

GOLDBROOK VENTURES INC.

FINANCIAL STATEMENTS

April 30, 2008

(Audited)

AUDITORS' REPORT

BALANCE SHEET

STATEMENT OF LOSS AND COMPREHENSIVE LOSS

STATEMENT OF DEFICIT

STATEMENT OF CASH FLOWS

NOTES TO FINANCIAL STATEMENTS

AUDITORS' REPORT

To the shareholders of

GOLDBROOK VENTURES INC.

We have audited the balance sheet of GOLDBROOK VENTURES INC. as at April 30, 2008 and 2007 and the statements of loss and comprehensive loss, 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, 2008 and 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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

Chartered accountants

Montreal, June 20, 2008

AUDITORS' REPORT

To the shareholders of

GOLDBROOK VENTURES INC.

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

Chartered accountants

Montreal, June 20, 2008

**GOLDBROOK VENTURES INC.
BALANCE SHEET**

	April 30,	
	<u>2008</u>	<u>2007</u>
ASSETS		
Current Assets		
Cash	\$ 127,779	\$ 444,836
Cash reserved for exploration	-	412,532
Accounts receivable (Note 3)	9,053,062	2,720,810
Prepaid expenses	61,042	84,655
Total Current Assets	9,241,883	3,662,833
Marketable Securities (Note 4)	219,260	300,492
Deposits on Mineral Properties (Note 6(i))	10,000	1,137,792
Mineral Properties (Note 6)	35,240,199	14,706,810
Property and Equipment, net (Note 5)	39,789	14,819
TOTAL ASSETS	\$ 44,751,131	\$ 19,822,746
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,795,461	\$ 409,995
Shareholders' Equity		
Authorized: unlimited common shares and unlimited preferred shares		
Issued – 148,289,700 common shares		
(April 30, 2007 – 80,236,843 common shares) (Note 7(b))	41,081,214	25,728,559
Common shares subscribed not issued	673,951	-
Common share purchase warrants outstanding (Note 7(f))	10,531,999	2,425,861
Contributed surplus (Note 12)	3,211,371	1,887,481
Accumulated other comprehensive loss (Note 8)	(168,772)	-
	55,329,763	30,041,901
Deficit, accumulated during the development stage	(14,374,093)	(10,629,150)
Total Shareholders' Equity	40,955,670	19,412,751
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 44,751,131	\$ 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.
STATEMENT OF LOSS AND COMPREHENSIVE LOSS**

	Year Ended April 30,	
	<u>2008</u>	<u>2007</u>
GENERAL & ADMINISTRATIVE EXPENSES		
Depreciation on property and equipment	8,878	5,480
Consulting fees (Note 13)	445,057	346,025
Management fees	221,000	97,500
Office and general expenses (Note 13)	306,184	172,011
Professional fees (Note 13)	348,428	159,503
Property investigation	-	2,277
Regulatory fees & services	142,324	54,652
Shareholders' communication, travel & promotion (Note 13)	454,974	408,608
Stock-based compensation (Note 7(e))	1,544,930	147,680
Wages and benefits	339,677	99,006
Total General and Administration Expenses	<u>(3,811,452)</u>	<u>(1,492,742)</u>
LOSS BEFORE OTHER ITEMS	(3,811,452)	(1,492,742)
OTHER ITEMS		
Consulting income	-	48,598
Interest income	59,359	106,518
Gain from sales of investments	7,150	42,021
	<u>66,509</u>	<u>197,137</u>
NET LOSS BEFORE COMPREHENSIVE LOSS	<u>(3,744,943)</u>	<u>(1,295,605)</u>
OTHER COMPREHENSIVE LOSS		
Unrealized loss from marketable securities	<u>(175,745)</u>	<u>-</u>
COMPREHENSIVE LOSS FOR THE YEAR	<u>(3,920,688)</u>	<u>(1,295,605)</u>

The accompanying notes are an integral part of these financial statements

**GOLDBROOK VENTURES INC.
STATEMENT OF DEFICIT**

	Year Ended April 30,	
	<u>2008</u>	<u>2007</u>
DEFICIT, BEGINNING OF YEAR	(10,629,150)	(9,333,545)
NET LOSS FOR THE YEAR	(3,744,943)	(1,295,605)
DEFICIT, END OF YEAR	\$ (14,374,093)	\$ (10,629,150)
Weighted Average Common Shares Outstanding (Note 11)		
- Basic	132,781,745	72,124,866
- Diluted	221,019,473	100,032,733
LOSS PER COMMON SHARE		
- Basic	\$ (0.03)	\$ (0.02)
- Diluted	\$ (0.03)	\$ (0.02)

The accompanying notes are an integral part of these financial statements

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

	Year Ended April 30,	
	<u>2008</u>	<u>2007</u>
FUNDS DERIVED FROM (Applied to)		
Operating Activities		
Comprehensive loss for the year	\$ (3,920,688)	\$ (1,295,605)
Items not involving cash		
Depreciation on property and equipment	8,878	5,480
Gain from sales of investments	(7,150)	(42,021)
Stock-based compensation	1,544,930	147,680
Unrealized loss from marketable securities	175,745	
	<u>(2,198,285)</u>	<u>(1,184,466)</u>
Changes in non-cash working capital balances		
(Increase) Decrease in accounts receivable	(6,332,252)	(2,092,633)
(Increase) Decrease in prepaid expenses	23,613	(31,601)
Increase (Decrease) in accounts payable	3,385,466	350,995
	<u>(5,121,458)</u>	<u>(2,957,705)</u>
Investing Activities		
Acquisition of investments in public company shares	(110,040)	(132,582)
Disposal of investment in public company shares	29,650	113,591
Deposits for mining camp services	1,127,792	(1,137,792)
Deferred acquisition & exploration costs	(18,183,389)	(4,250,667)
Purchase of capital assets	(33,848)	(1,006)
	<u>(17,169,835)</u>	<u>(5,408,456)</u>
Financing Activities		
Common shares issued	20,887,753	6,043,514
Common shares subscribed not issued	673,951	-
	<u>21,561,704</u>	<u>6,043,514</u>
Cash, Decrease During Year	(729,589)	(2,322,647)
CASH, BEGINNING OF YEAR	857,368	3,180,015
CASH, END OF YEAR	<u>\$ 127,779</u>	<u>\$ 857,368</u>

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

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

Note 1. Nature of Operations and Going Concern

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.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to a going concern which assume that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company has incurred losses since inception of \$14,542,865, and the Company will need additional funds to continue to explore and, if exploration is successful, to develop its properties. These factors create substantial doubt as to the ability of the Company to continue as a going concern unless sufficient funds are raised for ongoing operations. The Company intends to raise funds by private placements. Realization values may be substantially different from the carrying values as shown in these financial statements should the Company be unable to continue as a going concern.

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.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

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

(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.

(d) Financial Instruments

(i) Financial Instruments – Change in Accounting Policies

Effective May 1, 2007, the Company has adopted three new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants (“CICA”) in 2005. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Recognition and Measurement – Impact of adopting Sections 3855 and 3861

In accordance with this new standard the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of loss.

Comprehensive Income – Impact of adopting Section 1530

The standard introduces the concept of comprehensive loss, which consists of net loss and other comprehensive income. The Company’s financial statements now include a Statement of Comprehensive Loss integrated with the statement of operations, which includes the components of comprehensive income. For the Company, other comprehensive income (“OCI”) is comprised of the unrealized gains on available-for-sale financial assets arising during the year.

Cumulated changes in OCI are included in Accumulated Other Comprehensive Income (“AOCI”), which is presented as a new category within shareholders’ equity on the balance sheet.

Hedges (CICA Handbook Section 3865)

The new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed. The Company has not designated any hedging relationships.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

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

(d) Financial Instruments (cont'd)

(ii) Future Accounting Policies

Capital Disclosures

On December 1, 2006, the CICA issued Section 1535, Capital Disclosures. Section 1535 requires the disclosure of (i) an entity's objectives, policies and process for managing capital; (ii) quantitative data about an entity's managed capital; (iii) whether an entity has complied with capital requirements; and, (iv) if an entity has not complied with such capital requirements, the consequences of such non-compliance. This standard became effective on January 1, 2008.

Financial Instruments - Disclosures and presentation

On December 1, 2006, the CICA issued two new accounting standards, Section 3862, Financial Instruments – Disclosures and Section 3862, Financial Instruments – Presentation. These standards replace Section 3861, Financial Instruments – Disclosure and Presentation and enhance the disclosure of the nature and extent of risks arising from financial instruments and how the entity manages those risks. These new standards became effective on January 1, 2008.

(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.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

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

(g) Mineral Properties 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. Quebec corporate tax credits and mining duties credits based on exploration expenses incurred on Quebec properties are recorded as a decrease to deferred exploration costs. 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 in 2004 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, 2008 and 2007

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, 2008 and 2007, all of the outstanding stocks are antidilutive (see Note 11).

Note 3. **Accounts Receivable**

The followings are included in accounts receivable

	April 30,	
	<u>2008</u>	<u>2007</u>
GST receivable	\$ 54,061	30,858
QST receivable	93,882	9,371
Quebec Mining Duties credit receivable	1,991,365	420,470
Quebec Corporate Tax credit receivable	6,901,261	2,259,506
Receivable from related party (Note 9)	12,493	605
Total	\$ 9,053,062	2,720,810

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

Note 4. **Marketable Securities**

As April 30, 2008, the Company had available for sale securities as follows:

	April 30, 2008			April 30, 2007		
	<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	\$106,000	1,060,000	\$233,200	\$222,600
Masuparia Gold Corp.	566,300	154,833	113,260	199,500	44,792	53,865
Inlet Resources Ltd.	-	-	-	100,000	22,500	31,000
		<u>\$388,033</u>	<u>\$219,260</u>		<u>\$300,492</u>	<u>\$307,465</u>
<u>Warrants</u>						
Masuparia 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	-	-	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**

	April 30, 2008		April 30, 2007	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Office equipment	\$ 18,673	\$ 10,734	\$ 13,116	\$ 9,444
Computer equipment	67,053	35,203	38,762	27,615
	<u>\$ 85,726</u>	<u>\$ 45,937</u>	<u>\$ 51,878</u>	<u>\$ 37,059</u>
			Net	
Office equipment			\$ 3,672	
Computer equipment			11,147	
			<u>\$ 14,819</u>	

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

Note 6. **Mineral Properties**

	Balance, April 30, 2007 (Re-grouped)	Increased in the year ended April 30, 2008	Balance, April 30, 2008 (Re-grouped)
(a) Onaman River			
Acquisition costs	\$ -	\$ -	\$ -
Deferred exploration costs			
- Claims maintenance & staking	4,736	-	4,736
Total deferred exploration costs	4,736	-	4,736
Total Onaman River	4,736	-	4,736
(b) Belanger			
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	203,739	214,274
- Claims maintenance & staking	144,446	-	144,446
- Consultants	126,936	180,346	307,282
- Drilling	701,427	2,306,796	3,008,223
- Equipment and rental	126,121	109,347	235,468
- Field work & mobilization	1,827,614	7,880,424	9,708,038
- Geophysical survey	497,281	2,089,379	2,586,660
- Legal	54,100	-	54,100
- Field office and general	27,883	-	27,883
- Reports & maps	16,854	81,069	97,923
- Site visits	13,023	-	13,023
- Fuel and fuel storage	12,171	1,064,894	1,077,065
- Salaries and wages	9,949	474,736	484,685
Total deferred exploration costs	3,568,340	14,390,730	17,959,070
Mineral exploration credits	(1,519,886)	(5,870,623)	(7,390,509)
Total Belanger	\$ 2,790,426	\$ 8,520,107	\$ 11,310,533

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

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

	Balance, April 30, 2007 (Re-grouped)	Increased in the year ended April 30, 2008	Balance, April 30, 2008 (Re-grouped)
(c) Nuvilik			
Acquisition costs			
- Cash	\$ 67,033	\$ -	\$ 67,033
- Shares	445,848	-	445,848
Total acquisition costs	512,881	-	512,881
Deferred exploration costs			
- Assays & sampling	8,299	-	8,299
- Claims maintenance & staking	164,958	-	164,958
- Consultants	97,428	1,431	98,859
- 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
Total deferred exploration costs	1,326,949	1,431	1,328,380
Mineral exploration credits	(525,488)	41,256	(484,232)
Total Nuvilik	1,314,342	42,687	1,357,029
(d) Ungava			
Acquisition costs			
- Cash	134,828	-	134,828
- Shares	323,736	-	323,736
Total acquisition costs	458,564	-	458,564
Deferred exploration costs			
- Assays	38,305	-	38,305
- Claims maintenance & staking	494,641	90	494,731
- Consultants	230,442	4,223	234,665
- 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
Total deferred exploration costs	4,629,770	4,313	4,634,083
Mineral exploration credits	(1,726,090)	22,705	(1,703,385)
Total Ungava	\$ 3,362,244	\$ 27,018	\$ 3,389,262

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

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

	Balance, April 30, 2007 (Re-grouped)	Increased in the year ended April 30, 2008	Balance, April 30, 2008 (Re-grouped)
(e) Wakeham			
Acquisition costs			
- Cash	\$ 26,730	\$ -	\$ 26,730
- Shares	1,797,104	-	1,797,104
Total acquisition costs	1,823,834	-	1,823,834
Deferred exploration costs			
- Assays	32,918	2,366	35,284
- Claims maintenance & staking	220,796	-	220,796
- Consultants	210,233	6,982	217,215
- Drilling	464,899	26,520	491,419
- Equipment & rental	78,728	1,257	79,985
- Field work & mobilization	2,066,515	90,593	2,157,108
- Geophysical survey	818,557	24,020	842,577
- Field office & general	45,922	-	45,922
- Recoveries	(1,885)	-	(1,885)
- Reports & maps	19,275	932	20,207
- Site visits	8,336	-	8,336
- Fuel & fuel storage	145,679	12,242	157,921
- Salaries & wages	147,967	5,458	153,425
Total deferred exploration costs	4,257,940	170,370	4,428,310
Mineral exploration credits	(1,704,470)	42,378	(1,662,092)
Total Wakeham	4,377,304	212,748	4,590,052
(f) Masuparia			
Acquisition costs			
- Shares	1,792,040	-	1,792,040
Total acquisition costs	1,792,040	-	1,792,040
Deferred exploration costs			
- Assays	17,479	-	17,479
- Claims maintenance & staking	175,480	-	175,480
- Consultants	120,745	3,128	123,873
- 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
Total deferred exploration costs	1,735,802	3,128	1,738,930
Mineral exploration credits	(670,084)	22,372	(647,712)
Total Masuparia	\$ 2,857,758	\$ 25,500	\$ 2,883,258

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

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

	Balance, April 30, 2007 (Re-grouped)	Increased in the year ended April 30, 2008	Balance, April 30, 2008 (Re-grouped)
(g) Bravo			
Acquisition costs			
- Cash	-	6,000,000	6,000,000
- 5,000,000 shares @ \$0.33, 2,000,000 shares @ \$0.35, and 4,000,000 share purchase warrants @ \$0.35	-	2,350,000	2,350,000
Total acquisition costs	-	8,350,000	8,350,000
Deferred exploration costs			
- Assays	-	79,472	79,472
- Claims & maintenance	-	128,015	128,015
- Consultants	-	84,852	84,852
- Drilling	-	890,785	890,785
- Equipment & rental	-	42,225	42,225
- Field work & mobilization	-	3,043,079	3,043,079
- Geophysical survey	-	806,828	806,828
- Reports & maps	-	31,305	31,305
- Fuel & fuel storage	-	411,216	411,216
- Salaries & wages	-	183,322	183,322
Deferred exploration costs	-	5,701,099	5,701,099
Mineral exploration credits	-	(2,345,770)	(2,345,770)
Total Bravo	-	11,705,329	11,705,329
Total Mineral Properties	14,706,810	20,533,389	35,240,199

(a) **Onaman River Property**

For the year ended April 30, 2002, these mining leases and patents 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 one group and a 10% net profits royalties on the balance of leased claims. The Company wrote-off the nominal value of \$1.00 in the year ended April 30, 2003. Fifteen leases had expired in 2006 and ten more leases in 2007. The Company is working in conjunction with a third party and the Ontario government to return these leases and patents to be in good standing. There are seven patents and eight lease claims which are 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 FINANCIAL STATEMENTS
April 30, 2008 and 2007

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 as follows:

	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.

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

Wakeham block is in the east region of Raglan 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.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

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

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

(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 have been allocated to individual properties.

(i) Deposit on Mineral Properties

As at April 30, 2008, the deposit on mineral properties was \$10,000 paid for consulting services

(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 \$14,233,700, \$402,360 of which has not been received as at April 30, 2008 and \$8,490,266 has yet to be claimed, and both have been included in accounts receivable (Note 3).

(k) Letter of Intent with Hunter Dickinson

On March 28, 2008, the Company announced that it has entered into a letter of intent (the “LOI”) with Hunter Dickinson (Acquisitions) Inc. (“HD”) with respect to joint ventures for the exploration and development of the Raglan District Properties (the “Property”) comprising some 891,000 acres, in Northern Quebec.

The LOI is subject to due diligence by HD, which must be completed within 45 days, approval of the TSX Venture Exchange, board approvals and the execution of definitive documentation.

Subsequently, the Company terminated discussions with HD with respect to a possible joint venture on the Property (Note 15)

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

Note 7. **Capital Stock**

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

(b) **Issued and outstanding:**

	For the year ended April 30, 2008		For the year ended April 30, 2007	
	Number of Common Shares	\$	Number of Common Shares	\$
Balance, April 30, 2007 and 2006	80,236,843	\$ 25,728,559	61,296,213	\$ 20,561,555
<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		
- Private Placement @ \$0.43	4,162,790	1,790,000		
- Private Placement @ \$0.35	12,551,357	4,392,975		
- Private Placement @ \$0.43	6,080,000	2,614,400		
- Commissions & legal fees		(1,628,084)	-	(250,741)
- Commissions taken in shares	768,176	-	693,225	-
- Warrants exercised @ \$0.30	1,689,500	506,850	10,000	3,000
- Options exercised @ \$0.23	160,000	36,800	86,000	19,780
- Options exercised @ \$0.225	460,000	103,500	451,000	101,475
- Options exercised @ \$0.365	254,000	92,710		
- Options exercised @ \$0.36	414,000	149,040		
<u>Common shares issued for property acquisition</u>				
- Novawest @ \$0.33	5,000,000	1,650,000		
- Cascadia @ \$0.35	2,000,000	700,000		
<u>Valuation adjustments of warrants & options</u>				
Black-Scholes valuation on warrants granted		(8,325,773)		(1,117,827)
Reverse Black-Scholes valuation on warrants exercised		219,635		150,897
Reverse Black-Scholes valuation on options exercised		221,040		90,420
Subtotal	68,052,857	15,352,655	18,940,225	5,167,004
Adjustment on Number of Shares	-	-	405	-
Balance, April 30, 2008 and 2007	148,289,700	\$ 41,081,214	80,236,843	\$ 25,728,559

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

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 \$436,590 and 1,782,003 Agent's Options. Legal fees and other expenses relating to the private placement incurred was \$25,782.

- 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 \$1,790,000.

In connection with the private placement, PI Financial Corp. will receive a cash finder's fee of \$100,240, 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.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

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

(c) Private Placement (cont'd)

- On September 28, 2007, the Company closed the brokered private placement of units acted by Cambria Capital, LLC (“Cambria”) as an agent. An aggregate of 12,551,357 units were placed for gross proceeds of \$4,392,975.

Each unit consists of (i) one common share; (ii) one-half of one transferable common share purchase warrant (an “A Warrant”), each whole A Warrant exercisable for one common share for three years from the closing date at a price of \$0.50; and (iii) one-half on one transferable common share purchase warrant (a “B Warrant”), each whole B Warrant exercisable for one common share for three years from the closing date at a price of \$1.00.

As consideration for acting as agent, Cambria received a cash commission of \$307,508 and 1,255,135 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. An individual also received a cash finder’s fee of \$307,508 in connection with the private placement. \$44,843 expenses incurred relating to the private placement.

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.

- On October 22, 2007, the Company closed the first tranche of its non-brokered private placement of flow-through units (the “FT Units”). An aggregate of 5,430,000 FT Units were placed, for gross proceeds of \$2,334,900.

On November 23, 2007, the Company closed the second tranche of its non-brokered private placement of flow-through units. An aggregate of 650,000 FT Units were further placed in the second tranche, for gross proceeds of \$279,500.

Each FT Unit consists of one flow-through common share and one half of one transferable non-flow-through share purchase warrant (a “Warrant”). Each whole Warrant is exercisable into one common share for three years from the closing date at a price of \$0.50.

In connection with the private placement, PI Financial Corp. (“PI”) received a finder’s fee equal to 7% of the gross proceeds from the sale of the flow-through units, which PI has elected to receive as 104,576 units and \$146,406 in cash. The finder’s units have a deemed price of \$0.35 per unit and each finder’s unit consists of one common share and one half of warrant. PI will also receive warrants, which equal in number to 10% of the aggregate number of flow-through units sold that are exercisable for one common share for a period of two years from the closing date at a price of \$0.50. Escrow administration fees in the amount of \$4,927 incurred in connection with the private placement.

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.

- On April 8, 2008, the Company announced a non-brokered private placement to issue up to 20,000,000 units at a price of \$0.125 per unit to up to \$2,500,000. Each unit will consist of: (a) one common share; and (b) one common share purchase warrant. Each warrant is exercisable into one common share of the Company for a period of one year from closing at a price of \$0.25. This private placement was closed subsequently (Note 15).

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

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

(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.

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.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

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

(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

On January 14, 2008, the Company announced that pursuant to the Company's stock option plan, an aggregate of 4,900,000 incentive stock options have been granted to key employees and directors. The stock options have an exercise price of \$0.21 with a five year term.

During the year ended April 30, 2008, 160,000 stock options were exercised at \$0.23 per share, 460,000 stock options were exercised at \$0.225 per share, 254,000 stock options were exercised at \$0.365 per share, and 414,000 stock options were exercised at \$0.36 per share. During the current year, 600,000 stock options at exercise price of \$0.225 per share expired on March 25, 2008.

A summary of the Company's outstanding stock options as of April 30, 2008 and the changes during the year are presented below:

	Number of Shares Under Stock Options	Weighted average Exercise Price Per Share
Balance Outstanding, April 30, 2007	6,092,000	\$ 0.243
Granted	3,747,000	0.360
Granted	4,900,000	0.210
Expired	(600,000)	0.225
Exercised	(460,000)	0.225
Exercised	(160,000)	0.230
Exercised	(254,000)	0.365
Exercised	(414,000)	0.360
Balance Outstanding, April 30, 2008	<u>12,851,000</u>	

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

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

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

Incentive stock options outstanding at April 30, 2008 to directors, officers and employees are as follows:

Number of options Outstanding and exercisable	Expiry date	Exercise price
270,000	July 25, 2008	\$ 0.225
712,000	February 9, 2009	\$ 0.225
913,000	June 17, 2009	\$ 0.225
525,000	September 1, 2009	\$ 0.225
500,000	November 1, 2009	\$ 0.260
328,000	February 22, 2010	\$ 0.225
350,000	January 10, 2011	\$ 0.225
670,000	March 3, 2011	\$ 0.230
350,000	May 31, 2011	\$ 0.365
3,333,000	June 27, 2012	\$ 0.360
4,900,000	January 13, 2013	\$ 0.210
<u>12,851,000</u>		

The fair value of the 3,747,000 stock options granted on June 28, 2007 and 4,900,000 stock options granted on January 14, 2008 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% / 96%
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. The weighted average fair value of the 4,900,000 options granted on January 14, 2008 was \$0.17 per option granted. Those stock options resulted in a stock-based compensation of \$1,544,930 which is expensed during the year ended April 30, 2008.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

Note 7. Capital Stock (cont'd)

(f) Share Purchase Warrants – Common Shares

	<u>Warrants</u>	<u>Expiry Date</u>	<u>Exercise Price</u>
	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
Balance Outstanding, April 30, 2007	30,225,025		
Issued	17,552,517	June 7, 2010	\$0.50
Issued	17,552,517	June 7, 2010	\$1.00
Issued	3,451,303	June 7, 2009	\$0.50
Issued	2,081,395	September 4, 2010	\$0.50
Issued	35,800	September 6, 2010	\$0.50
Issued	35,800	September 6, 2010	\$1.00
Issued	416,279	September 6, 2009	\$0.50
Issued	6,275,679	September 27, 2010	\$0.50
Issued	6,275,678	September 27, 2010	\$1.00
Issued	1,255,135	September 27, 2009	\$0.50
Issued	2,715,000	October 21, 2010	\$0.50
Issued	660,288	November 18, 2009	\$0.50
Issued	325,000	November 18, 2010	\$0.50
Issued for Novawest property acquisition	2,000,000	June 19, 2012	\$0.35
Issued for Cascadia property acquisition	2,000,000	August 16, 2012	\$0.35
Exercised	(1,689,500)		\$0.30
Balance Outstanding, April 30, 2008	91,167,916		

(g) Share Reserved – Common Shares

<u>Details</u>	<u>Number of Shares</u>	
	<u>April 30</u>	
	<u>2008</u>	<u>2007</u>
Stock options	12,851,000	6,092,000
Share Purchase Warrants	91,167,916	30,225,025
TOTAL	<u>104,018,916</u>	<u>36,317,025</u>

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

Note 8. Accumulated Other Comprehensive Loss

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 is recorded as unrealized gain or loss. An adjustment in the amount of \$6,973 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 accumulated other comprehensive income (loss) during the year includes:

	2008	2007
Balance, beginning of year	-	-
Modification to accounting principles related to investments available for sale (Note 2(d)(i))	\$ 6,973	-
Unrealized loss from marketable securities	(175,745)	-
Balance, end of year	\$ (168,772)	-

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 April 30, 2008 (April 30, 2007 - \$Nil).

During the years ended April 30, 2008 and 2007, the Company was charged the following amounts by directors and officers, and their immediate family of the Company or by companies controlled by directors, officers, and related parties:

	Year ended April 30,	
	2008	2007
Consulting fees		
- Financial	\$ 30,000	\$ 30,000
- Marketing	51,950	44,000
- Shareholders' communication	63,750	63,750
Management fees	221,000	97,500
Professional fees	45,600	-
Salaries	129,890	-
Website fees	32,175	20,250
Deferred exploration costs	172,880	151,500
Total	\$ 747,245	\$ 407,000

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

Note 9. Related Party Transactions (cont'd)

During the year ended April 30, 2008, the Company acquired 366,800 common shares of Masuparia Gold Corporation ("Masuparia"), a company with common directors and management, by exercising share purchase warrants. The Company also disposed 100,000 common shares of Inlet Resources Ltd., a company with common directors and management, during the current year (Note 4).

On August 30, 2004, the Company issued 3 million common shares to Masuparia in accordance with a property acquisition agreement. Those shares were held in escrow by the Company's escrow and transfer agent, and were fully released in February 2008.

On August 31, 2004, the Company issued 3 million common shares to Inlet Resources Ltd., a company with common directors and management, in accordance with a property acquisition agreement. Those shares were held in escrow by the Company's escrow and transfer agent, and were fully released in September 2006.

As at April 30, 2008, accounts receivable include miscellaneous expenses paid on behalf of a company with common directors and management in the amount of \$12,493 (2007: \$605).

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, 2008, 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
2028	2,718,893
	<u>\$ 8,331,872</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:

	<u>2008</u>	<u>2007</u>
Share issue expenses	\$ 647,759	\$ 207,871
Mineral properties	\$ (2,847,000)	\$ (1,250,369)
Property and equipment	\$ 4	\$ 1,918
Non capital losses carried forward	\$ 2,657,867	\$ 1,797,276
Valuation allowance	\$ (458,630)	\$ (756,696)
Net future tax assets	<u>\$ -</u>	<u>\$ -</u>

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

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 31.90% for 2008 and 2007 as a result of the following:

	Year Ended April 30,	
	2008	2007
Loss before income taxes	(\$3,920,688)	(\$1,295,605)
Combined federal and provincial income taxes	(1,250,699)	(\$414,853)
Amortization of property and equipment	(1,907)	(1,032)
Stock option based compensation	492,833	47,287
Shares issue expenses	(160,251)	(85,478)
Non taxable portion of gain from sales of investments	(1,140)	(6,728)
Unrealized loss from marketable securities	56,063	-
Re-evaluation of marketable securities at May 1, 2007	(2,224)	-
Valuation allowance	(867,325)	(460,804)
Effective income taxes	\$0	\$0

The unamortized balance for tax purposes of share issue expenses amounting to approximately \$2,030,591 is deductible over the next four years.

The federal and provincial deferred exploration expenditures of \$26,315,512 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, 2008, the Company issued flow-through common shares for total consideration of \$10,404,400; these funds were committed for Canadian exploration expenditures and tax benefits were renounced and transfers to the investors during the year ended April 30th 2008

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

Note 11. **Loss per Common Share**

	Year ended April 30, 2008	
	Weighted Average Common Shares Outstanding	Loss Per Common Share
Basic	132,781,745	<u>\$0.030</u>
Effect of stock options	9,671,109	
Effect of stock purchase warrants	78,566,618	
Diluted	221,019,472	<u>\$0.030</u>
Anti Dilutive	132,781,745	

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

Note 12. **Contributed Surplus**

Stock Based Compensation

	Year ended April 30,	
	2008	2007
Balance, Beginning of the Year	\$ 1,887,481	\$ 1,830,221
Reverse fair value of exercised and expired options	(221,040)	(90,420)
Stock-based compensation	1,544,930	147,680
Balance, Ending of the Year	\$ 3,211,371	\$ 1,887,481

Note 13. **General and Administrative Expenses**

	Year ended April 30,	
	2008	2007
Consulting fees		
Financial	\$ 134,507	\$ 134,542
Shareholders' communication	67,250	72,750
Corporate administration	143,100	74,100
Marketing	100,200	64,633
	\$ 445,057	\$ 346,025

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

Note 13. **General and Administrative Expenses (cont'd)**

<u>Office and general expenses</u>	Year ended April 30,	
	2008	2007
Interest and bank charges	\$ 82,110	\$ 2,783
Services	20,425	7,474
Supplies	17,929	32,040
Postage and couriers	5,801	3,835
Rent and telephone	115,398	92,301
Equipment rental	59,757	-
Travel	132	386
Other	4,632	33,192
	\$ 306,184	\$ 172,011

Professional fees	Year ended April 30,	
	2008	2007
Accounting and audit fees	\$ 117,913	\$ 97,416
Legal fees	230,515	62,087
	\$ 348,428	\$ 159,503

Shareholder communication, travel and promotion	Year ended April 30,	
	2008	2007
Advertising & promotion	\$ 10,280	\$ 22,218
Shareholders' communication	2,613	8,939
Conferences & shows	137,234	64,780
Mail-out & couriers	19,718	12,246
Press releases	5,407	2,976
Printing	36,486	22,545
Telephone, internet, website	112,666	93,532
Travel & entertainment	127,879	180,993
Other	2,691	379.00
	\$ 454,974	\$ 408,608

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

Note 14. **Commitments**

On October 24, 2007, the Company engaged PI Financial Corp. (“PI”) as executive consultant with respect to any merger, acquisition, joint venture, substantial asset purchase or sale, or other such transactions contemplated by the Company, or in responding to any offers for such transactions with the Company made by one or more other parties.

Pursuant to the engagement, the Company will pay PI the following fees:

- A \$10,000 retainer fee;
- A fee equal to 2.0% of the total transaction value if 50% or more of the outstanding common shares are acquired by a third party or the Company is combined, merged or amalgamated with another entity;
- A fee of \$150,000 on delivery of a Fairness Opinion, if any;
- Either 250,000 common shares of the Company or \$100,000 cash if a joint venture agreement is entered into between the Company and another company with the subject matter of which is all or a substantial portion of the Company’s mineral properties currently held by it.

The engagement shall terminate on the earlier of April 23, 2009 and the termination by either the Company or PI upon written notice to the other.

Note 15. **Subsequent Events**

- On June 4, 2008, the Company announced that further to its press release dated March 28, 2008 regarding to a letter of intent with Hunter Dickinson (Acquisitions) Inc. (“HD”) (Note 6(k)), HD and the Company have decided to suspend discussions regarding a possible joint venture for the exploration of the Raglan District Properties in Northern Quebec until Wardrop Engineering Inc. completes a National Instrument 43-101 compliant resource estimate report for the Getty and Sylvie showings. There is no certainty as to whether an agreement, whether on the previously announced terms or at all, will be reached and any transaction will remain subject to due diligence by HD, approval of the TSX Venture Exchange, board approvals and the execution of definitive documentation.
- On June 18, 2008, the Company closed its non-brokered private placement previously announced on April 8, 2008 (Note 7(c)) and increased the size on May 30, 2008. The Company issued 21,887,000 units at a price of \$0.125 per unit for gross proceeds of \$2,735,875. Each unit consists of: (a) one common share; and (b) one common share purchase warrant. Each warrant is exercisable into one common share of the Company for a period of one year from the closing at an exercise price of \$0.25.

The Company plans to use the proceeds from the private placement for general working capital purposes. Certain insiders participated in the brokered private placement. A finder’s fee of \$11,875 and 1,020,000 units was payable in connection with a portion of the private placement. 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.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

Note 15. **Subsequent Events (cont'd)**

- On June 20, 2008, the Company announced that it had entered into a letter of intent (the "LOI") with Jilin Jien Nickel Industry Co., Ltd. of Panshi, Jilin, China ("Jien") with respect to a joint venture for the exploration and development of the Company's Raglan District Properties (the "Property") comprising some 891,000 acres in Northern Quebec. The LOI is subject to due diligence by Jien which must be completed within 45 days, approval of the TSX Venture Exchange, board approvals and the execution of definitive documentation. Pursuant to the letter of intent:
 - Jien may earn a 50% interest in the Property by providing funding of \$45 million over three years for exploration on the property (plus any funds rebated by the government for expenditures during the first two years), with a minimum expenditure in the first year of \$12.5 million, a minimum of \$15 million in the second year plus any rebates for expenditures in the first year and a minimum expenditure in the third year of \$17.5 million plus any rebates for expenditures in the second year.
 - Upon Jien acquiring a 50% interest, any government rebate from exploration expenditures in the third year will be applied to a fourth year work program and other costs will be funded 50% by Jien and 50% by the Company.
 - Jien may earn an additional 10% interest by funding and completing a pre-feasibility study.
 - Jien may earn an additional 10% interest by funding and completing a bankable feasibility study.
 - Jien may earn an additional 5% interest by providing the Company its share of financing for development on commercial terms (at the Company's request) in which case the Company will repay its share of the debt from a portion of the net cash flow from production.

Jien has advanced \$5 million to the Company as an advance on the first year's minimum expenditure. If the Company or Jien decide not to enter into definitive documentation, the Company will repay the \$5 million advance plus interest at LIBOR by no later than December 31, 2008. The Company will repay this amount from rebates from the Quebec government.

Jien is one of China's largest producers of nickel, copper and cobalt sulphates, as well as other nickel (Ni) products including Ni chloride, Ni fluoride, Ni acetate, Ni hydroxide, Ni matte and electrolytic Ni. With profitable operations spanning exploration, mining, smelting, refining, and research, Jien brings extensive experience, technical expertise and financial resources to the benefit of a joint-venture with the Company.

The Company has terminated discussions with Hunter Dickinson with respect to a possible joint venture on the Property.

GOLDBROOK VENTURES INC.
NOTES TO FINANCIAL STATEMENTS
April 30, 2008 and 2007

Note 15. **Subsequent Events (cont'd)**

- On July 18, 2008, the Company announced that pursuant to the company's stock option plan, an aggregate of 5,000,000 incentive stock options had been granted to certain directors, officers, employees and consultants. The options have an exercise price of \$0.125 with a five year term.

- On August 7, 2008, the Company announced that further to its news release of June 20, 2008 announcing the execution of a letter of intent (the "LOI") with Jilin Jien Nickel Industry Co., Ltd. ("Jien"), that the Company and Jien have agreed to extend the date by which the obligations set out in the LOI, including the completion and signing of a joint venture agreement, must be completed to August 15, 2008. In consideration of the extension of the LOI and to continue funding the current exploration program in Raglan, Jien has provided the Company with an additional \$1.5 million. If the Company or Jien decide not to enter into definitive documentation, the Company will repay the \$1.5 million, together with the \$5 million previously advanced under the LOI, plus interest at LIBOR, by no later than December 31, 2008. The Company will repay this amount from rebates from the Quebec government. The transaction remains subject to approval of the TSX Venture Exchange, board approvals and the execution of definitive documentation.