

BENCHMARK ENERGY CORP.
Interim Financial Statements
(Unaudited – Prepared by Management)

September 30, 2004

Notice:

These interim financial statements have not been reviewed by the Company's independent auditor.

BENCHMARK ENERGY CORP.
Interim Balance Sheets
(Unaudited – Prepared by Management)

	September 30, 2004 (Unaudited)	June 30, 2004
Assets		
Current		
Cash	\$ 29,470	\$ 53,011
GST receivable	6,126	4,658
Due from related party (note 6)	2,500	-
	<u>\$ 38,096</u>	<u>\$ 57,669</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 92,296	\$ 40,091
Due to related parties (note 6)	-	45,976
	<u>92,296</u>	<u>86,067</u>
Shareholders' Equity		
Capital Stock (note 5)	395,281	395,281
Deficit	(449,481)	(423,679)
		<u>(28,398)</u>
	<u>\$ 38,096</u>	<u>\$ 57,669</u>

Going concern (note 2)

Approved on behalf of the Board:

"Chris Cooper"
..... Director
Chris Cooper

"Barry Lee"
..... Director
Barry Lee

BENCHMARK ENERGY CORP.
Interim Statements of Operations and Deficit
(Unaudited – Prepared by Management)

	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003
Expenses		
Rent	\$ 15,000	\$ 15,000
Management and administrative fees	7,250	7,500
Professional Fees	-	2,000
Transfer agent / Regulatory	2,721	658
Interest and bank charges	112	113
Office	751	365
Travel	-	525
	25,834	26,161
Loss before other item	(25,834)	(26,161)
Other item		
Interest income	32	14
Loss for the period	(25,802)	(26,147)
Deficit, beginning of period	(423,679)	(241,581)
Deficit, end of period	\$(449,481)	(267,728)
Loss per share – basic and diluted	\$(0.00)	\$ (0.01)
Weighted Average Number of Shares Outstanding		
- basic and diluted	5,768,706	3,536,492

See notes to financial statements.

BENCHMARK ENERGY CORP.
Interim Statements of Cash Flows
(Unaudited – Prepared by Management)

	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003
Cash provided by (used in):		
Operating activities:		
Net loss for the period	\$(25,802)	\$(26,147)
Changes in non-cash working capital items:		
GST receivable	(1,468)	-
Due from related parties	(2,500)	-
Accounts payable	51,800	(7,343)
	<u>22,030</u>	<u>(33,490)</u>
Financing activities:		
Due to related parties	(45,571)	45,026
	<u>(45,571)</u>	<u>45,026</u>
Increase (decrease) in cash	(23,541)	11,536
Cash, beginning of period	53,011	2,329
Cash, end of period	<u>\$ 29,470</u>	<u>\$ 13,865</u>

1. ORGANIZATION AND NATURE OF OPERATIONS

Benchmark Energy Corp. (the "Company") is listed on the NEX Board of the TSX Venture Exchange ("TSX"). The Company is currently seeking investment opportunities.

Listed companies on the NEX board are limited to, amongst other items, management fees of \$2,500 per month, raising a maximum of \$350,000 in aggregate through the issuance of shares in any twelve month period, and issuing maximum stock options equal to 10% of the issued and outstanding shares during any twelve month period. The Company completed a financing for gross proceeds of \$350,000 in June of 2004.

2. GOING CONCERN

These financial statements are prepared on a going-concern basis, which implies that the Company will continue realizing its assets and discharging its liabilities in the normal course of business and will be able to establish new business opportunities and be able to raise sufficient funds to develop the new business. As at September 30, 2004, the Company has an accumulated deficit of \$449,679 and a working capital deficit of \$54,200. Accordingly, these financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, establish a new business and obtain sufficient financing to fund development of the new business.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

Except as otherwise disclosed in the financial statements, the fair values of cash, GST receivable, accounts payable and accrued liabilities and due to related parties approximate their carrying values. The Company does not use any derivative financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks.

(b) Foreign currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- (i) Monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date;
- (ii) Non-monetary assets and liabilities are translated at the rate of exchange in effect at the date of the transaction; and,
- (iii) Revenues and expenses, at the average rate of exchange for the period.

Gains and losses arising from the translation of foreign currencies are included in the statement of operations for the period.

(c) Loss per share

Loss per share is calculated based on the weighted average number of common shares outstanding during the period.

(d) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and would impact future results of operations and cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Mineral property

Acquisition and exploration costs relating to mineral properties are deferred until the properties are brought into production, at which time the deferred costs are to be amortized on a unit of production basis, or until the properties are abandoned or sold, at which time the deferred costs are written off.

The Company periodically reviews the value of its mineral claims through review of various engineering reports and enquiry of its consultants. Once the decision is made to cease further exploration and a ready market is not available for sale, the acquisition costs and related deferred exploration costs are written off.

The amounts shown as mineral properties and deferred exploration represent unamortized costs to date and do not necessarily reflect present or future values.

(f) Stock-based compensation

Effective July 1, 2003, the Company adopted CICA Handbook Section 3870 "Stock-Based Compensation and Other Stock-Based Payments", which establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. For fiscal years beginning after January 1, 2004, direct awards of stock and other stock based compensation granted to employees are recorded at fair value on the date of grant and the associated expense is amortized over the vesting period. The Company has chosen to adopt a prospective application of the new standards whereby it accounts for awards to employees and non-employees based on the fair value method.

No stock options to directors, officers and employees were granted in the current or prior period and therefore no stock based compensation expense has been calculated.

(g) Comparative figures

Certain comparative figures have been reclassified to conform to the current period's presentation.

4. MINERAL PROPERTY

During the year ended June 30, 2003, the Company signed a Memorandum of Understanding ("Memorandum") with Consolidated JABA Inc. ("JABA") to secure an option to earn up to an 80% interest in the Providence Claims of the Providence Gold Project in Clarke County, Nevada.

Under the terms of the Memorandum, the Company was to complete work programs totalling US \$900,000 on the property over four years and make property payments totalling US \$400,000 over eight years. The Company was to also issue 150,000 shares in the capital stock of the Company each year under the Memorandum commencing on TSX approval, until a bankable feasibility study was completed. The Company would have earned a 70% interest in the claims after completing the work program and an additional 10% totalling 80% by completing a bankable feasibility study.

During the year ended June 30, 2003, the Company paid US\$25,000 for the first year property payment in accordance with this agreement. During the year ended June 30, 2004, the Company terminated this option agreement. As a result of the termination, the Company paid \$20,000 and is to issue 50,000 common shares of the Company to JABA. These common shares have yet to be issued.

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5. CAPITAL STOCK

(a) Authorized

- (i) Unlimited number of common shares without par value
- (ii) Unlimited number of 10% cumulative redeemable convertible non-voting Class A preferred shares without par value
- (iii) Unlimited number of non-voting Class B preferred shares without par value

(b) Issued and outstanding

Share capital consists of common shares issued as follows:

	Three Months Ended September 30, 2004		Year Ended June 30, 2004	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of year	5,769,706	\$395,281	10,609,475	\$49,681
Stock consolidation	-	-	(7,072,983)	-
Issuance of bonus shares	-	-	45,714	8,000
Private Placement	-	-	2,187,500	350,000
Share issue costs related to private placement	-	-	-	(12,400)
Balance, end of year	5,769,706	\$395,281	5,769,706	\$395,281

(iii) Options:

The Company had no options outstanding at September 30, 2004.

(iv) Warrants:

As at September 30, 2004, the following warrants were outstanding:

Number of Shares	Exercise Price	Expiry Date
1,093,750	\$0.20	June 9, 2005

- (v) The Company had 2,778 common shares held in escrow at September 30, 2004 (2003 – 2,778).

6. RELATED PARTY TRANSACTIONS

During the three months ended September 30, 2004 and 2003, the Company paid or accrued the following amounts to companies controlled by directors of the Company, to a former directors of the Company and to a companies controlled by a former director of the Company:

	2004	2003
Management and administrative services	\$ 7,250	\$ 7,500
Rent	-	15,000

As at September 30, 2004, related parties owed the Company \$2,500 due to the advance of management fees for October 2004. The amount is unsecured and non-interest bearing.

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Effective July 1, 2004, \$45,976 owing to a company controlled by a former director was reclassified from a related party payable to an accounts payable.