSR.

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005
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6. MINERAL PROPERTIES (Continued)

b) Nevada, USA (Continued)

iii) Bailey Hills (formerly the "Lumps") Property

On October 20, 2003, the Company entered into an option agreement to acquire a 100% interest, subject to a 3% NSR, in 24 unpatented lode mining claims located in Elko County, Nevada, known as the Bailey Hills Property.

The terms of the option are as follows (in US funds):

- \$10,000 on or before November 30, 2003 (paid);
- \$15,000 by October 20, 2004; (paid);
- \$20,000 by October 20, 2005; (paid)
- \$30,000 by October 20, 2006 and each anniversary thereafter.

The property owners retain a 3% net smelter return (NSR) royalty on the property, and the Company can buy back 2% of the NSR at the rate of US\$1,000,000 per 1% of the NSR.

Subsequently, the Company staked an additional 128 mining claims in the surrounding area.

iv) Cornucopia (formerly the "Tuscarora") Property

During the year ended June 30, 2004, the Company acquired 40 mining claims, and through a mining lease and surface use with conditional purchase option agreement, the mineral rights to approximately 2,725 acres of ranch land located in Elko County, Nevada, known as the Cornucopia Property.

The terms of the lease are as follows (in US funds):

- Year 1 – \$2.50/acre mineral rights plus \$100/acre surface rights for each acre actually used;
- Year 2 - \$5/acre mineral rights plus \$100/acre surface rights for each acre actually used;
- Year 3 - \$10/acre mineral rights plus \$100/acre surface rights for each acre actually used;
- Year 4 - \$15/acre mineral rights and each year thereafter plus \$100 /acre surface rights for each acre actually used.

The property owners retain a 3% net smelter return (NSR) royalty on the property, and the Company can buy back 2% of the NSR at the rate of US\$1,000,000 per 1% of the NSR.

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES (Continued)

b) Nevada, USA (Continued)

iv) Cornucopia (formerly the "Tuscarora") Property (Continued)

In April 2004, the Company entered into an option agreement with Aberdene Mines Ltd. ("Aberdene") to acquire 75% of the company's interest in the Cornucopia Property. This option agreement was terminated in April 2005.

In April 2004, the Company entered into an additional option agreement with Aberdene to acquire 75% of the company's interest in the Cornucopia Property. This option agreement was also terminated in April 2005.

The Company continues to own 100,000 common shares of Aberdene Mines Ltd.

v) Rock Creek Property

By an agreement dated April 30, 2003, the Company entered into an option to acquire a 100% interest in the Rock Creek Property located in Elko County, Nevada, from Teck Resources Inc. ("TRI"), a wholly-owned subsidiary of Teck Cominco Limited. To exercise its option, the Company paid TRI \$8,200 (U.S.) upon signing. Upon written acceptance from the TSXV, the Company issued to TRI 150,000 common shares in the capital of the Company.

In addition, the Company must incur expenditures on the property as follows:

- a) on or before September 1, 2004, a minimum of US\$75,000 (expended); and
- b) on or before May 1, 2006, a total of US\$500,000.

TRI retains the right to earn back 65% of the property by preparing a detailed feasibility study on the property, at which time a 65% (TRI) – 35% Consolidated Global Minerals Ltd. joint venture shall be formed.

The property is located approximately 20 miles north of the Carlin camp, and consists of 82 unpatented lode mining claims adjacent to American Barrick's Teapot prospect, and a past producer, the Falcon mine.

During the year, the Company decided to terminate this option agreement so all deferred exploration expenditures incurred on the property to date have been written off.

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005
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6. MINERAL PROPERTIES (Continued)

b) Nevada, USA (Continued)

vi) Other Nevada, U.S.A. Properties

During the year ended June 30, 2004, the Company acquired 66, 45 and 39 unpatented mining claim groups located in Elko County, Nevada, known as the Red Cow Property, Elk-CEDA Property and the Wright Ranch Property, respectively. In each case, the property owners retain a 3% net smelter return (NSR) royalty on the property, and the Company can buy back 2% of the NSR at the rate of US\$1,000,000 per 1% of the NSR. The Red Cow Property and the Elk-CEDA Property were dropped at the year ended June 30, 2005.

c) Canadian Projects

i) Jen 1-3

By an agreement dated May 27, 1996, the Company entered into an option to acquire a 100% interest, subject to a 2% net smelter return ("NSR") royalty and a 4% gross overriding royalty ("GORR"), in what now consists of three mineral claims located in the Northwest Territories. The Company may currently purchase up to 2% of the GORR and 1% of the NSR for consideration of \$1,000,000 for each 1% of the GORR and for each ½% of the NSR.

ii) Tuya Coal Licenses

On May 15, 2002, the TSXV consented to the filing of a purchase agreement signed by the Company on April 15, 2002, between the Company and Mayan Minerals Ltd. ("Mayan"). Mayan is controlled by the brother of the president of the Company. The Company has acquired a 50% interest in two coal licenses located in the Cassiar Land District of British Columbia known as the Tuya 1 and Tuya 2 coal licenses. Consideration paid by the Company for the purchase was \$10,000 and the issuance of 800,000 common shares of the Company.

iii) Dome & Gold Dome

On March 25, 2004, the Company entered into an option agreement to acquire a 100% undivided interest, subject to a 2% NSR, in seven contiguous mineral claims encompassing an area of approximately 800 acres located in the Red Lake Mining District of northwestern Ontario, described as the Gold Dome Claims. In order to exercise this option, the Company shall issue 100,000 common shares over a four year period, pay the optionor \$4,000 (paid), make additional payments totaling \$85,000 over a four year period (\$23,000 paid), and incur \$30,000 in exploration activities over four years following the date of the agreement. The Company may purchase 50% of the NSR for the sum of \$750,000.

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

(Expressed in Canadian Dollars)

6. MINERAL PROPERTIES (Continued)

d) Reclamation Deposits on Claims

	BALANCE JUNE 30 2005	ADDITIONS DURING THE YEAR	BALANCE JUNE 30 2006
CD 4800627 – Front Range Project	\$ 58,429	\$ (6,255)	\$ 52,174
CD 4800512 – Front Range Project	7,500	(803)	6,697
CD 4800511 – Front Range Project	12,500	(1,338)	11,162
CD 4800628 – Front Range Project	6,220	(639)	5,581
USDI BLM reclamation	1,875	12,970	14,845
	\$ 86,524	\$ 3,935	\$ 90,459

7. EQUIPMENT

	2006		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUES
Mining equipment	\$ 503,173	\$ 332,641	\$ 170,532
Automotive equipment	43,259	20,041	23,218
Office, Lab	68,964	30,306	38,658
Computers, Software	47,862	37,358	10,504
	\$ 663,258	\$ 420,346	\$ 242,912
	2005		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUES
Mining equipment	\$ 334,578	\$ 179,906	\$ 154,672
Automotive equipment	35,302	10,091	25,211
Office, Lab	88,429	20,643	67,786
Computers, Software	43,844	26,853	16,991
	\$ 502,153	\$ 237,493	\$ 264,660

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8. DUE TO RELATED PARTIES AND RELATED PARTY TRANSACTIONS

As at June 30, 2006, the balances due to related parties in the amount of \$30,692 (2005 - \$44,299) are unsecured, non-interest bearing, and have no fixed terms for repayment.

Transactions with related parties have been in the normal course of operations and, in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties. The following related party transactions occurred during the year ended June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Geological, financial and technical consulting fees paid to directors and officers of the Company	\$ -	\$ 122,000
Management fees paid to directors and officers of the Company	\$ 262,570	\$ -
Account receivable from a public company that shares two common directors	\$ 10,366	\$ -
Investments in public companies that shares one or more common directors	\$ 400,005	\$ 1,048,028
Other income from a public company that shares a common director	\$ 54,998	\$ -

9. SHARE CAPITAL

a) Authorized

An unlimited number of common shares without par value

An unlimited number of preferred shares without par value

CONSOLIDATED GLOBAL MINERALS LTD.

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9. SHARE CAPITAL (Continued)

b) Issued

	NUMBER OF COMMON SHARES	SHARE CAPITAL	CONTRIBUTED SURPLUS
Balance, June 30, 2004 (restated)	38,221,560	\$ 8,327,128	\$ 320,784
Stock options exercised at \$0.10	50,000	5,000	-
Warrants exercised at \$0.15	520,150	78,004	-
Stock option exercised at \$0.10	50,000	5,000	-
Shares issued at \$0.40	4,500,000	1,665,550	-
Warrants exercised at \$0.11 to \$0.12	2,500,000	285,000	-
Stock options exercised at \$0.10	677,500	67,750	-
Shares issued at \$0.40	2,145,000	858,000	-
Share issuance costs – cash	-	(15,227)	-
Warrants exercised at \$0.13	2,000,000	260,000	-
Shares issued for mineral property	50,000	15,000	-
Options exercised	-	73,077	(73,077)
Share issuance costs	-	(46,412)	46,412
Fair value of stock-based compensation	-	-	660,353
Balance, June 30, 2005 (restated)	50,714,210	11,577,870	954,472
Share issued at \$0.20	1,000,000	200,000	-
Share issuance costs	-	(14,000)	-
Tax benefits renounced	-	(68,240)	-
Options exercised at \$0.18	10,000	1,800	-
Shares issued at \$0.25	15,800,000	3,950,000	-
Share issuance costs – cash	-	(336,500)	-
Share issuance costs – warrants	-	(329,518)	329,518
Options exercised	-	421	(421)
Fair value of stock based compensation	-	-	887,785
Balance, June 30, 2006	67,524,210	\$ 14,981,833	\$ 2,171,354

- i) On January 4, 2006, a private placement was completed in the amount of \$200,000 for 1,000,000 units. Each unit consisted of one flow-through common share and one share purchase warrant exercisable to purchase one non flow-through common share of the Company at a price of 0.25 per share for an 18-month period. The Company has paid cash of \$14,000 and granted 100,000 share purchase warrants with an exercise price of \$0.25 per share for an 18-month period to the finders

CONSOLIDATED GLOBAL MINERALS LTD.

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9. SHARE CAPITAL (Continued)

b) Issued (Continued)

- ii) On April 24, 2006, a private placement was completed in the amount of \$3,950,000 for 15,800,000 units. Each unit consists of one common share and one warrant, with each warrant exercisable to purchase a further common share of the Company at a price of \$0.40 per share for a two-year period. The Company has paid cash of \$336,500 and granted 1,500,000 warrants with exercise price of \$0.40 for a two-year period to the finders.
- iii) On January 25, 2005 and March 2, 2005, the company completed a private placement of 2,145,000 units for gross proceeds of \$858,000. Each unit consisted of one common share and one common share purchase warrant, with each warrant exercisable to purchase a further common share of the Company at a price of \$0.60 per share for a 2 year period. The Company has paid cash fee of \$15,227 to the finders.

c) Share Purchase Warrants

The continuity of share purchase warrants is as follows:

	Amount	Weighted Average Exercise Price
Balance, June 30, 2004	10,947,070	\$ 0.36
Granted	6,915,000	0.60
Exercised	5,020,150	0.12
Balance, June 30, 2005	12,841,920	0.60
Granted	18,400,000	0.39
Expired	5,926,920	0.60
Balance, June 30, 2006	25,315,000	\$ 0.45

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9. SHARE CAPITAL (Continued)

c) Share Purchase Warrants (Continued)

The fair value of each warrant granted is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

<u>Assumptions</u>	<u>2006</u>	<u>2005</u>
Expected dividend yield	Nil	Nil
Expected stock price volatility	89%	98%
Risk-free interest rate	4.00%	3.50%
Expected life of warrants	2 years	2 years

Warrant pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input 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 warrants.

As at June 30, 2006, the Company has the following share purchase warrants outstanding:

<u>NUMBER OF SHARES</u>	<u>EXERCISE PRICE PER SHARE</u>	<u>EXPIRY DATE</u>
4,500,000	\$ 0.60	December 23, 2006
270,000	\$ 0.60	December 23, 2006
1,825,000	\$ 0.60	January 25, 2007
320,000	\$ 0.60	March 2, 2007
1,000,000	\$ 0.25	July 4, 2007
100,000	\$ 0.25	July 4, 2007
15,800,000	\$ 0.40	April 21, 2008
1,500,000	\$ 0.40	April 21, 2008
<u>25,315,000</u>		

CONSOLIDATED GLOBAL MINERALS LTD.

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9. SHARE CAPITAL (Continued)

c) Stock Options

The Company presently has an approved plan (the "Plan") for the granting of stock options. The Plan has been prepared in accordance with the policies of the TSXV. It reserves common shares for issuance pursuant to the exercise of options granted pursuant to the Plan. The Company may grant incentive stock options to its officers, directors, employees, and consultants or management company employees of the Company. TSXV policies permit the Company's directors to grant incentive stock options for the purchase of shares of the Company to persons in consideration for services. Stock options must be non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 20% of the issued shares of the Company at the time of granting, and may not exceed 5% to any individual. The exercise price of stock options is determined by the board of directors of the Company at the time of grant and shall be equal to the closing price of the Company's shares on the day immediately preceding the day on which the option is granted and publicly announced, and may not otherwise be less than \$0.10 per share. Options have a maximum term of five years and terminate 90 days following the termination of the optionee's employment, except in the case of retirement, death or disability, in which case they terminate one year after the event. At a minimum, unless the approval of the TSXV is received, options will vest in equal installments, either monthly, quarterly or bi-annually, at the discretion of the board of directors over a period of 18 months. Subject to any restrictions contained in the Plan, the board may also impose such other terms and conditions, as it shall deem necessary or advisable at the time of grant.

The continuity of share purchase options is as follows:

	STOCK OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, June 30, 2004	5,093,500	\$ 0.45
Granted	2,400,000	0.43
Exercised	(777,500)	0.10
	6,716,000	0.44
Balance, June 30, 2005 **	6,716,000	0.44
Granted	2,490,000	0.18
Cancelled	(230,000)	0.18
Exercised	(10,000)	0.18
	8,966,000	\$ 0.17

CONSOLIDATED GLOBAL MINERALS LTD.

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9. SHARE CAPITAL (Continued)

d) Stock Options (Continued)

** On January 19, 2006 six million options held by directors, officers and consultants at exercise prices of \$0.43 and \$0.45 were re-priced to \$0.18.

As at June 30, 2006, the Company has the following stock options outstanding:

NUMBER OF SHARES	EXERCISE PRICE PER SHARE	EXPIRY DATE	GRANTED TO
260,000	\$ 0.10	May 2, 2007	Director
526,000	\$ 0.10	February 5, 2008	Director, employees and consultants
3,300,000	\$ 0.18	April 16, 2009	Director, employees and consultants
2,390,000	\$ 0.18	January 10, 2010	Director, employees and consultants
<u>2,490,000</u>	\$ 0.18	January 3, 2011	Director, employees and consultants
<u>8,966,000</u>			

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

Assumptions	2006	2005
Expected dividend yield	Nil	Nil
Expected stock price volatility	94% - 101%	141% - 153%
Risk-free interest rate	4.00%	3.50%
Expected life of options	3-4 years	3 years

10. COMMITMENTS

Lease commitments:

Year Ended June 30,	Office	Vehicle
2006	\$ 5,400	\$ 2,814
2007	\$ 10,800	\$ 5,628
2008	\$ 5,400	\$ 5,628
2009		\$ 5,628
<u>2010</u>		<u>\$ 2,814</u>

a) The Company has a lease for corporate offices at 308 – 837 West Hastings Street, Vancouver, at a rate of \$900 per month. The lease expires December 31, 2007.

CONSOLIDATED GLOBAL MINERALS LTD.

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10. COMMITMENTS (Continued)

- b) The Company has a lease for corporate vehicle, at a rate of \$469 per month. The lease term is 48 months.
- c) The Company has a management services and consulting agreement with a director of the Company. The remuneration payable shall be \$2,500 per month for management services plus \$100 per hour for any time in excess of 25 hours per month for providing geological, financial, or other technical consulting services to the Company. The agreement ran until July 1, 2006.
- d) The Company is required to expend \$200,000 on qualifying exploration expenditures by December 31, 2006 for its Dome and Gold Dome Property in accordance with the flow-through financing completed in December 2005.

11. INCOME TAXES

The Company is subject to income taxes on its unconsolidated income statements in Canada and the United States. The consolidated provision for income taxes varies from the amount that would be computed from applying the combined federal, provincial and state income tax rates to the net loss before income taxes as follows:

	<u>2006</u>	<u>2005</u>
Combined statutory tax rate	<u>34%</u>	<u>35%</u>
Computed tax recovery	\$ 876,000	\$ 393,000
Changes in temporary differences	263,000	459,000
Unrecognized items for tax purposes	(530,000)	59,000
Benefit resulting from reductions in tax rates	(43,000)	(80,000)
Benefit of income tax losses not recognized	(497,760)	(831,000)
	<u>\$ 68,240</u>	<u>\$ -</u>

CONSOLIDATED GLOBAL MINERALS LTD.

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11. INCOME TAXES (Continued)

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

	2006	2005
Equipment	\$ 133,000	\$ 72,000
Exploration and development deductions	512,000	453,000
Non-capital losses carried forward	2,116,000	1,585,000
Other temporary differences	125,000	45,000
	2,886,000	2,155,000
Valuation allowance	(2,886,000)	(2,155,000)
	\$ -	\$ -

As at June 30, 2006, the Company has available losses for income tax purposes of approximately \$3,098,000, which may be carried forward and applied against future taxable income when earned. United States net operating losses totaling \$3,127,000 may be limited if more than a 50% ownership change has occurred with respect to any Company included in the consolidated group. If an ownership change has occurred, such losses are limited on an annual basis to the value of the respective Company on the date of change multiplied by the U.S. federal long-term, tax-exempt rate in effect for the period. In addition, some U.S. net operating losses may be subject to other limitations based on taxable income from wholly owned subsidiaries on a stand-alone basis.

These losses expire as follows:

	Canada	United States	Total
2007	\$ 302,000	\$ -	\$ 302,000
2008	318,000	-	318,000
2009	214,000	-	214,000
2010	336,000	-	336,000
2014	604,000	-	604,000
2015	764,000	-	764,000
2016	560,000	-	560,000
2024	-	3,000	3,000
2025	-	1,895,000	1,895,000
2026	-	1,229,000	1,229,000
	\$ 3,098,000	\$ 3,127,000	\$ 6,225,000

Canadian and foreign exploration resource deductions may be used against certain taxable income without expiry provided there has been no change in the control of the Company. As at June 30, 2006, the available resource deductions amounted to approximately \$2,727,000 (2005 - \$2,819,000).

CONSOLIDATED GLOBAL MINERALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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12. SEGMENTED INFORMATION

	<u>2006</u>	<u>2005</u> (restated)
Assets by geographic segment:		
United States	\$ 4,696,044	\$ 3,613,186
Canada	3,528,211	2,702,982
Europe	-	7,649
	<u>\$ 8,224,255</u>	<u>\$ 6,323,817</u>
Loss by geographic segment		
United States	\$ 347,994	\$ 391,445
Canada	2,296,788	743,134
	<u>\$ 2,644,782</u>	<u>\$ 1,134,579</u>

13. SUPPLEMENTARY CASH FLOW INFORMATION

	<u>2006</u>	<u>2005</u>
Non-cash investing and financing activities		
Receipt of marketable securities and investments in common shares of other companies pursuant to the terms of mineral property agreements	\$ 230,000	\$ 764,499
Cash flow information		
Interest paid in cash	\$ -	\$ -
Income taxes paid in cash	\$ -	\$ -

14. SUBSEQUENT EVENT

The Company has granted Reese Corp. an option to earn an 80% interest in its Bailey Hills property in Nevada. Under the terms of the agreement, Reese Corp can earn 80% interest in the property from the Company with upfront cash payment of \$25,000, and expenditure of \$4,000,000 within a three-year period.