

Unaudited Interim Consolidated Financial Statements of

BOXXER GOLD CORP.

Three months ended March 31, 2006 and 2005

The accompanying unaudited interim consolidated financial statements of Boxxer Gold Corp. for the quarter ended March 31, 2006 have been prepared by management and approved by the audit committee. These statements have not been reviewed by the Company's external auditors.

May 25, 2006

(Signed) "Colin Byrne Christensen"

President and Chief Executive Officer

(Signed) "Brian C Harder"

Chief Financial Officer

BOXXER GOLD CORP.

Interim Consolidated Balance Sheets

March 31, 2006 and 2005

	Unaudited	Audited
	March 31, 2006	December 31, 2005
Assets		
Current assets:		
Cash	\$ 14,432	\$ 9,609
Accounts receivable	12,342	15,885
	<u>26,774</u>	<u>25,494</u>
Deposits	37,630	28,268
Furniture and equipment	2,421	2,548
Mineral properties (note 3)	1,604,785	1,471,854
	<u>\$ 1,671,610</u>	<u>\$ 1,528,164</u>

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities	\$ 85,746	\$ 62,944
Future income taxes	89,065	89,065
Shareholders' equity:		
Share capital (note 4)	2,159,744	1,976,362
Warrants (note 4)	126,960	126,960
Contributed surplus (note 5)	162,513	82,172
Deficit	<u>(952,418)</u>	<u>(809,339)</u>
	1,496,799	1,376,155
Future operations (note 1)		
Commitments (note 3)		
Subsequent events (note 8)		
	<u>\$ 1,671,610</u>	<u>\$ 1,528,164</u>

See accompanying notes to interim consolidated financial statements.

On behalf of the Board:

(Signed) "Colin Byrne Christensen" Director

(Signed) "William Truman Kilbourne" Director

BOXXER GOLD CORP.

Interim Consolidated Statements of Operations and Deficit

Three months ended March 31, 2006 and 2005
(Unaudited)

	2006	2005
Expenses:		
Management fees (note 7)	\$ 15,000	\$ 15,000
General and administrative	127,952	41,107
Depreciation	127	159
Net loss for the period	143,079	56,266
Deficit, beginning of period	809,339	598,061
Deficit, end of period	\$ 952,418	\$ 654,327
Loss per share - basic and diluted (note 4 (f))	\$ (0.01)	\$ -

See accompanying notes to interim consolidated financial statements.

BOXXER GOLD CORP.

Interim Consolidated Statements of Cash Flows

Three months ended March 31, 2006 and 2005
(Unaudited)

	2006	2005
Cash provided by (used in):		
Operations:		
Net loss for the period	\$ (143,079)	\$ (56,266)
Non-cash items:		
Depreciation	127	159
Stock-based compensation (note 4 (e))	80,341	-
Change in non-cash working capital	(9,381)	(694)
	<u>(71,992)</u>	<u>(56,801)</u>
Financing:		
Issue of share capital for cash	183,382	211,063
Investments:		
Deposits	(9,362)	-
Addition to mineral properties	(132,931)	(278,562)
Change in non-cash working capital	35,727	81,433
	<u>(106,566)</u>	<u>(197,129)</u>
Change in cash	4,823	(42,867)
Cash, beginning of period	9,609	228,849
Cash, end of period	<u>\$ 14,342</u>	<u>\$ 185,982</u>
Interest received	\$ -	\$ -

See accompanying notes to interim consolidated financial statements.

BOXXER GOLD CORP.

Notes to Interim Consolidated Financial Statements

Three months ended March 31, 2006 and 2005
(Unaudited)

Boxxer Gold Corp. (the "Company") is engaged, in the exploration and development of gold mining properties in Canada and the United States. The Company is currently in the development stage as all of the Company's properties are in the exploration stage.

1. Future operations:

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

At March 31, 2006, the Company had a working capital deficiency of \$58,972, had incurred a net loss of \$143,079 and had an accumulated deficit of \$952,418. The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and to obtain additional financing. The ability of the Company to generate future profitable operations is primarily dependent upon achieving successful exploration and profitable development of its mineral properties.

Management believes the going concern assumption to be appropriate for these financial statements. If the going concern assumption were not appropriate for these financial statements, adjustments may be necessary to the carrying value of assets and liabilities, reported expenses and the balance sheet classifications used.

2. Significant accounting policies:

The significant accounting policies followed by the Company are summarized as follows:

(a) Basis of preparation:

These consolidated financial statements include the accounts of the Company and its wholly owned U.S. subsidiary.

(b) Use of estimates:

The preparation of the Company's consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. Significant areas requiring the use of management estimates relate to the determination of mineral reserves, reclamation, and environmental obligations, impairment of assets and useful lives used to compute depreciation, depletion and amortization. Actual results could differ from those estimates.

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Notes to Interim Consolidated Financial Statements, Page 2

Three months ended March 31, 2006 and 2005
(Unaudited)

2. Significant accounting policies (continued):

(c) Mineral interests:

Mineral properties are recorded at cost and will be depleted on the unit-of-production method over the estimated economic life of the mine to which they relate. Development costs incurred to expand existing capacity, develop new ore bodies and develop property substantially in advance of production are capitalized.

Exploration expenditures are charged to earnings in the period incurred except where these costs relate to specific properties in which case they are deferred. Significant property payments for active exploration properties are capitalized. If no mineable ore body is discovered, previously capitalized costs are expensed.

Mineral property costs are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. If estimated future net cash flows expected to result from the use of properties and their eventual disposition are less than the carrying amount, then these properties are written down to their estimated recoverable amount.

Amounts recorded for mineral properties represent costs incurred to date and are not intended to reflect present or future values. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves and future production or proceeds from the disposition thereof.

(d) Furniture and equipment:

Office furniture and equipment are recorded at cost and are depreciated on a declining balance basis over the estimated useful life of five years.

(e) Asset retirement obligation ("ARO"):

The Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development, and or the normal use of the assets. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and depleted and depreciated using a unit of production method over estimated gross proved plus probable resources. Subsequent to the initial measurement of the asset retirement obligations, the obligations are adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation.

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Three months ended March 31, 2006 and 2005
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2. Significant accounting policies (continued):

(f) Foreign currency translation:

The Company translates foreign currency denominated transactions and the financial statements of integrated foreign operations using the temporal method. Monetary assets and liabilities are translated at year-end rates. Non-monetary assets and liabilities are translated at rates in effect on the dates of the transactions. Income and expenses are translated at average rates in effect during the year with the exception of depreciation, which is translated at historic rates. Exchange gains and losses on translation of monetary assets and liabilities are reflected in earnings immediately.

(g) Stock-based compensation plan:

The Company accounts for all stock-based compensation arrangements using the fair value method, under which compensation expense is recorded based on the estimated fair value of the options as determined at the date of grant, and expensed over the vesting period with a corresponding increase to contributed surplus. Upon the exercise of the stock options, consideration received together with the amount previously recognized in contributed surplus is recorded as an increase in share capital.

(h) Per share amounts:

Basic per share information is calculated on the basis of the weighted average number of common shares outstanding during the year.

Diluted per share amounts are calculated using the treasury stock method. Diluted calculations reflect the weighted average incremental common shares that would be issued upon exercise of dilutive options and warrants assuming proceeds would be used to repurchase shares at average market prices for the period. Anti-dilutive options and warrants are not included in the calculation.

(i) Flow-through shares:

The resource expenditure deductions for income tax purposes related to exploratory and development activities funded by flow-through share arrangements are renounced to investors in accordance with tax legislation. The estimated cost of the renounced tax deductions are reflected in share capital and future income taxes when the expenditures are renounced.

(j) Income taxes:

The Company follows the liability method to account for income taxes. Under the liability method, future income tax assets and liabilities are determined based on "temporary differences" (differences between the accounting basis and the tax basis of the assets and liabilities), and are measured using the tax rates and laws expected to apply when these differences reverse. A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized.

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Notes to Interim Consolidated Financial Statements, Page 4

Three months ended March 31, 2006 and 2005
(Unaudited)

3. Mineral properties:

	Balance at December 31, 2005	Additions	Balance at March 31, 2006
Property acquisition	\$ 139,000	\$ 24,511	\$ 163,511
Staking and filing fees	106,226	28,337	134,563
Lease payments	132,829	26,611	159,440
Geological services	516,594	44,496	561,090
Geophysical services	100,331	-	100,331
Drilling	424,999	-	424,999
Assay analysis	51,875	8,976	60,851
	<u>\$ 1,471,854</u>	<u>\$ 132,931</u>	<u>\$ 1,604,785</u>

	Balance at December 31, 2004	Additions	Balance at December 31, 2005
Property acquisition	\$ 73,000	\$ 66,000	\$ 139,000
Staking and filing fees	81,813	24,413	106,226
Lease payments	69,835	62,994	132,829
Geological services	503,389	13,205	516,594
Geophysical services	94,979	5,352	100,331
Drilling	202,620	222,379	424,999
Assay analysis	46,175	5,700	51,875
	<u>\$ 1,071,811</u>	<u>\$ 400,043</u>	<u>\$ 1,471,854</u>

Expenditure by property:

	Balance at December 31, 2005	Additions	Balance at March 31, 2006
Gordon Lake (Canadian property):			
Property acquisition	\$ 139,000	\$ 12,650	\$ 151,650
Geophysical Services	68,121	-	68,121
Drilling	252,379	-	252,379
Geological services	20,990	-	20,990
	<u>480,490</u>	<u>12,650</u>	<u>493,140</u>
Buena Vista (United States property):			
Property acquisition		11,861	11,861
Lease payments	-	13,176	13,176
Staking and filing fees	-	19,882	19,882
		<u>44,919</u>	<u>44,919</u>
Boss (United States property):			
Staking and filing fees	106,226	8,455	114,681
Lease payments	132,829	13,435	146,264
Geological services	495,604	44,496	540,100
Geophysical services	32,210	-	32,210
Drilling	172,620	-	172,620
Assay analysis	51,875	8,976	60,851
	<u>991,364</u>	<u>75,362</u>	<u>1,066,726</u>
Total	<u>\$ 1,471,854</u>	<u>\$ 132,931</u>	<u>\$ 1,604,785</u>

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3. Mineral properties (continued):

The Company has no mineral resources or reserves assigned on its properties at this time.

Boss Property:

During 2005, the Company signed a 15-year lease agreement with the owners of the Yellowhorse patent claims (the Robbins lease). These patented claims are on the eastern boundary of what we call the Boss project in Nevada. Terms of the agreement call for Boxxer to make graduated annual lease payments to the landowners of US\$5,000 (Cdn \$6,000) upon signing (paid) and the first anniversary of the agreement (paid); US\$15,000 (Cdn \$18,000) annually from the second the fourth anniversary date; and US\$20,000 (Cdn \$24,000) annually thereafter. The agreement also calls for the Company to pay a net smelter royalty (NSR) of 5%. The Company also has an option to purchase the property, including the NSR, for US\$500,000 (Cdn \$600,000).

The Company leases the Oro Amigo patented claims in Nevada under a long-term operating lease to explore and produce minerals from the Oro Amigo patented claims. The extendible lease expires August 12, 2017. Under the terms of the lease, the Company must make monthly advance royalty payments of U.S.\$500 (Cdn\$600) until August 12, 2005. The monthly payment increases to U.S.\$5,000 (Cdn\$6,000) thereafter, unless production of minerals commences. Should production of minerals commence from the Oro Amigo patented mineral claims, the monthly advance royalty payment is converted to either a 5% royalty on production, or a payment of U.S.\$5,000 per month, whichever is greater. During 2005, the Company negotiated terms of initial advance royalty payment to \$750 per month for a term extending from August 12, 2005 to August 12, 2007. Thereafter, monthly payments will remain \$5,000 as long as this agreement is in effect.

On January 2, 2003, the Company signed a long-term extendible operating lease with one of the 50% owners on the Boss patented claims in Nevada, to be used for gold exploration and development. The lease expires January 2, 2018, the monthly advance royalty payments for which are U.S.\$750 (CDN \$900) until January 2, 2004, U.S.\$1,000 (CDN \$1,200) until January 2, 2004, and U.S.\$1,500 (CDN \$1,800) thereafter, until expiry of the lease. On commencement of production of minerals, if any, from the Boss patented claims, the monthly royalty payment can be converted to a 1.5% net smelter royalty. The Company has the right to recover all previous royalty payments from the production royalty. Under the terms of this lease agreement this 50% owner has the right to convert the monthly royalty payments to a 20% Working Interest at any time before the completion of a feasibility study, in which case he would be responsible for 20% of all expenditures incurred on the property after the conversion. During 2005 the Company negotiated the purchase of eighteen months lease payments, from January 2005 to June 30, 2006 by issuing 250,000 shares to the 50% owner of the Boss patented claims.

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3. Mineral properties (continued):

On June 2, 2003, the Company executed a 15-year extendible lease agreement date June 2, 2003 with the remaining 50% owner of the Boss patented claims, expiring June 2, 2018. The lease agreement requires a U.S.\$750 (CDN \$900) per month advance royalty payment until June 2, 2004, U.S.\$1,000 (CDN \$1,200) per month until June 2, 2004, and U.S.\$1,500 (CDN \$1,800) per month thereafter. If production commences from the Boss patented claims, the monthly royalty payment converts to a 1.5% net smelter royalty, payable quarterly after recovery by the Company of the advance royalty payments.

On August 4, 2004 the Company announced the acquisition of an additional 100% interest in four patented lode mining claims (46 acres) as part of the land position at its Boss property. The Company signed a ten-year lease agreement with the property owner whereby the Company will pay an advanced minimum royalty of U.S.\$1,000 annually throughout the life of the agreement. The lease agreement is subject to a net smelter royalty (NSR) of 4% on future open pit production, and 3% from underground production. The Company has the option to purchase the property and the net smelter royalty for U.S.\$50,000 at any time during the term of the lease agreement.

The Company's annual minimum lease commitments as described above are as follows:

2006	\$ 62,400
2007	93,600
2008	134,400
2009	140,000
2010	140,400

Buena Vista Property

On January 26, 2006 Boxxer signed a letter of intent to earn an 80% interest in the Buena Vista property (the "**Buena Vista Property**") which is located approximately 30 kms. southeast of Lovelock, in central Nevada and consists of 155 unpatented lode claims, one optioned unpatented lode claim (Copper Kettle) and a lease agreement with Nevada Lands and Resources that controls over 3,100 acres. Boxxer can earn an 80% interest in the property by making expenditures of US\$1,000,000 over a period of three years, assume the lease option payment of US\$1,000 annually on one unpatented claim known as Copper Kettle, and making three bonus payments over a period of three years totalling US\$60,000.

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3. Mineral properties (continued):

The Buena Vista Property currently consists of a contiguous land block that contains unpatented mining lode claims encompassing approximately 2200 acres (890 ha) including a lease on the Copper Kettle unpatented lode claim 918.61 acres (371.75 ha). The southern part of the claims extends into the federal Stillwater wilderness study area. The wilderness area has been designated by the BLM as "non-suitable" for wilderness status although some restrictions on exploration still apply. Holding costs (assuming all claims are held) for BVGA-1 claims in assessment year 2006-07 include an annual BLM maintenance fee of \$125/claim (total of US\$19,625) due by August 31, 2006 and county recording costs of \$12.50 for the first claim and \$8.50/claim thereafter (total of US\$1,338.50) for "intent to hold" notices that must be filed by November 1, 2006 to keep the claims in good standing. These amounts assume all claims are held.

As part of the transaction, negotiations with Nevada Land and Resources (manager of Southern Pacific railroad mineral lands) has resulted in the joint venture leasing with an option to purchase approximately 1600 acres of fee lands in Sections 17 (N1/2), 9 (W1/2) and 7 (all); holding costs (\$12.50/acre) for 2006 are \$16,000 (assuming all land is held). Salient terms of the lease-option agreement include:

- Initial 10 year term, extendable for 4 additional 10-year terms.
- Rentals of \$5/acre during years 1 and 2, \$7.50/acre in year 3, \$12.50/acre in year 4, and \$17.50/acre per year thereafter.
- Work commitments require expenditures on the property or within 2 miles of it.
- They include \$100,000 by the end of year 2, \$100,000 per year in years 3 and 4 and \$250,000 per year thereafter.
- Option to purchase must be exercised for a minimum of two full sections and may be exercised at any time by payment of the \$300.00 per acre as the purchase price for the fee interest.
- Exercise of the option eliminates any further rentals or work commitments.
- Nevada Land and Resources retains a reserved net smelter return (NSR) royalty of 1.5% for non-ferrous metals including copper, 4% on precious metals and 3% on all other metals including iron.

The area of interest covers approximately 162 square miles in southern Pershing and northern Churchill Counties, Nevada. The area includes Townships T26N, R34E, E1/2 T26N, R33E, T25N, R34E, E1/2 T25N, R33E, T24N, R34E and E1/2 T24N, R33E. It encompasses both the Mineral Basin and Copper Kettle mining districts. The current land position straddles both districts at the south end of the Buena Vista valley.

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Notes to Interim Consolidated Financial Statements, Page 8

Three months ended March 31, 2006 and 2005
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3. Mineral properties (continued):

Gordon Lake Property:

On December 1, 2003, the Company announced the signing of a Letter Agreement whereby the Company had acquired the right to earn between 90%-100% in the Gordon Lake gold property located in the Northwest Territories. The Company attained an assignment from 397405 Alberta Ltd. of the right to earn a 90% working interest in the Gordon Lake property and 100% of 397405 Alberta Ltd.'s interest in seven contiguous mineral claims. This acquisition by the Company was a non-arms length transaction involving a director and shareholder of the Company. Under the terms of the agreement, the Company can earn the respective interests in the property by:

1. spending \$500,000 in exploration expenditures on the property by December 31, 2005, with a minimum of \$250,000 being spent by the end of December 2004 (see extension below); and
2. Issuing 600,000 common shares of the Company as follows:
 - (a) 100,000 common shares, plus \$40,000 in cash.
 - (b) 250,000 common shares on completion of the first \$250,000 in exploration expenditures (issued), plus a cash payment of \$31,000 (paid by the issuance of 310,000 shares at \$0.10 per share)
 - (c) 250,000 common shares on completion of the next \$250,000 in exploration expenditures, plus a cash payment of \$31,000.

On December 6, 2004, 397405 Alberta Ltd. granted the Company an extension for the exploration expenditure of the minimum of \$250,000 to have been spent on the Gordon Lake property by the end of December 2004, until February 28, 2005. This work commitment was successfully completed by the end of February 2005. The 10% interest holder has a sliding scale royalty on any future gold production from this lease that ranges from 1% to 4% if the future price of gold is greater than U.S.\$400 per ounce. Should either party dilute its working interest in the Lease below 10%, its working interest will automatically be converted into a 5% Net Profits Interest. On December 20, 2005 the Company signed an agreement with 397405 Alberta Ltd. granting a two year extension on the second \$250,000 exploration commitment, due December 31, 2005, until March 31, 2008.

On December 21, 2005 the Company received written confirmation of a Notice of Lapsing from Indian and Northern Affairs advising that the Company is in default of the terms and conditions on Claim numbers 83123-83129 on the Gordon Lake property. The default must be remedied within sixty days (February 21, 2006) or the claims shall be deemed to have lapsed. As of February 15, 2006, the Company filed a Certificate of Extension for claim numbers 83123, 83124, 83126 and 83129 with Indian and Northern Affairs extending the period within which to make the appropriate expenditures on the property amounting to approximately \$36,000, until November 20, 2006. The application for an extension was subsequently accepted.

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Notes to Interim Consolidated Financial Statements, Page 9

Three months ended March 31, 2006 and 2005
(Unaudited)

4. Share capital:

(a) Authorized:

Unlimited number of Class A common shares without nominal or par value.

Unlimited number of preferred shares without nominal or par value.

(b) Issued:

Changes in issued common shares of the Company are as follows:

	Number of shares	Amount
Balance, December 31, 2004	19,380,680	\$1,708,027
Issued for cash, private placement	3,500,000	226,459
Issued for property acquisition	250,000	35,000
Issued in lieu of lease payments	250,000	33,750
Issued for debt reduction	800,000	80,139
Tax effect of 2004 flow-through shares	—	(89,065)
Share issuance costs	—	(17,948)
Balance, December 31, 2005	24,180,680	1,976,362
Issued for cash, private placement	2,037,000	203,700
Exercise of Warrants	20,000	3,000
Share issuance costs	—	(23,318)
Balance, March 31, 2006	26,237,680	\$ 2,159,744

During 2005 the Company completed a private placement of 800,000 common shares at a price of \$0.08 per share for gross proceeds of \$64,000.

During 2005 the Company completed a private placement of 500,000 Units priced at \$0.10 per Unit for gross proceeds of \$50,000. Each Unit consisted of one common share and one-half common share purchase warrant. Each full warrant allows the holder to acquire one additional common share of the Company for a period of two years, at \$0.15 until August 8, 2006 and \$0.20 until August 8, 2007.

During 2005 the Company completed a private placement of 2,200,000 Units priced at \$0.10 per Unit for proceeds of \$210,000. Each Unit consisted of one common share and one-half common share purchase warrant. Each full warrant allows the holder to acquire one additional common share of the Company for a period of two years, at \$0.15 until March 17, 2006 and \$0.20 until March 17, 2007.

During 2005 the Company issued 250,000 common shares to one of the 50% patented claim owners of the Boss property in Nevada in lieu of lease payments from January 2005 through until June 2006.

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Three months ended March 31, 2006 and 2005
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4. Share capital (continued):

(b) Issued (continued):

During 2005 the Company issued 800,000 common shares at an effective price of \$0.10 per share to two parties in exchange for cash debt reduction. As part of this issuance 310,000 common shares were issued to 397405 Alberta Ltd. in lieu of the \$31,000 cash payment as part of the acquisition of the Gordon Lake property.

During 2005 the Company issued 250,000 common shares against Golden Lake Property acquisition (see note 3).

On January 20, 2006 the Company completed a private placement of 2,000,000 common shares at a price of \$0.10 per share for proceeds of \$200,000. Two directors of the company participated in this private placement totaling \$167,000. The net proceeds were applied to working capital.

(c) Warrants:

As at March 31, 2006 there were a total of 1,750,000 warrants outstanding.

	2006		2005	
	Number of warrants	Amount	Number of warrants	Amount
Outstanding, beginning of period	1,750,000	\$ 126,960	2,095,000	\$ 19,419
Issued	—	—	1,350,000	107,541
Exercised	—	—	—	—
Expired	—	—	(1,695,000)	—
Outstanding, end of period	1,750,000	\$ 126,960	1,750,000	\$ 126,960

Warrants Outstanding at March 31, 2006:

Expiry	Price	Number
September 30, 2006	\$ 0.20	175,000
October 8, 2006	\$ 0.20	225,000
February 28, 2007	\$ 0.20	1,100,000
August 17, 2007	\$ 0.20	250,000
		1,750,000

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4. Share capital (continued):

(c) Warrants (continued):

Estimated fair value of warrants issued during the year was determined using the Black-Scholes pricing model with the following assumptions:

	2006	2005
Risk free interest rate	4%	4%
Expected warrant life	2 years	1 to 2 years
Expected volatility	90%	90%

As at March 31, 2006, a total of 1,106,404 common shares were held in escrow, to be released in two equal tranches at six-month intervals commencing April 14, 2006.

(d) Share options:

Under the Company's stock option plan, the Company may grant options to employees, consultants, officers and directors equal to 10% of the issued and outstanding common shares. The options granted vest upon granting, are non-transferable and expire after five years. On January 27, 2006, the Company granted 1,000,000 stock options at an exercise price of \$0.10 which expire in five years.

	2006		2005	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	1,375,000	\$ 0.16	1,400,000	\$ 0.16
Granted	1,000,000	\$ 0.10	-	-
Exercised	-	-	-	-
Expired or cancelled	-	-	(25,000)	\$ 0.25
Outstanding, end of period	2,375,000	\$ 0.14	1,375,000	\$ 0.16
Exercisable, end of period	2,375,000	\$ 0.14	1,375,000	\$ 0.16

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4. Share capital (continued):

(d) Share options (continued):

Exercise Price	Options Outstanding		Options Exercisable	
	Number outstanding	Weighted Average Remaining Contractual Life (years)	Number exercisable	Exercise Price
\$ 0.12	750,000	2.41	750,000	\$ 0.12
0.15	250,000	0.58	250,000	0.15
0.25	375,000	2.83	375,000	0.25
0.10	1,000,000	4.83	1,000,000	0.10
	2,375,000		2,375,000	\$ 0.14

(e) Stock-based compensation:

Compensation expense is recognized when employee stock options are granted. In accordance with the Company's incentive stock option plan, these options have an exercise price equal to or greater than the market price at the date of grant. During the period ended March 31, 2006 1,000,000 stock options were granted. The Company has used the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of 4.0%, expected life of 5 years and expected volatility of 90% in determining the 2006 expense.

Compensation expense of \$80,341 (2005 - \$Nil) has been determined based upon the fair value of employee options granted in 2006.

(f) Per share amounts:

In computing loss per share, options and warrants totaling 4,125,000 shares (2005 - 4,531,000) were excluded from the dilution calculation, as they were anti-dilutive. The weighted average number of common shares outstanding for the period ended March 31, 2006 was 25,504,535 (2005 - 20,038,458).

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Notes to Interim Consolidated Financial Statements, Page 13

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5. Contributed surplus:

	2006	2005
Balance, beginning of period	\$ 82,172	\$ 82,172
Options granted	80,341	-
Balance, end of period	\$ 162,513	\$ 82,172

6. Related party transactions:

During the period ended March 31, 2006, the Company paid the president of the Company \$15,000 for management fees (2005 - \$15,000). These costs were charged to management fees expense. At March 31, 2006, accounts payable and accrued liabilities included \$Nil (2005 - \$Nil) relating to such services.

During 2005 the Company issued 250,000 common shares to 397405 Alberta Ltd. as part of the consideration in the acquisition of the Gordon Lake property in the NWT, on completion of the first \$250,000 in exploration expenditures.

During 2005 the Company issued 310,000 common shares to 397405 Alberta Ltd. in lieu of the \$31,000 cash component under the terms of the original Gordon Lake acquisition agreement.

7. Financial instruments:

The Company's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities, all of which are current in nature and whose book values approximate their fair values.

Currency and interest rate risk:

The Company is exposed to interest rate and foreign currency exchange rate risk. To date, financial instruments have not been utilized to mitigate these risks.

BOXXER GOLD CORP.

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Three months ended March 31, 2006 and 2005
(Unaudited)

8. Subsequent events:

- (a) On January 13, 2006 the company received a written demand notice from Titan Drilling Ltd. for the payment of \$54,537 plus interest, which in their interpretation consisted of the balance of the financial commitment of the drilling contract at Gordon Lake. The Company disagreed with this notice and responded to Titan Drilling Ltd. accordingly, that based on the pertinent facts of the situation no further action was necessary on the part of the Company. As at the end of the period ending March 31, 2006, no further action had been taken in this matter.
- (b) On May 15, 2006 the Company filed its Annual Information Form.
- (c) On May 17, 2006 the Company announced its intention to raise up to \$2,000,000 by way of a brokered offering of units by way of TSXV Short Form Offering Document in Alberta, British Columbia, Saskatchewan, Manitoba and Nova Scotia (the "Offering"), subject to receipt of regulatory approval. A total of up to 10,000,000 units (each a "Unit") will be offered for sale at a price of \$0.20 per Unit. Each Unit will consist of one common share in the share capital of Boxxer ("Common Share") and one-half Common Share purchase warrant ("Warrant"). Each Warrant shall be exercisable for 18 months from the date of issuance into one Common Share at a price of \$0.30 per Common Share.

Union Securities Ltd. (the "Agent"), has agreed, subject to satisfactory due diligence results, to act as agent for the Offering on a best efforts basis and will receive a cash commission equal to 8% of the gross proceeds received by Boxxer. The Agent will also be paid an agency fee of \$25,000 and will receive an option to purchase that number of Units equal to 10% of the Units sold exercisable at a price of \$0.20 per Unit for a period of 18 months from the closing of the Offering.

Boxxer will use the proceeds of the Offering for exploration and development of its properties and for general working capital purposes. The Offering is subject to regulatory approval.

Certain directors and officers of Boxxer may subscribe to the Offering. Pursuant to the policies of the TSX Venture Exchange and Ontario Securities Commission Rule 61-501 ("Rule 61-501"), the Offering may therefore be classified as a "related party transaction." Assuming receipt of regulatory approval and the availability of applicable exemptions from the requirements of Rule 61-501, it is anticipated that Boxxer may close the Offering less than 21 days after the filing of the material change report required by Rule 61-501.