

**GOLDBROOK VENTURES INC.**  
**INTERIM FINANCIAL STATEMENTS**

**July 31, 2007**

(Unaudited)

NOTICE TO READER

INTERIM BALANCE SHEET

INTERIM STATEMENT OF OPERATIONS AND DEFICIT

INTERIM STATEMENT OF CASH FLOWS

NOTES TO INTERIM FINANCIAL STATEMENTS

## **UNAUDITED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statement for the period ended July 31, 2007.

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### **NOTICE TO READER**

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The interim balance sheet as at July 31, 2007 and the interim statements of loss and deficit, and the interim statements of cash flows for the three-month period then ended are the responsibility of the Company's management.

These financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Villeneuve & Venne S.E.N.C..

The interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with Canadian Generally Accepted Accounting Principles.

*/s/ David Baker*

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David Baker, Director  
September 28, 2007

*/s/ Earl Terris*

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Earl Terris, Director  
September 28 2007

**GOLDBROOK VENTURES INC.**  
**BALANCE SHEET**  
(With comparative figures at April 30, 2007)

	<b>July 31, 2007</b>	<b>April 30, 2007</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 2,628,844	\$ 444,836
Cash reserved for exploration	-	412,532
Accounts receivable (Note 3)	3,457,814	2,720,810
Prepaid expenses	53,925	84,655
Total Current Assets	6,140,583	3,662,833
<b>Marketable Securities</b> (Note 4)	388,175	300,492
<b>Deposits on Mineral Properties</b> (Note 6(l))	195,625	1,137,792
<b>Mineral Properties</b> (Note 6)	28,433,148	14,706,810
<b>Property and Equipment, net</b> (Note 5)	40,938	14,819
<b>TOTAL ASSETS</b>	\$ 35,198,469	\$ 19,822,746
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 2,254,660	\$ 409,995
<b>Shareholders' Equity</b>		
Authorized: unlimited common shares and unlimited preferred shares		
Issued – 121,530,377 common shares		
(April 30, 2007 – 80,236,843 common shares) (Note 7(b))	37,079,223	25,728,559
Common share purchase warrants outstanding (Note 7(f))	5,277,732	2,425,861
Contributed surplus (Note 11)	2,484,230	1,887,481
	44,841,185	30,041,901
Accumulated other comprehensive income (loss) (Note 8)	(29,330)	2,425,861
Adjustment to opening accumulated other comprehensive income (Note 8)	6,973	2,425,861
Deficit, accumulated during the development stage	(11,875,019)	(10,629,150)
Total Shareholders' Equity	32,943,809	19,412,751
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	\$ 35,198,469	\$ 19,822,746

APPROVED ON BEHALF OF THE BOARD:

("sgd") "David Baker"

("sgd") "Earl Terris"

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

**GOLDBROOK VENTURES INC.**  
**INTERIM STATEMENT OF OPERATIONS AND DEFICIT**

	<b>Three months ended July 31,</b>	
	<b><u>2007</u></b>	<b><u>2006</u></b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>		
Depreciation on property and equipment	2,172	3,536
Consulting fees (Note 12)	133,007	60,000
Management fees	47,000	20,000
Office and general expenses (Note 12)	57,146	27,494
Professional fees (Note 12)	101,725	35,813
Property investigation	-	2,277
Regulatory fees & services	62,015	1,951
Shareholders' communication, travel & promotion (Note 12)	135,133	83,687
Stock-based compensation (Note 7(e))	711,930	102,680
Wages and benefits	26,280	21,069
Total General and Administration Expenses	<b><u>(1,276,408)</u></b>	<b><u>358,507</u></b>
<b>LOSS BEFORE OTHER ITEMS</b>	<b>(1,276,408)</b>	<b>(358,507)</b>
<b>OTHER ITEMS</b>		
Interest income	30,539	52,256
Gain from sales of investments	-	41,281
<b>LOSS FOR THE PERIOD</b>	<b><u>(1,245,869)</u></b>	<b><u>(264,970)</u></b>
<b>Other comprehensive income (loss) (Note 8)</b>	<b><u>(29,330)</u></b>	
<b>COMPREHENSIVE (LOSS) FOR THE PERIOD</b>	<b>(1,275,199)</b>	
<b>DEFICIT, BEGINNING OF PERIOD</b>	<b><u>(10,629,150)</u></b>	<b><u>(9,333,545)</u></b>
<b>DEFICIT, END OF PERIOD</b>	<b><u>\$ (11,875,019)</u></b>	<b><u>\$ (9,598,515)</u></b>
<b>Weighted Average Common Shares Outstanding (Note 10)</b>		
- Basic	103,623,374	61,308,170
- Diluted	103,623,374	61,308,170
<b>LOSS PER COMMON SHARE</b>		
- Basic	\$ (0.012)	\$ (0.004)
- Diluted	\$ (0.012)	\$ (0.004)

**The accompanying notes are an integral part of these financial statements**

**GOLDBROOK VENTURES INC.  
INTERIM STATEMENT OF CASH FLOWS**

	<b>Three months ended July 31,</b>	
	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>FUNDS DERIVED FROM (Applied to)</b>		
<b>Operating Activities</b>		
Comprehensive Loss for the period	\$ (1,275,199)	\$ (264,970)
Items not involving cash		
Depreciation on property and equipment	2,172	3,536
Other comprehensive loss	29,330	-
Stock-based compensation	711,930	102,680
	<u>(531,767)</u>	<u>(158,754)</u>
Changes in non-cash working capital balances		
(Increase) Decrease in accounts receivable	(737,004)	59,315
(Increase) Decrease in prepaid expenses	30,730	(13,347)
Increase (Decrease) in accounts payable	1,844,665	160,805
	<u>606,624</u>	<u>48,019</u>
<b>Investing Activities</b>		
Acquisition of investments in public company shares	(110,040)	(63,263)
Deposits for mining camp services	942,167	(2,500)
Deferred acquisition & exploration costs	(12,076,338)	(2,174,359)
Purchase of capital assets	(28,291)	(642)
	<u>(11,272,502)</u>	<u>(2,240,764)</u>
<b>Financing Activities</b>		
Common shares issued	12,437,354	11,250
	<u>12,437,354</u>	<u>11,250</u>
<b>Cash, Increase (Decrease) During Period</b>	<b>1,771,476</b>	<b>(2,181,495)</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>857,368</b>	<b>3,180,015</b>
<b>CASH, END OF PERIOD</b>	<b><u>\$ 2,628,844</u></b>	<b><u>\$ 998,520</u></b>

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

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**July 31, 2007**

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**Note 1. Business of the Company**

The Company was incorporated as Goldbrook Explorations Inc. on May 20, 1983, in the Province of Ontario, Canada. On July 22, 2002, the Company changed its name to Goldbrook Ventures Inc. On April 14, 2003, the Company was granted a Certificate of Continuation under the Company Act of British Columbia.

The Company is a development stage enterprise in the process of exploring properties and has not yet determined whether the properties contain economically recoverable ore reserves. The recovery of the amounts shown as acquisition costs of mineral properties and the related deferred exploration costs is dependent upon the existence of economically recoverable reserves, confirmation of the Company's interest in the underlying mining claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition thereof.

**Note 2. Summary of Significant Accounting Policies**

(a) **Basis of Presentation**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. (GAAP)

(b) **Translation of Foreign Currency**

The Company utilizes the temporal method that translates assets, liabilities, revenues and expenses in a manner that retains their basis of measurement in terms of the Canadian dollar, which is used as the unit of measurement. In particular:

- (i) monetary items are translated at the rate of exchange in effect at the balance sheet date;
- (ii) non-monetary items are translated at historical exchange rates, unless such items are carried at market, in which case they are translated at the rate of exchange in effect at the balance sheet date;
- (iii) revenue and expense items are translated at the rate of exchange in effect on the dates they occur;
- (iv) depreciation or amortization of assets translated at historical exchange rates are translated at the same exchange rates as the assets to which they relate;
- (v) exchange gains or losses arising on conversion are included in other income or expense.

(c) **Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions, based on the best information judgment, that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**July 31, 2007**

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Note 2. **Summary of Significant Accounting Policies (cont'd)**

(d) Financial Instruments

(i) Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments approximate their fair values since they are either short-term in nature or they are receivable or payable on demand. These financial instruments consist of cash and cash equivalents, accounts receivable, investment in public company shares, and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks.

(ii) Foreign Exchange Risk

The Company incurs certain of its expenses and holds certain assets in currencies other than the Canadian dollar. Therefore, the Company is subject to foreign exchange risk as a result of fluctuations in exchange rates.

(iii) Credit Risk

The Company places its investment in public company shares in several financial instruments and, limits the amount of credit exposure.

(e) Environmental Issues

The Company is not aware of any environmental studies made and of any present or past obligations.

The operations of the company may in the future be affected from time to time to varying degrees 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's policy is to meet or, if possible, surpass standards set by relevant legislation, by application of technically proven and economically feasible measures.

(f) Recognition Criteria

Items recognized in these financial statements are accounted for in accordance with the accrual basis of accounting which recognizes the effect of transactions and events in the period in which they occurred. Revenues are generally recognized when performance is achieved and reasonable assurance regarding measurement and collectibility of the consideration exists. Gains are generally recognized when realized. Expenses and losses are generally recognized when an expenditure or previously recorded asset has no future economic benefit.

When revenues and expenses are linked in a cause and effect relationship, the expense is matched with the revenue. The costs of the assets, which benefit more than one period, are allocated over the periods benefited.

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**July 31, 2007**

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Note 2. **Summary of Significant Accounting Policies (cont'd)**

(g) Mineral Properties and Deferred Exploration Costs

Mineral Property Acquisition Costs and Deferred Exploration Costs

- i) The Company capitalizes all deferred exploration costs that are associated with the properties until such time as the properties are either placed into production or title is lost or abandoned. When properties are brought into production, associated costs are amortized over the useful life of the properties. When title is lost or abandoned, the associated costs are written off.
- ii) Acquisition costs of mineral properties are capitalized by the Company, and are dealt with in the same manner as deferred exploration costs in (i) above. Mineral property sale proceeds or option payments received for exploration rights are credited to current operations.
- iii) An impairment loss is recognized when the carrying amount of mineral properties is not recoverable and exceeds its fair value. Mineral properties are tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The factors considered by management in performing this assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors.

(h) Stock-based compensation

The Company has adopted the CICA Handbook Section 3870, "Stock-based compensation and other stock-based payments", effective April 1, 2004. This Section establishes accounting standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments. This Section sets out a fair value based method of accounting and is required for certain stock-based transactions and applied to awards granted on or after April 1, 2004. The Company, as permitted by Handbook Section 3870, has elected to account for all stock options granted to non-employees and employees by applying the fair value based method of accounting. The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of the grant.

(i) Property and Equipment

The Company depreciates its property and equipment on the declining balance method, at the following rates per year based upon their estimated useful lives.

Office equipment	20%
Computer equipment	30%

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**July 31, 2007**

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Note 2. **Summary of Significant Accounting Policies (cont'd)**

(j) Impairment of Long-Lived Assets

The Company assesses the impairment of long-lived assets, which consist primarily of mineral property, property 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 values 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) Income Taxes

Future income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values, using the enacted or substantively enacted, as applicable, income tax rates at each balance sheet date. Future income tax assets also result from unused loss carry-forwards and other deductions. The valuation of future income tax assets is reviewed on a regular basis and adjusted, if necessary, by use of valuation allowances to reflect the estimated realizable amount.

(l) Loss Per Common Share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the stock options and warrants that are used to purchase common shares at the average market price during the year. During the period ended July 31, 2007, all of the outstanding stocks are antidilutive. (see Note 9)

Note 3. **Accounts Receivable**

The followings are included in accounts receivable

	<u>July 31, 2007</u>	<u>April 30, 2007</u>
GST receivable	\$ 464,643	30,858
QST receivable	312,590	9,371
Quebec Mining Duties credit receivable	420,470	420,470
Quebec Corporate Tax credit receivable	2,259,506	2,259,506
Other receivables	605	605
<b>Total</b>	<b>\$ 3,457,814</b>	<b>2,720,810</b>

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**July 31, 2007**

**Note 4. Marketable Securities**

As at July 31, 2007, the Company had available for sale securities as follows:

	<b>July 31, 2007</b>			<b>April 30, 2007</b>		
	<u># of shares</u>	<u>Cost</u>	<u>Market value</u>	<u># of shares</u>	<u>Cost</u>	<u>Market value</u>
<b><u>Common Shares</u></b>						
Resolve Ventures Inc.	<b>1,060,000</b>	<b>\$233,200</b>	<b>\$222,600</b>	1,060,000	\$233,200	\$222,600
Masuparia Gold Corp.	<b>566,300</b>	<b>154,833</b>	<b>141,575</b>	199,500	44,792	53,865
Inlet Resources Ltd.	<b>100,000</b>	<b>22,500</b>	<b>24,000</b>	100,000	22,500	31,000
		<b>\$410,533</b>	<b>\$388,175</b>		<b>\$300,492</b>	<b>\$307,465</b>
<b><u>Warrants</u></b>						
Masuapria Gold Corp. (exercise price \$0.30) expiring January 2008	-	-	N/A	366,800	N/A	N/A
Inlet Resources Ltd. (exercise price \$0.30) expiring January 2008	<b>250,000</b>	N/A	N/A	250,000	N/A	N/A

The marketable securities were quoted and recorded at lower of market and cost on and before April 30, 2007.

Pursuant to the new financial instrument standards (CICA Section 3855 and Section 1530), the Company classifies its marketable securities as “available for sale” and records the marketable securities at their fair values. The fair values are determined by using the close market prices of the last day of the period. At the same time, the unrealized gain or loss from change of fair value of the marketable securities are recognized as “other comprehensive income”.

The Company is exposed to liquidity risk which is the risk that the Company will encounter difficulty in selling all of these common shares at an amount at least equivalent to its cost.

**Note 5. Property and Equipment**

	<b>July 31, 2007</b>		<b>Accumulated</b>	
	<b>Cost</b>	<b>Net</b>	<b>Depreciation</b>	<b>Net</b>
Office equipment	\$ 13,116	\$ 3,397	\$ 9,719	\$ 3,397
Computer equipment	67,053	37,541	29,512	37,541
	<b>\$ 80,169</b>	<b>\$ 40,938</b>	<b>\$ 39,231</b>	<b>\$ 40,938</b>
<hr/>				
	<b>April 30, 2007</b>		<b>Accumulated</b>	
	<b>Cost</b>	<b>Net</b>	<b>Depreciation</b>	<b>Net</b>
Office equipment	\$ 13,116	\$ 3,672	\$ 9,444	\$ 3,672
Computer equipment	38,762	11,147	27,615	11,147
	<b>\$ 51,878</b>	<b>\$ 14,819</b>	<b>\$ 37,059</b>	<b>\$ 14,819</b>

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**July 31, 2007**

Note 6. **Mineral Properties**

	<b>Balance, April 30, 2007 (Re-stated)</b>	<b>Increased in three months ended July 31, 2007</b>	<b>Balance, July 31, 2007 (Re-grouped)</b>
<b>(a) Onaman River</b>			
Acquisition costs	\$ -	\$ -	\$ -
Deferred exploration costs			
- Claims maintenance & staking	4,736	-	4,736
Total deferred exploration costs	4,736	-	4,736
<b>Total Onaman River</b>	<b>4,736</b>	<b>-</b>	<b>4,736</b>
<b>(b) Belanger</b>			
)			
Acquisition costs			
- Cash	121,200	-	121,200
- Shares	620,772	-	620,772
Total acquisition costs	741,972	-	741,972
Deferred exploration costs			
- Assays	10,535	-	10,535
- Claims maintenance & staking	144,446	-	144,446
- Consultants	126,936	1,926	128,862
- Drilling	701,427	-	701,427
- Equipment rental	1,852	-	1,852
- Equipment	124,269	-	124,269
- Field work & mobilization	1,827,614	-	1,827,614
- Geophysical survey	497,281	-	497,281
- Legal	54,100	-	54,100
- Field office and general	27,883	-	27,883
- Reports & maps	16,854	-	16,854
- Site visits	13,023	-	13,023
- Storage fuel	12,171	-	12,171
- Salaries and wages	9,949	-	9,949
Total deferred exploration costs	3,568,340	1,926	3,570,266
Mineral exploration credits	(1,519,886)	-	(1,519,886)
<b>Total Belanger</b>	<b>\$ 2,790,426</b>	<b>\$ 1,926</b>	<b>\$ 2,792,352</b>

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**July 31, 2007**

Note 6. **Mineral Properties (cont'd)**

	Balance, April 30, 2007 (Re-stated)	Increased in three months ended July 31, 2007	Balance, July 31, 2007 (Re-grouped)
<b>(c) Nuvilik</b>			
Acquisition costs			
- Cash	\$ 67,033	\$ -	\$ 67,033
- Shares	445,848	-	445,848
<b>Total acquisition costs</b>	<b>512,881</b>	<b>-</b>	<b>512,881</b>
Deferred exploration costs			
- Assays & sampling	8,299	-	8,299
- Claims maintenance & staking	164,958	-	164,958
- Consultants	97,428	873	98,301
- Drilling	37,141	-	37,141
- Equipment & rental	7,593	-	7,593
- Field work & mobilization	299,723	-	299,723
- Geophysical survey	568,992	-	568,992
- Legal	16,606	-	16,606
- Field office & general	28,541	-	28,541
- Reports & maps	8,227	-	8,227
- Site visits	8,253	-	8,253
- Fuel & fuel storage	37,687	-	37,687
- Salaries & wages	43,501	-	43,501
<b>Total deferred exploration costs</b>	<b>1,326,949</b>	<b>871</b>	<b>1,327,822</b>
Mineral exploration credits	(525,488)	-	(525,488)
<b>Total Nuvilik</b>	<b>1,314,342</b>	<b>871</b>	<b>1,315,215</b>
<b>(d) Ungava</b>			
Acquisition costs			
- Cash	134,828	-	134,828
- Shares	323,736	-	323,736
<b>Total acquisition costs</b>	<b>458,564</b>	<b>-</b>	<b>458,564</b>
Deferred exploration costs			
- Assays	38,305	-	38,305
- Claims maintenance & staking	494,641	-	494,641
- Consultants	230,442	2,664	233,106
- Drilling	330,479	-	330,479
- Equipment & rental	44,428	-	44,428
- Fees & licenses	2,096	-	2,096
- Field work & mobilization	2,211,962	-	2,211,962
- Geophysical survey	954,785	-	954,785
- Office & general	36,987	-	36,987
- Recoveries	(55,245)	-	(55,245)
- Reports, maps, & general	28,327	-	28,327
- Site visits	12,384	-	12,384
- Fuel & fuel storage	135,308	-	135,308
- Salaries & wages	164,871	-	164,871
<b>Total deferred exploration costs</b>	<b>4,629,770</b>	<b>2,664</b>	<b>4,632,434</b>
Mineral exploration credits	(1,726,090)	-	(1,726,090)
<b>Total Ungava</b>	<b>\$ 3,362,244</b>	<b>\$ 2,664</b>	<b>\$ 3,364,908</b>

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**July 31, 2007**

Note 6. **Mineral Properties (cont'd)**

	Balance, April 30, 2007 (Re-stated)	Increased in three months ended July 31, 2007	Balance, July 31, 2007 (Re-grouped)
<b>(e) Wakeham</b>			
Acquisition costs			
- Cash	\$ 26,730	\$ -	\$ 26,730
- Shares	1,797,104	-	1,797,104
<b>Total acquisition costs</b>	<b>1,823,834</b>	<b>-</b>	<b>1,823,834</b>
Deferred exploration costs			
- Assays	32,918	-	32,918
- Claims maintenance & staking	220,796	-	220,796
- Consultants	210,233	3,071	213,304
- Drilling	464,899	-	464,899
- Equipment & rental	78,728	-	78,728
- Field work & mobilization	2,066,515	-	2,066,515
- Geophysical survey	818,557	-	818,557
- Field office & general	45,922	-	45,922
- Recoveries	(1,885)	-	(1,885)
- Reports & maps	19,275	-	19,275
- Site visits	8,336	-	8,336
- Fuel & fuel storage	145,679	-	145,679
- Salaries & wages	147,967	-	147,967
<b>Total deferred exploration costs</b>	<b>4,257,940</b>	<b>3,071</b>	<b>4,261,011</b>
Mineral exploration credits	(1,704,470)	-	(1,704,470)
<b>Total Wakeham</b>	<b>4,377,304</b>	<b>3,071</b>	<b>4,380,375</b>
<b>(f) Masuparia</b>			
Acquisition costs			
- Shares	1,792,040	-	1,792,040
<b>Total acquisition costs</b>	<b>1,792,040</b>	<b>-</b>	<b>1,792,040</b>
Deferred exploration costs			
- Assays	17,479	-	17,479
- Claims maintenance & staking	175,480	-	175,480
- Consultants	120,745	2,048	122,793
- Drilling	75,252	-	75,252
- Equipment & rental	15,384	-	15,384
- Field work & mobilization	647,430	-	647,430
- Geophysical survey	458,702	-	458,702
- Field office & general	28,685	-	28,685
- Recoveries	(969)	-	(969)
- Reports & maps	13,042	-	13,042
- Site visits	4,000	-	4,000
- Fuel & fuel storage	92,434	-	92,434
- Salaries & wages	88,138	-	88,138
<b>Total deferred exploration costs</b>	<b>1,735,802</b>	<b>2,048</b>	<b>1,737,850</b>
Mineral exploration credits	(670,084)	-	(670,084)
<b>Total Masuparia</b>	<b>\$ 2,857,758</b>	<b>\$ 2,048</b>	<b>\$ 2,859,806</b>

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**July 31, 2007**

Note 6. **Mineral Properties (cont'd)**

	Balance, April 30, 2007 (Re-stated)	Increased in three months ended July 31, 2007	Balance, July 31, 2007 (Re-grouped)
(g <b>Bravo</b> )			
Acquisition costs			
- Cash	-	4,000,000	4,000,000
- 5,000,000 shares @ \$0.33	-	1,650,000	1,650,000
<b>Total acquisition costs</b>	-	5,650,000	5,650,000
Deferred exploration costs			
- Claims & maintenance	-	63,976	63,976
- Consultants	-	12,360	12,360
Deferred exploration costs	-	76,336	76,336
Mineral exploration credits	-	-	-
<b>Total Bravo</b>	-	5,726,336	5,726,336
<b>Raglan project</b>	-	7,989,420	7,989,420
<b>Total Mineral Properties</b>	<b>14,706,810</b>	<b>13,726,338</b>	<b>28,433,148</b>

(a) **Onaman River Property**

For the year ended April 30, 2002, these mining claims were carried at a nominal value of \$1.00 and represented a 80% interest in the Onaman River Property, Onaman Lake Township, Ontario, subject to 30% net profits royalties on two separate groups of claims and a net smelter royalty of 2% - 3% on the balance of claims. The Company wrote-off the nominal value of \$1.00 in the year ended April 30, 2003. The Onaman claims remain in good standing.

(b) – (g) **Raglan Area Properties – District of Northern Quebec**

The Company has acquired interest in nine properties in the Raglan area:

- Belanger;
- Nuvulik;
- Ungava;
- Wakeham;
- Masuparia;
- Ubex;
- Scott;
- VCC; and
- Bravo

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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Note 6. **Mineral Properties (cont'd)**

**(b) – (g) Raglan Area Properties – District of Northern Quebec (cont'd)**

Starting from the current year, the Company has decided to consolidate the description of its holdings in Raglan area into six property blocks the following six property blocks:

	Claims	Acres
Belanger	1,056	107,400
Nuvulik	1,402	142,433
Masuparia	983	99,677
Wakeham	1,817	182,835
Ungava	1,801	181,310
Bravo	1,799	177,674

The Company holds 100% interest in all these claims except for the claims located within the Bravo block.

Belanger block is located in the west region of Raglan exploration area. These claims are within 60km southwest of Raglan Mine.

Nuvulik block is north to Belanger block, about 40km due west of the Raglan Mine.

Maruparia block is less than 10 km due south of Raglan Mine.

Wakeham block is in the east region of Reglan exploration area. These claims are 20km of the Raglan Mine.

Ungava block is located south of the Wakeham block. These claims are within 30 km of the Raglan Mine.

Bravo block is the newly acquired property conveniently located between Masuparia, Nuvulik, and Belanger block.

On June 20, 2007, the Company had closed its acquisition from Novawest Resources Inc. (“Novawest”) of all of Novawest’s interest in its properties in the Raglan belt and associated assets (the “Property”). As consideration for the sale of the Property, the Company has (i) paid to Novawest \$4 million by cash; (ii) issued to Novawest 5,000,000 shares; and (iii) issued 2,000,000 common share purchase warrants with each warrant entitling Novawest to purchase one common share of the Company at \$0.35 per share for a period of five years from the closing date.

The Company also agreed to complete a \$2 million exploration program on the Property during 2007 and has granted a 1% net smelter royalty on the Property to Novawest, with the exception of any portion of Property that carries any royalty to any other person. One half of the royalty may be purchased by the Company at any time for \$1 million.

**GOLDBROOK VENTURES INC.**  
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Note 6. **Mineral Properties (cont'd)**

(h) **Raglan Properties 2007 Season**

The Company's 2007 drilling program commenced in July 2007 at the Company's Belanger-Bravo claim blocks, located 80 km southwest of Xstrata Nickel's Raglan Mine. The planned 125 hole diamond drill core program will total 25,000 metres, making it the largest drill program ever undertaken by the Company.

Costs incurred in 2007 season relating to the Raglan project will be allocated to individual properties upon completion of the cost analysis of the project.

(i) **Deposit on Mineral Properties**

As at July 31, 2007, the deposit on mineral properties was \$195,625 consisting the following:

- a. Deposit of \$20,000 paid for advance royalty payment
- b. Deposit on mining camp services including:

Consulting	104,400
Camp services	42,000
Mapping	<u>29,225</u>
	<u>\$175,625</u>

(j) **Mineral Exploration Credits**

As a result of the Company incurring exploration expenditures on its Quebec mineral properties, the Company has an accumulated Quebec corporate tax credits and Quebec mining duties credits of \$6,146,018, \$2,679,976 of which has not been received as at July 31, 2007 and has been included in accounts receivable (Note 3).

**GOLDBROOK VENTURES INC.**  
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Note 7. **Capital Stock**

(a) **Authorized: unlimited common shares and unlimited preference shares**

(b) **Issued and outstanding:**

	For the three months ended July 31, 2007		For the year ended April 30, 2007	
	Number of Common Shares	\$	Number of Common Shares	\$
<b>Balance, April 30, 2007 and 2006</b>	<b>80,236,843</b>	<b>\$ 25,728,559</b>	<b>61,296,213</b>	<b>\$ 20,561,555</b>
<u>Common shares issued for cash</u>				
- Private Placement @ \$0.30			500,000	150,000
- Private Placement @ \$0.35	19,513,034	6,829,562	17,200,000	6,020,000
- Private Placement @ \$0.40	15,000,000	6,000,000		
- Commissions & legal fees		(728,017)	-	(250,741)
- Commissions taken in shares	592,000		693,225	-
- Warrants exercised @ \$0.30	434,500	130,350	10,000	3,000
- Options exercised @ \$0.23	50,000	11,500	86,000	19,780
- Options exercised @ \$0.225	450,000	101,250	451,000	101,475
- Options exercised @ \$0.365	254,000	92,710		
<u>Common shares issued for Novawest property acquisition @ \$0.33</u>				
	5,000,000	1,650,000		
<u>Valuation adjustments of warrants &amp; options</u>				
Black-Scholes valuation on warrants granted		(2,908,356)		(1,117,827)
Reverse Black-Scholes valuation on warrants exercised		56,485		150,897
Reverse Black-Scholes valuation on options exercised		115,180		90,420
Subtotal	41,293,534	11,350,664	18,940,225	5,167,004
Adjustment on Number of Shares	-	-	405	-
<b>Balance, July 31, 2007 and April 30, 2007</b>	<b>121,530,377</b>	<b>\$ 37,079,223</b>	<b>80,236,843</b>	<b>\$ 25,728,559</b>

Number of Shares in Escrow: 2,421,136 common shares owned by Masuparia Gold Corporation are in escrow and are subject to release upon regulatory approvals (Note 6(f)).

**GOLDBROOK VENTURES INC.**  
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Note 7. **Capital Stock (cont'd)**

**(c) Private Placement**

On June 8, 2007, the Company closed its two private placements of flow-through units (the "FT Units") and units (the "Units"). Pacific International Securities Inc. ("PI") acted as agent for one of the private placements, pursuant to which the Company has issued 15,000,000 FT Units at a price of \$0.40 per FT Units and 1,693,000 Units at a price of \$0.35 per Unit, for gross proceeds of \$6,592,550. Gilford Securities Inc. ("Gilford") acted as agent for the other private placement, pursuant to which the Company has issued 17,820,034 Units at a price of \$0.35 per Unit, for gross proceeds of \$6,237,011.

Each FT Unit consists of: (a) one flow-through common share; (b) one half of one transferable non-flow-through share purchase warrant (an "A Warrant"), each whole A Warrant being exercisable into one common share for three years from closing date at a price of \$0.50; and (c) one half of one transferable non-flow-through share purchase warrant (a "B Warrant"), each whole B Warrant being exercisable into one common share for three years from the closing date at a price of \$1.00. Each Unit consists of: (a) one non-flow-through common share; (b) one half of one A Warrant; and (c) one half of one B Warrant.

As consideration for acting as agent, PI received a cash commission of \$254,278, 592,000 units with the same terms as the Units, and 1,669,300 agent's options (the "Agent's Options"). Each Agent's Option is exercisable for one common share for two years from the closing date at a price of \$0.50. As consideration for acting as agent, Gilford received a cash commission of US \$411,257 and 1,782,003 Agent's Options.

All of the securities issued pursuant to the private placement are subject to a hold period expiring on October 8, 2007.

**(d) Shareholder Rights Plan**

On November 17, 2005, the Board of Directors of the Company proposed a shareholder right plan (the "Plan"). The Plan was approved by the shareholders of the Company at the Annual General Meeting held on December 22, 2005.

Under the Plan, the Company has issued one right for no consideration in respect of each outstanding common share of the Company to all holders of record on November 17, 2005. All common shares issued by the Company during the term of the Plan will have one right represented by the certificates representing the common shares of the Company. The term of the Plan is three years, subject to re-approval by the shareholders of the Company at their 2008 Annual Meeting.

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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Note 7. **Capital Stock (cont'd)**

**(d) Shareholder Rights Plan (cont'd)**

The Plan is intended to provide the Board of Directors with adequate time to consider value enhancing alternatives to a take-over bid and allow competing bids to emerge, and to provide the shareholders of the Company adequate time to properly assess a take-over bid without undue pressure. The Plan is also intended to ensure that the shareholders of the Company are provided equal treatment under a takeover bid. The Company is not currently aware of any pending or threatened take-over bid for the Company.

The Rights issued under the Plan become exercisable only if a person acquires 20% or more of the common shares of the Company without complying with the "permitted bid" provisions in the Plan or without the approval of the Board of Directors of the Company. Should such an acquisition occur, rights holders (other than the acquiring person or related persons) can purchase common shares of the Company at half the prevailing market price (as defined in the Plan) at the time the Rights become exercisable. Each Right, upon exercise, would permit the purchase of shares of the Company at a substantial discount to the market price.

"Permitted bids" under the Plan must be made to all shareholders for all shares of the Company, and must be open for acceptance for a minimum of 60 days. If at least 50% of the outstanding shares have been tendered and not withdrawn after 60 days, if at least 50% of the outstanding shares have been tendered and not withdrawn after 60 days, the bidder may take up the shares, but must make a public announcement of that take-up and extend the bid for a further 10 days to allow other shareholders to tender to the bid.

**(e) Stock Options – Common Shares**

The Company, in accordance with a Stock Option Plan approved by shareholders and accepted by the TSX Venture Exchange, is authorized to grant options to directors, officers and employees to acquire up to 10% of issued and outstanding common stock. The exercise price of each option equals the market price of the Company's stock on the date of grant.

On June 28, 2007, the Company announced that pursuant to the Company's stock option plan, an aggregate of 3,747,000 incentive stock options had been granted to certain of its directors, officers, employees and consultants. The stock options are exercisable at a price of \$ 0.36 per common share for a period of five years

**GOLDBROOK VENTURES INC.**  
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Note 7. **Capital Stock (cont'd)**

(e) **Stock Options – Common Shares (cont'd)**

During the three months ended July 31, 2007, 50,000 stock options were exercised at \$0.23 per share, 450,000 stock options were exercised at \$0.225 per share, and 254,000 stock options were exercised at \$0.365 per share.

Stock options outstanding are summarized as follows:

	Number of Shares Under Stock Options	Weighted average Exercise Price Per Share
	<u>                    </u>	<u>                    </u>
<b>Balance Outstanding, April 30, 2007</b>	6,092,000	\$ 0.243
Granted	3,747,000	0.360
Exercised	(450,000)	0.225
Exercised	(50,000)	0.230
Exercised	<u>(254,000)</u>	<u>0.365</u>
<b>Balance Outstanding, July 31, 2007</b>	<u>9,085,000</u>	\$ 0.288

The fair value of the 3,747,000 stock options granted on June 28, 2007 are estimated on the date of grant using a Black-Scholes option pricing model with the following weighted average assumptions:

Dividend Yield	Nil
Expected volatility	78%
Risk free rate of return	6%
Expected life of options	5 years

The weighted average fair value of the 3,747,000 options granted on June 28, 2007 was \$0.19 per option granted. Those stock options resulted in a stock-based compensation of \$711,930 which is expensed during the current quarter.

**GOLDBROOK VENTURES INC.**  
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Note 7. **Capital Stock (cont'd)**

(f) **Share Purchase Warrants – Common Shares**

	<u>Warrants</u>	<u>Expiry Date</u>	<u>Exercise Price</u>
	1,000,000	May 4, 2006	\$0.65
	195,500	Oct. 28, 2007	\$0.30
	9,866,300	Oct. 27, 2010	\$0.30
	9,196,613	Oct. 4, 2009	\$0.45
	9,196,612	Oct. 4, 2009	\$1.00
	1,770,000	Oct. 4, 2008	\$0.45
<b>Balance Outstanding, April 30, 2007</b>	<b>30,225,025</b>		
Issued – warrants A	8,642,500	June 7, 2010	\$0.50
Issued – warrants B	8,642,500	June 7, 2010	\$1.00
Issued – Agent’s options **	3,451,303	June 7, 2009	\$0.50
Issued for Novawest property acquisition	2,000,000	June 19, 2012	\$0.35
Exercised	(434,500)		\$0.30
<b>Balance Outstanding, July 31, 2007</b>	<b>52,526,828</b>		

\*The Company issued 1,770,000 agent’s options as the consideration of the private placement. Each agent’s option is exercisable for one common share for two years at a price of \$0.45.

\*\*The Company issued 3,451,303 agent’s options as the consideration of the private placement. Each agent’s option is exercisable for one common share for two years at a price of \$0.50.

(g) **Share Reserved – Common Shares**

<u>Details</u>	<u>Number of Shares</u>	
	<u>July 31,</u>	
	<u>2007</u>	<u>2006</u>
Stock options	9,085,000	5,475,000
Share Purchase Warrants	52,526,828	10,838,481
TOTAL	<u>61,611,828</u>	<u>16,313,481</u>

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**Note 8. Accumulated Other Comprehensive Income**

Pursuant to the new financial instrument standards (CICA Section 3855 and Section 1530), the Company classifies its marketable securities as “available for sale” and records the marketable securities at their fair values (Note 4). The change of unrealized gain or loss of the marketable securities (other comprehensive income) is reflected in “accumulated other comprehensive income”. An adjustment to the opening accumulated other comprehensive income was made to bring the opening value of marketable securities from lower of cost and market to market value. The changes of accumulated other comprehensive income during the period are:

	July 31, 2007
Balance, beginning of period	\$
Adjustment to opening balance	6,973
Other comprehensive income for the period	(29,330)
Balance, end of period	\$ (22,357)

**Note 9. Related Party Transactions**

The Company retains the services of certain directors and officers of the Company, or by companies controlled by directors, officers, and related parties. Fees are paid for these services on a month-by-month basis without formal agreements.

There is no amount due to related parties included in accounts payable and accrued liabilities at July 31, 2007 (July 31, 2006 - \$Nil).

During the three months ended July 31, 2007 and 2006, the Company was charged the following amounts by directors and officers of the Company or by companies controlled by directors, officers, and related parties:

	Three months ended July 31,	
	<u>2007</u>	<u>2006</u>
Consulting fees		
- Financial	\$ 7,500	\$ 7,500
- Marketing	12,000	10,500
- Shareholders' communication	15,000	15,000
Management fees	47,000	20,000
Website fees	6,750	4,500
Deferred exploration costs	112,520	52,000
Total	\$ 200,770	\$ 109,500

**GOLDBROOK VENTURES INC.**  
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Note 10. **Loss per Common Share**

	<b>Three months ended July 31, 2007</b>	
	<b>Weighted Average Common Shares Outstanding</b>	<b>Loss Per Common Share</b>
Basic	103,623,374	<u>\$0.012</u>
Effect of stock options	7,028,348	
Effect of stock purchase warrants	43,258,996	
Diluted	153,910,718	<u>\$0.012</u>
Anti Dilutive	103,623,374	

The diluted loss per common share does not increase above the basic loss per common share, due to anti-dilutive factors.

Note 11. **Contributed Surplus**

Stock Based Compensation

	<b>Three months ended July 31,</b>	
	<b>2007</b>	<b>2006</b>
Balance, Beginning of the period	\$ 1,887,481	\$ 1,600,151
Reverse fair value of exercised options	(115,181)	-
Stock-based compensation	711,930	102,680
Balance, Ending of the Period	\$ 2,484,230	\$ 1,702,831

Note 12. **General and Administrative Expenses**

	<b>Three months ended July 31,</b>	
	<b>2007</b>	<b>2006</b>
<u>Consulting fees</u>		
Financial	\$ 59,007	\$ 7,500
Shareholders' communication	15,000	24,000
Corporate administration	30,000	15,000
Marketing	29,000	13,500
	\$ 133,007	\$ 60,000

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Note 12. **General and Administrative Expenses (cont'd)**

	Three months ended July 31,	
	2007	2006
<u>Professional fees</u>		
Accounting and audit fees	\$ 19,900	\$ 28,216
Legal fees	81,825	7,597
	\$ 101,725	\$ 35,813

	Three months ended July 31,	
	2007	2006
<u>Shareholder communication, travel and promotion</u>		
Advertising & promotion	\$ 4,496	\$ 4,028
Conferences & shows	28,102	-
Mail-out & couriers	5,819	1,267
Press releases	1,512	-
Printing	6,499	2,909
Telephone, internet, website	29,252	27,360
Travel & entertainment	57,308	48,123
Other	2,145	-
	\$ 135,133	\$ 83,687

Office and general expenses

	Three months ended July 31,,	
	2007	2006
Interest and bank charges	\$ 2,284	\$ 843
Services	3,014	3,154
Supplies	6,034	4,675
Postage and couriers	473	1,459
Rent and telephone	31,511	14,695
Equipment rental	13,491	-
Other	339	2,668
	\$ 57,146	\$ 27,494

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Note 13. **Subsequent Events**

- On August 13, 2007, the Company announced that it had entered into an agreement with Cambria Capital, LLC of El Segundo, California (“Cambria”) to act as its agent to sell, on a private placement basis, up to 21,428,571 units of the Company (the “Units”) at a price of Cdn.\$0.35 per Unit. Each Unit will consist of: (a) one common share; (b) one half of one warrant with each whole warrant exercisable into one common share of the Company for a period of three years from closing at a price of \$0.50; and (c) one half of one warrant with each whole warrant exercisable into one common share of the Company for three years from the closing at a price of \$1.00. The Company has granted Cambria an over-allotment option to increase the size of the private placement by up to 15%, which may be exercised in whole or in part at any time prior to the closing.

The Company will also conduct a concurrent non-brokered private placement of up to 4,162,790 flow-through units (the “FT Units”) at a price of \$0.43 per FT Unit. Each FT Unit will consist of: (a) one flow-through common share; and (b) one half of one warrant with each whole warrant exercisable into one common share of the Company for a period of three years from closing at a price of \$0.50.

The Company plans to use the proceeds of the private placements for exploration on its Raglan property, working capital and general corporate purposes. The proceeds from the issuance of the FT Units will be used for general exploration expenses (as defined in the Income Tax Act ((Canada)) and will be renounced for the 2007 taxation year. Total gross proceeds of the private placement will be up to \$9.29 million.

All securities issued pursuant to the private placements will be subject to a four month hold period.

- On August 15, 2007, the Company announced that it had retained CCM Consulting, a division of Cronus Capital Markets (CCM) Inc., to assist the company with information-based strategies related to increasing market efficiencies and overall liquidity for the Company.

The services to be provided by CCM will include the production of various forms of research coverage through CCM Research, a division of Cronus Capital Markets, ongoing media coverage, web-based as well as live investor presentations, and distribution and dissemination of research reports. The Company will be paying \$42,500 with an upfront payment of \$15,016.70, and the balance payable in equal monthly payments from September 2007 to February 2008.

There is no prior relationship between the Company and CCM, nor is there any prior direct or indirect interest in the Company or its securities, or any right to acquire such an interest, on the part of CCM.

**GOLDBROOK VENTURES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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Note 13. **Subsequent Events (cont'd)**

- On August 17, 2007, the Company announced that it had closed its acquisition from Cascadia International Resources Inc. ("Cascadia") of all of Cascadia's interest in its properties in the Raglan belt and associated assets (the "Property"). As consideration for the sale of the Property, the Company had (i) paid to Cascadia \$2 million; (ii) issued to Cascadia two million shares; (iii) issued two million common share purchase warrants, each warrant entitling Cascadia to purchase one common share of the Company at \$0.35 per share until August 16, 2012; and (iv) granted a 0.5% net smelter royalty on the Property to Cascadia, with the exception of any portion of the Property that carries any royalty to any other person, other than Novawest Resources Inc.

Previous Cascadia/Novawest exploration discovered multiple mineral showings along a 25 km strike length of the South Raglan-Delta Horizon (the Bravo Project). On the Bravo Claim Block 1, Cascadia/Novawest drilled significant intersections of anomalous values of nickel, copper and PGE (assays of up to 2.9% nickel, 4.0% copper and 17.3 gpt PGE in seven holes at the Bravo occurrence) in widely-spaced drilling, and discovered several high-grade surface showings (assays of up to 9.3% copper and 26.8 gpt PGE at the East Delta showing) along a strike length of 25 km and along strike to the west of the Ivakkak massive sulfide deposit (Canadian Royalties).

On the Bravo Claim Block 2, Cascadia/Novawest airborne geophysical surveys identified a very prospective high positive magnetic anomaly similar in character, but many times larger than that associated with the Getty mineralized zone 6 km to the east on Goldbrook's Belanger Claim Block. This anomaly is associated with electromagnetic conductors that remain to be drill tested. The South Raglan-Delta Horizon is interpreted by Goldbrook to be the along strike continuation of its highly mineralized Belanger Horizon. The acquisition therefore doubles the extent of Belanger Horizon to 50 km of strike length along which the Company can explore. The 2007 exploration program will involve: (1) follow-up drilling of the previous intersections along strike and down dip-down-plunge; and (2) drilling new targets identified from deep-penetrating airborne geophysical surveys (VTEM), high-resolution air photography, ground geophysical surveys (SQUID), and mineral prospecting on the Bravo Project.

- On September 7, 2007, the Company closed its non-brokered private placement of flow-through units (the "FT Units") announced on August 13, 2007. An aggregate of 4,162,790 FT Units at \$0.43 per unit were placed, for gross proceeds of \$1,789,999.70.

In connection with the private placement, PI Financial Corp. will receive a cash finder's fee of \$100,239.97, 71,600 units (the "Finder's Units") and 416,279 warrants (the "Finder's Warrants"). Each Finder's Unit consists of: (i) one non-flow-through common share; (ii) one-half of one common share purchase warrant exercisable into one common share for a period of three years from the closing date at a price of \$0.50; and (iii) one-half of one common share purchase warrant exercisable into one common share for a period of three years from the closing date at a price of \$1.00. Each Finder's Warrant is exercisable for one common share for a period of two years from the closing date at a price of \$0.50.

All of the securities issued pursuant to the private placement are subject to a hold period expiring four months and one day from the closing date.

The Company plans to use the proceeds of the offering for exploration on its Raglan property. The proceeds will be used for exploration expenses that will constitute Canadian exploration expenses (as defined in the Income Tax Act) and will be renounced for the 2007 taxation year.