

GOLDBROOK VENTURES INC.
FINANCIAL STATEMENTS

April 30, 2007

(Audited)

AUDITORS' REPORT

BALANCE SHEET

STATEMENT OF OPERATIONS AND DEFICIT

STATEMENT OF CASH FLOWS

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AUDITORS' REPORT

To the shareholders of

GOLDBROOK VENTURES INC.

We have audited the balance sheet of GOLDBROOK VENTURES INC. as at April 30, 2007 and 2006 and the statements of operations, deficit and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at April 30, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

The prior year's financial statements have been audited by another chartered accounted firm.

VILLENEUVE VENNE, s.e.n.c.r.l.

Chartered accountants

Montreal, July 18, 2007 (August 28, 2007 for note 14)

**GOLDBROOK VENTURES INC.
BALANCE SHEET**

	April 30,	
	<u>2007</u>	<u>2006</u>
		<u>Restated</u>
ASSETS		
Current Assets		
Cash	\$ 444,836	\$ 3,180,015
Cash reserved for exploration	412,532	-
Accounts receivable (Note 4)	2,720,810	628,177
Prepaid expenses	84,655	53,054
Total Current Assets	3,662,833	3,861,246
Investments in Public Company Shares, at cost (Note 13)	300,492	239,480
Deposits on Mineral Properties (Note 6(k))	1,137,792	-
Mineral Properties (Note 6)	14,706,810	10,456,143
Property and Equipment, net (Note 5)	14,819	19,293
TOTAL ASSETS	\$ 19,822,746	\$ 14,576,162
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 409,995	\$ 59,000
Shareholders' Equity		
Authorized: unlimited common shares and unlimited preferred shares		
Issued – 80,236,843 common shares		
(April 30, 2006 – 61,296,213 common shares) (Note 7(b))	25,728,559	20,561,555
Common share purchase warrants outstanding (Note 7(g))	2,425,861	1,458,931
Contributed surplus (Note 11)	1,887,481	1,830,221
	30,041,901	23,850,707
Deficit, accumulated during the development stage	(10,629,150)	(9,333,545)
Total Shareholders' Equity	19,412,751	14,517,162
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 19,822,746	\$ 14,576,162

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.
STATEMENT OF OPERATIONS AND DEFICIT**

	Year Ended April 30	
	<u>2007</u>	2006 <u>Restated</u>
REVENUES		
Sales	\$ -	\$ 443,485
Cost of goods sold	-	(320,140)
Net sales	-	123,345
GENERAL & ADMINISTRATIVE EXPENSES		
Depreciation on property and equipment	5,480	14,053
Consulting fees (Note 12)	346,025	432,677
Foreign exchange	-	4,171
Management fees	97,500	63,300
Office and general expenses (Note 12)	172,011	178,853
Office expenses recovered	-	(162,765)
Professional fees (Note 12)	159,503	165,706
Property investigation	2,277	17,764
Regulatory fees & services	54,652	54,585
Shareholders' communication, travel & promotion (Note 12)	408,608	515,938
Stock-based compensation (Note 7(f))	147,680	428,140
Wages and benefits	99,006	74,641
Total General and Administration Expenses	<u>(1,492,742)</u>	<u>(1,787,063)</u>
LOSS BEFORE OTHER ITEMS	(1,492,742)	(1,663,719)
OTHER ITEMS		
Interest income	106,518	12,673
Consulting income	48,598	24,250
Gain from sales of investments	42,021	
LOSS FOR THE YEAR	<u>(1,295,605)</u>	<u>(1,626,795)</u>
DEFICIT, BEGINNING OF YEAR AS REPORTED	(8,951,645)	(7,471,410)
Prior years adjustments (Note 3)	(381,900)	(235,340)
Restated balance	<u>(9,333,545)</u>	<u>(7,706,750)</u>
DEFICIT, END OF YEAR	<u>\$ (10,629,150)</u>	<u>\$ (9,333,545)</u>
Weighted Average Common Shares Outstanding (Note 9)		
- Basic	72,124,866	56,030,692
- Diluted	72,124,866	56,030,692
LOSS PER COMMON SHARE		
- Basic	\$ (0.02)	\$ (0.03)
- Diluted	\$ (0.02)	\$ (0.03)

The accompanying notes are an integral part of these financial statements

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

	Year Ended April 30	
	<u>2007</u>	2006 <u>Restated</u>
FUNDS DERIVED FROM (Applied to)		
Operating Activities		
Loss for the year	\$ (1,295,605)	\$ (1,626,795)
Items not involving cash		
Depreciation on property and equipment	5,480	14,053
Gain from sales of investments	(42,021)	-
Stock-based compensation	147,680	428,140
	<u>(1,184,466)</u>	<u>(1,184,602)</u>
Changes in non-cash working capital balances		
(Increase) Decrease in accounts receivable	(2,092,633)	(378,123)
(Increase) Decrease in prepaid expenses	(31,601)	(40,818)
Increase (Decrease) in accounts payable	350,995	(664,271)
	<u>(2,957,705)</u>	<u>(2,267,814)</u>
Investing Activities		
Acquisition of investments in public company shares	(132,582)	(239,480)
Disposal of investment in public company shares	113,591	-
Deposits for mining camp services	(1,137,792)	374,843
Deferred acquisition & exploration costs	(4,250,667)	2,229,239
Purchase of capital assets	(1,006)	(8,811)
	<u>(5,408,456)</u>	<u>2,355,791</u>
Financing Activities		
Common shares issued	6,043,514	2,150,906
	<u>6,043,514</u>	<u>2,150,906</u>
Cash, Increase (Decrease) During Year	(2,322,647)	2,238,883
CASH, BEGINNING OF YEAR	3,180,015	941,132
CASH, END OF YEAR	\$ <u>857,368</u>	\$ <u>3,180,015</u>

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

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

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 FINANCIAL STATEMENTS
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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. During the current year, the Company incurred foreign exchange transactions for financial consulting fees in the amount of \$120,081 (2006: Nil).

(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 FINANCIAL STATEMENTS
April 30, 2007 and 2006

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 FINANCIAL STATEMENTS
April 30, 2007 and 2006

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 years ended April 30, 2007 and 2006, all of the outstanding stocks are antidilutive. (see Note 9)

(m) Comparative Figures

Certain prior year comparative figures have been reclassified to conform to the presentation adopted for current year.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

Note 3. Prior Years' Adjustments

Stock-based compensation plan

As the company adopted the new recommendation of section 3870 of the handbook, *Stock-based compensation and other stock-based payments*, effective January 1, 2004, the opening balance of the deficit was adjusted to record at the fair value the stock options granted to directors and employees that were not accounted for as expenses. The 2003 loss has been increased by \$235,340 and the 2006 loss has been increase by \$146,560; the contributed surplus for each of these years has been increased accordingly.

When some options were exercised, the fair value related to these options has not been transfer from the contributed surplus to the capital stocks issued. At the moment of the implementation of the fair value, the adjustment was underestimated by \$43,230; for 2006, the contributed surplus balance was decreased by \$108,600 and the capital stocks issued balance was increased by the same amount.

Note 4. Accounts Receivable

The followings are included in accounts receivable

	April 30,	
	2007	2006
GST receivable	\$ 30,858	21,161
QST receivable	9,371	40
Quebec Mining Duties credit receivable	420,470	606,594
Quebec Corporate Tax credit receivable	2,259,506	-
Other receivables	605	382
Total	\$ 2,720,810	628,177

Note 5. Property and Equipment

April 30, 2007			
	Cost	Accumulated Depreciation	Net
Office equipment	\$ 13,116	\$ 9,444	\$ 3,672
Computer equipment	38,762	27,615	11,147
	\$ 51,878	\$ 37,059	\$ 14,819
April 30, 2006			
	Cost	Accumulated Depreciation	Net
Office equipment	\$ 13,116	\$ 8,526	\$ 4,590
Computer equipment	37,756	23,053	14,703
	\$ 50,872	\$ 31,579	\$ 19,293

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

Note 6. **Mineral Properties**

	Balance, April 30, 2006	Increased in Year Ended April 30, 2007	Balance, April 30, 2007
(a) Onaman River			
Acquisition costs	\$ -	\$ -	\$ -
Deferred exploration costs	-		
- Claims maintenance & staking	3,050	1,686	4,736
Total deferred exploration costs	3,050	1,686	4,736
Total Onaman River	3,050	1,686	4,736
(b) Belanger			
Acquisition costs			
- Cash	121,200	-	121,200
- 200,000 shares @ \$0.45	90,000	-	90,000
- 1,200,000 shares @ \$0.42	504,000	-	504,000
Total acquisition costs	715,200	-	715,200
Deferred exploration costs			
- Assays	8,637	-	8,637
- Claims maintenance & staking	128,768	1,607	130,375
- Consultants	113,523	7,355	120,878
- Drilling	692,933	-	692,933
- Equipment rental	122,533	-	122,533
- Equipment	1,852	-	1,852
- Field work & mobilization	1,759,068	-	1,759,068
- Geophysical survey	453,969	-	453,969
- Legal	54,100	-	54,100
- Field office and general	25,249	1,650	26,899
- Reports & maps	15,977	-	15,977
- Site visits	13,023	-	13,023
- Storage fuel	4,000	-	4,000
Total deferred exploration costs	3,393,632	10,612	3,404,244
Mineral exploration credits	(1,515,220)	57,727	(1,457,493)
Total Belanger	\$ 2,593,612	\$ 68,339	\$ 2,661,951

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

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

	Balance, April 30, 2006	Increased in Year Ended April 30, 2007	Balance, April 30, 2007
(c) Nuvilik			
Acquisition costs			
- Cash	\$ 50,000	\$ -	\$ 50,000
- 800,000 shares @ \$0.42	336,000	-	336,000
Total acquisition costs	386,000	-	386,000
Deferred exploration costs			
- Assays & sampling	-	511	511
- Claims maintenance & staking	53,985	9,201	63,186
- Consultants	43,169	8,398	51,567
- Drilling	-	2,289	2,289
- Equipment & rental	-	468	468
- Field work & mobilization	-	18,473	18,473
- Geophysical survey	344,418	8,544	352,962
- Legal	16,606	-	16,606
- Field office & general	13,727	1,650	15,377
- Reports & maps	4,390	237	4,627
- Site visits	8,253	-	8,253
- Fuel & fuel storage	2,000	2,160	4,160
- Salaries & wages	-	2,681	2,681
Total deferred exploration costs	486,548	54,612	541,160
Mineral exploration credits	(205,154)	(17,161)	(222,315)
Total Nuvilik	667,394	37,451	704,845
(d) Ungava			
Acquisition costs			
- Cash	127,300	-	127,300
- 1 million shares @ \$0.27	270,000	-	270,000
Total acquisition costs	397,300	-	397,300
Deferred exploration costs			
- Assays	6,850	27,787	34,637
- Claims maintenance & staking	284,183	166,864	451,047
- Consultants	122,484	88,620	211,104
- Drilling	189,713	124,350	314,063
- Equipment & rental	15,651	25,421	41,072
- Fees & licenses	2,096	-	2,096
- Field work & mobilization	1,076,011	1,003,475	2,079,486
- Geophysical survey	393,680	464,129	857,809
- Office & general	23,597	8,250	31,847
- Recoveries	(55,245)	-	(55,245)
- Reports, maps, & general	13,788	12,843	26,631
- Site visits	12,384	-	12,384
- Fuel & fuel storage	2,000	117,314	119,314
- Salaries & wages	-	145,643	145,643
Total deferred exploration costs	2,087,192	2,184,696	4,271,888
Mineral exploration credits	(765,408)	(823,019)	(1,588,427)
Total Ungava	\$ 1,719,084	\$ 1,361,677	\$ 3,080,761

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

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

	Balance, April 30, 2006	Increased in Year Ended April 30, 2007	Balance, April 30, 2007
(e) Inlet (Wakeham)			
Acquisition costs			
- Cash	\$ 19,500	\$ -	\$ 19,500
- 200,000 shares @ \$0.61	122,000	-	122,000
- 3,000,000 shares @ \$0.53	1,590,000	-	1,590,000
Total acquisition costs	1,731,500	-	1,731,500
Deferred exploration costs			
- Assays	4,687	24,735	29,422
- Claims maintenance & staking	84,303	66,522	150,825
- Consultants	98,193	81,439	179,632
- Drilling	338,565	110,693	449,258
- Equipment & rental	52,900	22,630	75,530
- Field work & mobilization	1,047,028	893,265	1,940,293
- Geophysical survey	295,487	413,154	708,641
- Field office & general	28,044	8,248	36,292
- Recoveries	(1,885)	-	(1,885)
- Reports & maps	6,227	11,432	17,659
- Site visits	8,336	-	8,336
- Fuel & fuel storage	24,550	104,430	128,980
- Salaries & wages	-	129,647	129,647
Total deferred exploration costs	1,986,435	1,866,195	3,852,630
Mineral exploration credits	(836,041)	(710,325)	(1,546,366)
Total Inlet	2,881,894	1,155,870	4,037,764
(f) Masuparia			
Acquisition costs			
- 200,000 shares @ \$0.61	122,000	-	122,000
- 3,000,000 shares @ \$0.53	1,590,000	-	1,590,000
Total acquisition costs	1,712,000	-	1,712,000
Deferred exploration costs			
- Assays	663	11,141	11,804
- Claims maintenance & staking	69,777	63,636	133,413
- Consultants	48,909	53,726	102,635
- Drilling	-	49,857	49,857
- Equipment & rental	-	10,192	10,192
- Field work & mobilization	40,169	402,330	442,499
- Geophysical survey	143,127	186,086	329,213
- Field office & general	17,493	8,250	25,743
- Recoveries	(969)	-	(969)
- Reports & maps	5,270	5,149	10,419
- Site visits	4,000	-	4,000
- Fuel & fuel storage	20,969	47,036	68,005
- Salaries & wages	-	58,394	58,394
Total deferred exploration costs	349,408	895,797	1,245,205
Mineral exploration credits	(132,498)	(351,051)	(483,549)
Total Masuparia	\$ 1,928,910	\$ 544,746	\$ 2,473,656

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

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

	Balance, April 30, 2006	Increase in Year Ended April 30, 2007	Balance, April 30, 2007
(g) Ubex)			
Acquisition costs			
- Cash	\$ 30,000	\$ -	\$ 30,000
- 125,000 shares @ \$0.48	60,000	-	60,000
Total acquisition costs	90,000	-	90,000
Deferred exploration costs			
- Assays & sampling	-	2,957	2,957
- Claims maintenance & staking	43,045	28,322	71,367
- Consultants	18,839	12,421	31,260
- Drilling	-	13,230	13,230
- Equipment & rental	-	2,705	2,705
- Fieldwork & mobilization	-	106,766	106,766
- Geophysical survey	51,931	49,381	101,312
- Field office and general	8,657	1,650	10,307
- Reports & maps	-	1,367	1,367
- Fuel & fuel storage	2,100	12,482	14,582
- Salaries & wages	-	15,496	15,496
Total deferred exploration costs	124,572	246,777	371,349
Mineral exploration credits	(48,634)	(97,048)	(145,682)
Total Ubex	165,938	149,729	315,667
(h) VVC)			
Acquisition costs			
- Cash	90,000	-	90,000
- 200,000 shares @ \$0.48	96,000	-	96,000
- 225,000 shares @ \$0.40	90,000	-	90,000
Total acquisition costs	276,000	-	276,000
Deferred exploration costs			
- Assays & sampling	-	19,568	19,568
- Claims maintenance & staking	65,175	79,884	145,059
- Consultants	16,164	46,285	62,449
- Drilling	-	87,569	87,569
- Equipment & rental	-	17,902	17,902
- Fieldwork & mobilization	-	706,659	706,659
- Geophysical survey	119,668	326,845	446,513
- Field office & general	8,494	1,650	10,144
- Fuel & fuel storage	1,625	82,614	84,239
- Reports & maps	-	9,044	9,044
- Salaries & wages	-	102,564	102,564
Total deferred exploration costs	211,126	1,480,584	1,691,710
Mineral exploration credits	(86,620)	(556,603)	(643,223)
Total VVC	400,506	923,981	1,324,487

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

	Balance, April 30, 2006	Increase in Year Ended April 30, 2007	Balance, April 30, 2007
(i) Scott			
Acquisition costs			
- Cash	21,291	-	21,291
Total acquisition costs	21,291	-	21,291
Deferred exploration costs			
- Claims & maintenance	36,871	18,178	55,049
- Consultants	19,865	6,394	26,259
- Geophysical survey	47,897	-	47,897
- Field office & general	9,761	1,650	11,411
Deferred exploration costs	114,394	26,222	140,616
Mineral exploration credits	(39,928)	(19,034)	(58,962)
Total Scott	95,757	7,188	102,945
Total Mineral Properties	10,456,143	4,250,667	14,706,810

(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.

Minimal expenses were incurred to maintain the Onaman claims in good standing during the year ended April 30, 2007.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

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

Raglan Area Properties – District of Northern Quebec

The Company currently has eight separate property agreements in the Ungava Region.

(b) **Property # 1 (Belanger):**

By Letter of Intent dated March 26, 2003, and subsequent regulatory approvals dated April 4, 2003, the Company acquired from Mackenzie James a 100% interest in 90,675 acres in the Ungava region of Northern Quebec under the following terms:

- (i) The Company will make a payment of \$90,000 to the vendor upon receipt of Exchange approval (paid);
- (ii) The Company will issue 1,200,000 common shares of Goldbrook to the vendor upon receipt of Exchange approval (issued). These shares were issued at a price of \$0.42 per share, for a total of \$504,000;
- (iii) The property is subject to a 1% net smelter return on any mineral production from the property and the Company has the option to purchase up to one-half of the 1% royalty for \$1,000,000.

In addition, \$31,200 was paid at time of acquisition for previous expenditures incurred on the property.

On January 6, 2004, the Company announced the acquisition of five mineral claims comprising 198 acres located within the boundaries of the Company's 90,675-acre Belanger Property in the western part of the Raglan District, northern Quebec. The consideration payable for a 100% interest in the subject property is 200,000 common shares to be issued on receipt of Exchange approval. On January 16, 2004, the TSX Venture Exchange approved the Company's "Expedited Acquisition Filing" and the 200,000 shares were issued at a deemed price of \$0.45 per share for a total of \$90,000.

On April 25, 2005, the Company signed a definitive option and joint venture agreement ("Agreement") with Anglo American Exploration (Canada) Ltd. ("AAEC") with respect to the Company's Nuvilik and Belanger properties (the "Properties"). The Agreement granted AAEC the option to acquire up to a 70% interest in the Properties by funding exploration and delivering a full feasibility study.

AAEC may earn an undivided 51% interest in the Properties by funding not less than \$20 million in exploration expenditures on or before the fourth anniversary of the Agreement. AAEC has committed to fund \$5 million in exploration before March 31, 2006. AAEC may earn an additional 19%, taking its total interest to 70%, by funding and delivering a full feasibility study. AAEC may terminate the option at any time after incurring a minimum of \$5 million in exploration expenditures. AAEC shall be the operator during the exploration phase and all other phases provided it holds at least a 50% interest.

On August 2, 2005, the Company announced that AAEC had begun diamond drilling on the Belanger property in the Raglan District of northern Quebec.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

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

(b) **Property # 1 (Belanger) (cont'd):**

The 2005 exploration program by AAEC included geological mapping and prospecting, ground based geophysical surveys, and soil geochemistry surveys on both the Belanger and Nuvilik properties. Diamond drilling during the 2005 exploration program was to be completed on the Belanger property to follow-up areas of mineralization identified during the 2004 exploration program, and to test emerging targets elsewhere on the Belanger Property.

On December 15, 2005, AAEC had given notice to the Company that they will be proceeding with a 2006 exploration program on the Belanger and Nuvilik properties. Subsequent management meetings were held between the Company and AAEC on January 20, 2006, March 31, 2006 and June 5, 2006, to discuss budget, assessment report filing, and field program technicalities and logistics. Transportation of fuel and equipment was completed and crews were mobilized and the program commenced in June, based out of the Lac Mitiq exploration camp.

The 2006 exploration program commenced June 19 and was completed by AAEC on September 19. The focus of the program was drilling of individual targets within the Belanger and Nuvilik trends and assessment of regional targets elsewhere in the claims by geochemistry and ground geophysics. Results from drilling, including assays were released in February 2007.

On December 19, 2006, the Company announced notification from AAEC of its decision to terminate the option and joint venture agreement.

(c) **Property # 2 (Nuvilik):**

By Letter of Intent dated March 26, 2003, and subsequent regulatory approvals dated April 4, 2003, the Company acquired from Peter Bambic a 100% interest in 55,421 acres in the Ungava region of Northern Quebec under the following terms:

- (i) The Company will make a payment of \$50,000 to the vendor upon receipt of Exchange approval (paid);
- (ii) The Company will issue 800,000 common shares of Goldbrook to the vendor upon receipt of Exchange approval (issued). These shares were issued at a deemed price of \$0.42 per share for a total of \$336,000;
- (iii) The property is subject to a 1% net smelter return on any mineral production from the property and the Company has the option to purchase up to one-half of the 1% royalty for \$1,000,000.

On April 25, 2005, the Company signed the definitive option and joint venture agreement with AAEC with respect to the Company's Nuvilik and Belanger properties (refer to Note 6(b) for details).

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

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

(d) **Property # 3 (Ungava):**

By Letter of Intent dated January 23, 2003, and subsequent regulatory approvals dated January 31, 2003, the Company acquired from Peter Bambic a 100% interest in 99,014 acres in the Ungava region of Northern Quebec under the following terms:

- (i) The Company will make a payment of \$100,000 to the vendor upon receipt of Exchange approval (paid);
- (ii) The Company will issue one million common shares of Goldbrook to the vendor upon receipt of Exchange approval (issued). These shares were issued at a price of \$0.27 per share for a total of \$270,000;
- (iii) The property is subject to a 1% net smelter return on any mineral production from the property and the Company has the option to purchase up to one-half of the 1% royalty for \$1,000,000.

In addition, \$27,300 was paid at time of acquisition for previous expenditures incurred on the property.

(e) **Property # 4 (Inlet):**

On August 7, 2003, the Company announced the acquisition from Inlet Resources Ltd. ("Inlet") of the exclusive option to earn up to an 80% interest in and to a 74,280-acre parcel of staked mineral claims located in the Ungava region of Quebec (the "Wakeham Property").

The terms of the property acquisition provided for the Company to earn a 60% undivided interest in the Wakeham Property (the "Property") through the delivery of 500,000 common shares (200,000 shares, after receipt of Exchange approval, 100,000 shares on August 7, 2004, 100,000 on August 7, 2005, and 100,000 shares on August 7, 2007) and incurring an aggregate of \$3,500,000 of work expenditures on the Property.

The agreement also included other options for the Company to acquire additional interests in the property. The TSX Venture Exchange accepted the agreement on September 24, 2003 and Goldbrook issued Inlet 200,000 common shares on October 2, 2003 at a deemed price of \$0.61 per share for a total of \$122,000.

This agreement has since been replaced by a new agreement discussed below.

On July 30, 2004, the Company announced that it had reached an agreement with Inlet whereby the Company would acquire all of Inlet's interest in the Wakeham Property in consideration of the issuance of 3,000,000 common shares of the Company.

This Agreement replaces the option previously granted to the Company by Inlet to earn up to an 80% interest in the Property. The Wakeham Property is subject to a 1% net smelter return royalty on any mineral production from the Property. The Company has the option to purchase one-half of this royalty for \$1 million.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

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

(e) **Property # 4 (Inlet): (cont'd)**

On August 31, 2004, the Company received TSX acceptance pertaining to the acquisition from Inlet of a 100% interest in the Wakeham Property. The TSX deemed the value of the shares to be \$0.53 per share but the issued shares were to be placed into escrow, and released to Inlet on the basis of one share for each \$0.42 in expenditures made by the Company.

The Company issued 3 million common shares to Inlet in accordance with the property agreement. Those shares were held in escrow by the Company's escrow and transfer agent, and were fully released in September 2006.

(f) **Property # 5 (Masuparia):**

On August 7, 2003, the Company announced the acquisition from Masuparia Gold Corporation ("Masuparia") of the exclusive option to earn up to an 80% interest in and to 71,252 acres in the Ungava region of northern Quebec.

The terms of the property acquisition provided for the Company to earn a 60% undivided interest in Masuparia's property through the delivery of 500,000 common shares (200,000 shares, after receipt of Exchange approval, 100,000 shares on August 7, 2004, 100,000 on August 7, 2005, and 100,000 shares on August 7, 2007) and incurring an aggregate of \$3,500,000 of work expenditures on the property.

The agreement also included other options for the Company to acquire additional interests in the property. The TSX Venture Exchange accepted the agreement on October 23, 2003 and Goldbrook issued 200,000 common shares on November 4, 2003, at a deemed price of \$0.61 per share for a total of \$122,000.

This agreement has since been replaced by a new agreement discussed below.

On July 30, 2004, the Company announced that it had reached an agreement with Masuparia whereby the Company will acquire all of Masuparia's interest in Masuparia's 71,252 acres in the Raglan region of northern Quebec (the "Property"). In consideration of the acquisition, the Company will issue 3,000,000 of its common shares to Masuparia.

This Agreement replaces the option previously granted to the Company by Masuparia to earn up to an 80% interest in the Property. The Masuparia Property is subject to a 1% net smelter return royalty on any mineral production from the Property. The Company has the option to purchase one-half of this royalty for \$1 million.

On August 30, 2004 the Company received TSX acceptance pertaining to the acquisition from Masuparia of a 100% interest in the Property. The TSX deemed the value of the shares to be \$0.53 per share but the issued shares were to be placed into escrow, and released to Masuparia on the basis of one share for each \$0.42 in expenditures made by the Company.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

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

(f) **Property # 5 (Masuparia): (cont'd)**

The Company issued 3 million common shares to Masuparia in accordance with the property agreement. The shares are held in escrow by the Company's escrow and transfer agent, Computershare Investor Services Inc. In September 2006, 578,864 of the 3 million common shares issued to Masuparia Gold Corporation in escrow were released.

(g) **Property # 6 (Ubex):**

On March 30, 2004, the Company entered into an agreement with Ubex Capital Inc., Menace Capital Corp., and Monaco Investment Corp. (collectively, the "Vendors") to acquire a 100% interest in 334 mineral claims comprising approximately 31,850 acres located as four property groups in the Ungava Area, Province of Quebec. The consideration payable for a 100% interest in the subject property is 125,000 common shares to be issued on receipt of Exchange approval and cash payments totaling \$30,000 (paid). The TSX Venture Exchange accepted the agreement on April 12, 2004 and Goldbrook issued 125,000 common shares on April 12, 2004, at a deemed price of \$0.48 per share for a total of \$60,000.

Pursuant to the agreement, the Vendors will retain a 1% net smelter return royalty of which 0.5% may be purchased by the Company for \$1,000,000.

(h) **Property # 7 (VVC):**

On March 29, 2004, the Company entered into an agreement with VVC Exploration Corporation and Aavdex Corporation to acquire a 70% interest in 894 mineral claims comprising 36,753.40 hectares located in the Ungava Area, Province of Quebec from VVC Exploration Corporation ("the property"). Aavdex Corporation will acquire the remaining 30% interest in the claims and will form a joint venture with the Company to further explore and develop the property. As consideration for the 70% interest, the Company would issue 200,000 common shares to VVC Exploration Corporation on receipt of Exchange approval and incur sufficient work expenditures to extend the expiry date of all claims for a period of one year.

Additional joint venture work expenditures with Aavdex Corporation will be split 70/30 between the Company and Aavdex Corporation per the joint venture arrangement. In addition, there is a 2% net smelter return of which 1.5% can be purchased by the Company and Aavdex for \$500,000 per 0.5%.

The TSX Venture Exchange accepted the agreement on April 8, 2004 and Goldbrook issued 200,000 common shares on April 8, 2004, at a deemed price of \$0.48 per share for a total of \$96,000.

On April 5, 2005, the Company entered into an agreement with Aavdex to buy its 30% interest in the property. The transaction will give the Company a 100% stake in the claims subject to a 2% NSR.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

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

(h) **Property # 7 (VVC): (cont'd)**

Under the terms of the agreement, the Company will pay to Aavdex \$90,000 (paid) and issue from treasury 225,000 common shares (issued) to Aavdex. The Company has the right to buy back, at any time, at a price of \$500,000 per 0.5% NSR, up to a total of 1.5% NSR. The TSX Exchange accepted the agreement on April 26, 2005 and the 225,000 common shares at a deemed price of \$0.40 per share were issued at that date in the amount of \$90,000.

(i) **Property # 8 (Scott):**

On April 6, 2004, the Company entered into an agreement with Mr. Peter Bambic to acquire a 100% interest in 278 mineral claims comprising 29,057.48 acres located in Raglan District, Province of Quebec. The consideration payable for the property is \$21,291 (paid).

Pursuant to the agreement, the property is subject to a 1% net smelter return on any mineral production from the property. The Company has the option to purchase up to 50% of the 1% royalty for \$500,000.

(j) **Raglan Properties**

On June 5, 2006 the Company announced its own plans for a \$4 million exploration program. The objective of the 2006 exploration program was the systematic exploration of Goldbrook's claims not under option by AAEC (423,000 acres). The exploration program involved prospecting, mapping, sampling and drilling of preliminary targets mainly in the east and central parts of the Raglan District. The program was completed on September 29 and field crews were demobilized and the Lac Guindeau camp closed down for the season on October 4.

Costs related to the Raglan project have been allocated to individual properties upon completion of the cost analysis of the project.

(k) **Deposit on Mineral Properties**

As at April 30, 2007, the deposit on mineral properties was \$1,137,792 consisting the following:

- (i) Deposit of \$250,000 paid for the new property under acquisition and \$59,400 for the new claims staking.
- (ii) Deposit on mining camp services including:

Drilling	\$250,000
Fuel	530,296
Consulting	6,096
Camp services	<u>42,000</u>
	<u>\$828,392</u>

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

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

(1) **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 April 30, 2007 and has been included in accounts receivable (Note 4).

Note 7. **Capital Stock**

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

(b) **Issued and outstanding:**

	Year Ended April 30,			
	2007		2006 Restated	
	Number of Common Shares	\$	Number of Common Shares	\$
Balance, April 30, 2006 and 2005	61,296,213	20,561,555	51,003,413	18,116,161
<u>Common shares issued for cash</u>				
- Private Placement @ \$0.30	500,000	150,000		
- Private Placement @ \$0.35	17,200,000	6,020,000		
- Private Placement @ \$0.225			9,876,300	2,222,167
- Commissions & legal fees	-	(250,741)	-	(165,311)
- Commissions taken in shares @\$0.30	693,225	-		
- Warrants exercised @ \$0.30	10,000	3,000	4,500	1,350
- Options exercised @ \$0.23	86,000	19,780		
- Options exercised @ \$0.225	451,000	101,475	412,000	92,700
<u>Valuation adjustments of warrants & options</u>				
Black-Scholes valuation on warrants granted		(1,117,827)		(1,309,919)
Reverse Black-Scholes valuation on warrants expired		150,897		1,495,222
Reverse Black-Scholes valuation on warrants exercised				585
Reverse Black-Scholes valuation on options exercised		90,420		108,600
Subtotal	18,940,225	5,167,004	10,292,800	2,445,394
Adjustment on Number of Shares	405	-	-	-
Balance, April 30, 2007 and 2006	80,236,843	\$ 25,728,559	61,296,213	\$ 20,561,555

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 5(f)).

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

Note 7. **Capital Stock (cont'd)**

(c) Private Placement

On October 5, 2006, the Company closed its private placement of flow-through units (the "FT Units") and units (the "Units") with Pacific International Securities Inc. acting as agent (the "Agent"). Pursuant to the private placement, the Company has issued 17,200,000 FT Units at a price of \$0.35 per FT Unit and 500,000 Units at a price of \$0.30 per Unit, for gross proceeds of \$6,170,000.

Each FT Unit consists of: i) one flow-through common share; ii) 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 at a price of \$0.45; and iii) 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 at a price of \$1.00. Each Unit consists of: i) one non-flow-through common share; ii) one half of one A Warrant; and iii) one half of one B Warrant.

As consideration for acting as agent, the Agent received a cash commission of \$223,932.50, 693,225 units with the same terms as the Units, and 1,770,000 agent's options (the "Agent's Options"). Each Agent's Option is exercisable for one common share for two years at a price of \$0.45.

The proceeds from the private placement will be used for exploration on the eastern and central parts of Goldbrook's property in Raglan, Quebec. The proceeds from the sale of the FT Units 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 2006 taxation year.

(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.

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.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

Note 7. **Capital Stock (cont'd)**

(d) Shareholder Rights Plan (cont'd)

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 May 9, 2006, the Company announced that pursuant to the company’s stock option plan an aggregate of 604,000 incentive stock options have been granted to key employees and directors. The Options have an exercise price of \$0.365 per share with a five year term.

On November 2, 2006, the Company announced that it had granted to certain consultants incentive stock options to purchase up to an aggregate of 500,000 common shares in the capital stock of the Company for a period of three years, at a price of \$0.26 per share.

During the current period, 86,000 stock options were exercised at \$0.23 per share and 451,000 stock options were exercised at \$0.225 per share.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

Note 7. **Capital Stock (cont'd)**

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

Stock options outstanding are summarized as follows:

	Number of Shares Under Stock Options	Weighted average Exercise Price Per Share
Balance Outstanding, April 30, 2006	5,625,000	\$ 0.226
Granted	604,000	0.365
Granted	500,000	0.260
Exercised	(451,000)	0.225
Exercised	(86,000)	0.230
Cancelled	(100,000)	0.225
Balance Outstanding, April 30, 2007	<u>6,092,000</u>	<u>\$ 0.243</u>

The fair value of the 604,000 stock options granted in May 2006 and 500,000 stock options granted in November 2006 are estimated on the dates of grant using a Black-Scholes option pricing model with the following weighted average assumptions:

Dividend Yield	Nil
Expected volatility	109% / 59%
Risk free rate of return	6%
Expected life of options	5 years / 3 years

The weighted average fair value of the 604,000 options granted on May 9, 2006 was \$0.17 per option granted. The weighted average fair value of the 500,000 options granted on November 2, 2006 was \$0.09 per option granted. Those stock options resulted in a stock-based compensation of \$147,680 which is expensed during the current year. In addition, 100,000 stock options were cancelled.

(f) **Stock-based Compensation**

The fair value of the options granted during the year ended April 30, 2007 and 2006, is estimated on the dates of grant using a Black-Scholes option pricing model. During the years, the fair value of options granted is as follows:

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

Note 7. **Capital Stock (cont'd)**

<u>Number of options granted</u>	<u>Fair value per share</u>	<u>Stock-based compensation Year Ended April 30, 2007</u>	<u>Expiry date</u>
604,000	\$0.17	\$102,680	March 31, 2011
500,000	\$0.09	\$ 45,000	November 1, 2009
1,104,000		\$147,680	

<u>Number of options granted</u>	<u>Fair value per share</u>	<u>Stock-based compensation Year Ended April 30, 2006 Restated</u>	<u>Expiry date</u>
2,227,000	\$0.16	\$356,320	From February 2010 to March 2011
378,000	\$0.19	\$ 71,820	March 3, 2011
2,605,000		\$428,140	

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

	<u>Warrants</u>	<u>Expiry Date</u>	<u>Exercise Price</u>
	1,000,000	May 4, 2006	\$0.65
	518,182	Aug. 18, 2006	\$0.60
	248,499	Oct. 6, 2006	\$0.60
	10,071,800	Oct. 27, 2010	\$0.30
Balance Outstanding, April 30, 2006	11,838,481		
Issued – warrants A	8,850,000	Oct. 4, 2009	\$0.45
Issued – warrants B	8,850,000	Oct. 4, 2009	\$1.00
Issued – warrants A	346,613	Oct. 4, 2009	\$0.45
Issued – warrants B	346,612	Oct. 4, 2009	\$1.00
Issued – Agent’s options *	1,770,000	Oct. 4, 2008	\$0.45
Exercised	(10,000)		\$0.30
Expired	(518,182)	Aug. 18, 2006	\$0.60
Expired	(248,499)	Oct. 6, 2006	\$0.60
Expired	(1,000,000)	May 4, 2006	\$0.75
	18,386,544		
Balance Outstanding, April 30, 2007	30,225,025		

*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.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

Note 7. **Capital Stock (cont'd)**

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

Details	Number of Shares	
	April 30,	
	2007	2006
Stock options	6,092,000	5,625,000
Share Purchase Warrants	30,225,025	11,838,481
TOTAL	36,317,025	17,463,481

Note 8. **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 April 30, 2007 (April 30, 2006 - \$Nil).

During the years ended April 30, 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:

	Year Ended April 30,	
	2007	2006
Consulting fees		
- Financial	\$ 30,000	\$ 62,400
- Marketing	44,000	27,000
- Shareholders' communication	63,750	35,000
Management fees	97,500	63,300
Website fees	20,250	18,000
Deferred exploration costs	151,500	138,085
Total	\$ 407,000	\$ 343,785

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

Note 9. **Loss per Common Share**

	Year Ended April 30, 2007		Year Ended April 30, 2006	
	Weighted Average Common Shares Outstanding	Loss Per Common Share	Weighted Average Common Shares Outstanding	Loss Per Common Share
Basic	72,124,866	<u>\$0.02</u>	56,030,692	<u>\$0.03</u>
Effect of stock options	6,020,592		5,026,995	
Effect of broker options			748,584	
Effect of stock purchase warrants	21,887,276		16,307,177	
Diluted	<u>100,032,734</u>	<u>\$0.01</u>	<u>78,113,448</u>	<u>\$0.03</u>
Anti Dilutive	<u>72,124,866</u>		<u>56,030,692</u>	

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

Note 10. **Income Taxes**

The Company presently has no taxable income. The benefit of a potential reduction in future income taxes has not been recorded as a future income tax assets at April 30, 2007, as it is reduced by a valuation allowance, due to uncertainty of utilization of the losses. The losses may be claimed up to the end of the following fiscal years ending April 30:

2009	27,361
2010	615,657
2014	892,606
2015	1,589,874
2026	1,223,581
2027	1,263,900
	<u>\$ 5,612,979</u>

The income tax effect of temporary differences comprising the deferred tax assets and deferred tax liabilities on the balance sheets is a result of the following:

	2007	2006
Share issue expenses	\$ 207,871	\$ 146,471
Mineral properties	\$ (1,250,369)	\$ (152,367)
Property and equipment	\$ 1,918	\$ 2,950
Non capital losses carried forward	\$ 1,797,276	\$ 429,729
Valuation allowance	\$ (756,696)	\$ (426,783)
Net future tax assets	<u>\$ -</u>	<u>\$ -</u>

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

Note 10. **Income Taxes (cont'd)**

The provision for income taxes presented in the financial statements is different from what would have resulted from applying the combined federal and provincial tax rate of 32.02% for 2007 and 2006 as a result of the following

	Year Ended April 30,	
	<u>2007</u>	<u>2006</u>
Loss before income taxes	(\$1,295,605)	(\$1,626,795)
Combined federal and provincial income taxes	(\$414,853)	(\$520,900)
Impact of increase in income tax rate on futur income tax balances	-	(6,118)
Amortization of property and equipment	(1,032)	1,193
Stock option based compensation	47,287	137,090
Shares issue expenses	(85,478)	(56,103)
Non taxable portion of gain from sales of investments	(6,728)	-
Valuation allowance	460,804	444,838
Effective income taxes	<u>\$0</u>	<u>\$0</u>

The unamortized balance for tax purposes of share issue expenses amounting to approximately \$ 649 192 is deductible over the next four years.

The deferred exploration expenditures of \$9,840,615 for the federal and \$12,949,574 for the provincial are available to reduce future years' taxable income; these expenditures carry forward indefinitely.

The Company has financed their operations in part through the insurance of the flow-through shares.

During the year ended April 30th, 2007, the Company issued flow-through common shares for total consideration of \$6,020,000; these funds were committed for Canadian exploration expenditures and tax benefits were renounced and transfers to the investors during the year ended April 30th 2007

Note 11. **Contributed Surplus**

GOLDBROOK VENTURES INC.
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Stock Based Compensation

	Years Ended April 30,	
	2007	2006 Restated
Balance, Beginning of the Year	\$ 1,830,221	\$ 1,510,681
Reverse fair value of exercised options	(90,420)	(108,600)
Stock-based compensation	147,680	428,140
Balance, Ending of the Year	\$ 1,887,481	\$ 1,830,221

Note 12. **General and Administrative Expenses**

	Year Ended April 30,	
	2007	2006
<u>Consulting fees</u>		
Financial	\$ 134,542	\$ 170,054
Shareholders' communication	72,750	67,750
Marketing administration	-	22,000
Corporate administration	74,100	57,913
Marketing	64,633	114,960
	\$ 346,025	\$ 432,677

	Year Ended April 30,	
	2007	2006
<u>Professional fees</u>		
Accounting and audit fees	\$ 97,416	\$ 69,280
Legal fees	62,087	96,426
	\$ 159,503	\$ 165,706

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

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
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	Year Ended April 30,	
	2007	2006
<u>Shareholder communication, travel and promotion</u>		
Advertising & promotion	\$ 22,218	\$ 57,121
Shareholders' communication	8,939	6,543
Conferences & shows	64,780	50,364
Mail-out & couriers	12,246	11,083
Press releases	2,976	1,158
Printing	22,545	17,457
Telephone, internet, website	93,532	103,383
Travel & entertainment	180,993	266,513
Other	379	2,316
	<u>\$ 408,608</u>	<u>\$ 515,938</u>

Office and general expenses

	Year Ended April 30,	
	2007	2006
Interest and bank charges	\$ 2,783	\$ 9,208
Insurance	-	667
Services	7,474	31,650
Supplies	32,040	20,543
Postage and couriers	3,835	7,924
Rent and telephone	92,301	86,139
Travel	386	7,735
Other	33,192	14,987
	<u>\$ 172,011</u>	<u>\$ 178,853</u>

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2007 and 2006

The investments in public company shares are recorded at cost of \$300,492, with a market value of \$307,465 at April 30, 2007. The increase in value of \$6,973 is not recorded in these financial statements.

The investments in public company shares are as follows:

	<u>Year Ended April 30, 2007</u>			<u>Year Ended April 30, 2006</u>		
	<u># of shares</u>	<u>Cost</u>	<u>Market value</u>	<u># of shares</u>	<u>Cost</u>	<u>Market value</u>
<u>Common Shares</u>						
Resolve Ventures Inc.	1,060,000	\$233,200	\$222,600	370,000	\$100,700	\$206,700
Masuparia Gold Corp.	199,500	44,792	53,865	366,800	82,530	146,720
Inlet Resources Ltd.	100,000	22,500	31,000	250,000	56,250	137,500
		\$300,492	\$307,465		\$239,480	\$490,920
<u>Warrants</u>						
Masuapria Gold Corp. (exercise price \$0.30) expiring January 2008	366,800	N/A	N/A	366,800	N/A	N/A
Inlet Resources Ltd. (exercise price \$0.30) expiring January 2008	250,000	N/A	N/A	250,000	N/A	N/A

All the above public companies are related to the Company by virtue of common directors and common officers.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
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Note 14. **Subsequent Events**

- 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.

- On June 20, 2007, the Company has 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.

Goldbrook has 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 Goldbrook at any time for \$1 million.

- The Company subsequently entered into a new employment agreement with an existing officer and 500,000 stock options are to be granted accordingly, subject to the approval of the Board of Directors and TSX Venture Exchange.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
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Note 14. **Subsequent Events (cont'd)**

- 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 anytime 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.

The offering is subject to certain conditions, including but not limited to, to receive all necessary approvals including approval of the TSX Venture Exchange and the execution of definitive agreements.

- 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.
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April 30, 2007 and 2006

Note 14. **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.