Consolidated Financial Statements
(Expressed in Canadian dollars)

MOSQUITO CONSOLIDATED GOLD MINES LIMITED

Unaudited – Prepared by management without review from the Company's auditor.

Third quarter ended March 31, 2007 and 2006

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.
CONSOLIDATED BALANCE SHEETS
Unaudited – Prepared by management
MARCH 31, 2007 AND JUNE 30, 2006

		March 31, 2007		June 30, 2006
ASSETS				
CURRENT				
Cash	$	4,136,634	$	1,787,894
Marketable securities (Note 3)		1,136,410		355,295
Note receivable (Note 4)		39,637		59,300
Accounts receivable (Note 6a)		208,167		363,162
Prepaid expense		-		25,000
		5,520,848		2,590,651
INVESTMENT		1		93,750
PLANT AND EQUIPMENT (Note 5)		635,904		343,522
MINERAL PROPERTIES (Note 6 and 7)		3,783,478		1,920,283
RECLAMATION DEPOSITS		57,738		57,738
	$	9,997,969	$	4,912,195
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT				
Accounts payables and accrued liabilities	$	156,449	$	103,538
Due to related parties (Note 7)		71,959		462,968
		228,408		566,506
SHAREHOLDERS' EQUITY				
Share capital (Note 8)		19,914,114		18,230,914
Contributed surplus		2,451,285		881,530
Deficit		(12,595,838)		(14,766,755)
		9,769,561		4,345,689
	$	9,997,969	$	4,912,195

ON BEHALF OF THE BOARD:

_"Patrick Bronson"_______________
Director

_"William Jefferies"_________________
Director

See accompanying notes

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
Unaudited – Prepared by management
FOR THREE MONTHS AND NINE MONTHS ENDED MARCH 31, 2007 AND 2006

	Three Months Period Ended March 31, 2007	Three Months Period Ended March 31, 2006	Nine Months Period Ended March 31, 2007	Nine Months Period Ended March 31, 2006
Expenses:				
Amortization	$ 56,707	$ 9,276	$ 73,659	$ 27,155
Bank charges and interest	990	15,606	4,008	15,775
Consulting fees	54,149	34,700	116,753	116,490
Geological research	-	-	-	-
Investor relations and website	67,780	-	107,700	-
Management fees (note 7)	39,000	39,000	117,000	117,000
Occupancy costs	3,707	4,500	13,.500	15,560
Office and miscellaneous	22,475	6,077	31,757	12,396
Property repairs & maintenance	24,882	18,408	41,452	74,113
Professional fees (note 7)	21,090	7,464	77,597	51,595
Shareholder information, transfer agent and filing fees	13,894	9,040	25,119	9,309
Stock-based compensation	-	-	1,569,755	-
Telephone	6,563	3,954	13,158	10,335
Travel and promotion	53,781	38,903	120,573	91,426
	365,018	186,928	2,312,031	541,154
Income (loss) before under noted items	(365,018)	(186,928)	(2,312,031)	(541,154)
Investment income	48,999	-	65,908	1,098
Gain on marketable securities	425,133	-	594,066	2,407
Net smelter royalty	-		-	54,293
Gain on sale of property option	-	-	3,822,974	(13,226)
Equity income (loss)	-	-	-	(5,602)
Income (Loss) for the period	120,698	(186,928)	2,170,917	(502,184)
Deficit, beginning of period	(12,716,536)	(13,944,489)	(14,766,755)	(13,629,233)
Deficit, end of period	$ (12,595,838)	$ (14,131,417)	$ (12,595,838)	$ (14,131,417)
Basic and fully diluted earnings (loss) per share	$ 0.01	$ (0.01)	$ 0.09	$ (0.01)

See accompanying notes

MOSQUITO CONSOLIDATED GOLD MINES LIMITED.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited – Prepared by management
FOR THREE MONHTS AND NINE MONTHS ENDED MARCH 31, 2007 AND 2006

	Three Months Period Ended March 31, 2007	Three Months Period Ended March 31, 2006	Nine Months Period Ended March 31, 2007	Nine Months Period Ended March 31, 2006
Cash provided by (used for):				
Operations:				
Net Income (Loss) for the period	$ 120,698	$ (186,928)	$ 2,170,917	$ (502,184)
Items not requiring (providing) cash:				
Amortization	56,707	9,276	73,659	27,405
Gain on sale of mineral option	-	-	(3,822,974)	13,226
Gain on marketable securities	-	-	-	(2,407)
Stock-based compensation	-	-	1,569,755	-
Equity loss	-	-	-	5,602
Net changes in non-cash operating working capital:				
Accounts receivable	17,501	(21,438)	154,995	(111,357)
Prepaid	-	-	25,000	-
Marketable securities	(436,717)	-	(781,115)	-
Note receivable	(1,779)	-	19,663	-
Accounts payables	127,927	4,326	52,911	4,385
	(115,664)	(194,764)	(537,189)	(565,330)
Cash flow from financing activities:				
Due to related parties	7,737	36,969	(391,009)	19,210
Shares to be issued	-	-	-	(150,000)
Shares issued for cash	537,500	-	1,683,200	1,146,750
	545,237	36,969	1,292,191	1,015,960
Cash flows from investments activities				
Exploration and acquisition expenditure	(648,482)	(422,456)	(2,040,221)	(1,116,680)
Reclamation deposit	-	-	-	(5,500)
Purchase of plant and equipment	(288,056)	(6,382)	(366,041)	(80,609)
Proceeds from mineral property option	-	-	4,000,000	550,000
Proceeds from sale of securities	-	-	-	74,147
	(933,534)	(428,838)	1,593,738	(578,642)
Increase (decrease) in cash	(503,961)	(586,633)	2,348,740	(128,012)
Cash, beginning of period	4,640,595	706,210	1,787,894	247,589
Cash, end of period	$ 4,136,634	$ 119,577	$ 4,136,634	$ 119,577
Supplementary information				
Income tax paid	$ -	$ -	$ -	$ -
Interest paid	-	-	-	-
Other information				
Shares issued - property acquisition	-	-	-	63,000

See accompanying notes

1. NATURE OF AND CONTINUANCE OF OPERATIONS

The Company's principal business activities include acquiring and developing mineral properties. At March 31, 2007, the Company's principal mineral property interests are located in Canada, USA and Australia.

These consolidated interim financial statement shave been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative basis and consistence basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual financial statements. Certain information and footnote disclosure normally included in consolidated financials statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These interim periods statements should be read together with the audited consolidated financial statements and the accompanying notes included in the Company's latest annual report. In the opinion of the management, all adjustments considered necessary for fair presentation have been included in these consolidated financial statements.

The Company is in the process of exploring and/or developing properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the property, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. The amounts shown as exploration expenditures represent net costs to date, less amounts amortized and/or written off, and do not necessarily represent present or future values.

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Use of estimates and assumptions

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates and assumptions relate to the determination of the carrying values of mineral properties, investments and equipment, determination of fair value for financial instruments and stock based transactions. Financial results as determined by actual events could differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Plant and equipment

Mine plant and equipment is recorded at cost and amortized on a declining balance method at the rates of 20% and 30%.

The carrying value of all categories of plant and equipment are reviewed for impairment whenever changes in events or circumstances indicate the recoverable value may be less than the carrying amount. Recoverable value is based on estimates of undiscounted future net cash flows expected to be recovered from specific assets or groups through use or future disposition.

Mineral properties

The Company defers the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Costs of producing properties will be amortized on a unit of production basis and costs of abandoned properties are written off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess charged to operations. Write-downs due to impairment in value are charged to operations. Option payments received in excess of costs incurred are credited to income.

The Company reviews the carrying value of its mineral properties on a regular basis. Management's estimates of mineral prices, recoverable proven and profitable reserves, operating capital, and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. The recoverability of the amounts shown for mineral properties and interests is dependent on the confirmation of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to successfully complete their development and future profitable operations. The amounts shown for mineral properties represent costs incurred to date, less write-downs and sale, and do not necessarily reflect the present or future values.

The Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, but these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Foreign currency translation

These financial statements are presented in Canadian dollars. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates which prevailed at the balance sheet date. Non-monetary items are translated at historical exchange rates, except for items carried at market value, which are translated at the rate of exchange in effect at the balance sheet date. Revenue and expenses are translated at average rates of exchange during the year. Exchange gains or losses arising on foreign currency translation are included in the determination of operating results.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Stock-based compensation

The Company has a stock-based compensation plan whereby stock options are granted in accordance with the policies of regulatory authorities.

The Company applies the fair value method to all grants of stock options after January 1, 2003. All stock options granted are accounted for as a capital transaction at the time of the grant and are reflected as contributed surplus in shareholders' equity. The fair value of options granted is estimated at the date of grant using the Black-Scholes option pricing model incorporating assumptions regarding risk-free interest rates, dividend yield, volatility factor of the expected market price of the Company's stock, and a weighted average expected life of the options. The estimated fair value of the options is recorded over the options' vesting period. Any consideration paid on amounts attributable to stock options is credited to share capital.

Financial Instruments

The Company's financial instruments may consist of cash, marketable securities, note receivable, accounts receivable, accounts payable and accrued liabilities and amounts due to related parties. The fair value of the Company's financial instruments are estimated by management to approximate their carrying values based on their immediate or short-term maturity.

3. MARKETABLE SECURITIES

The Company has the following marketable securities:

	Number of shares	March 31, 2007 Value	June 30, 2006 Value
Golden Cariboo Resources Inc.	43,000	$ 3,010	$ 2,765
Kobex Resources Limited	375,000	918,750	345,000
International Wayside Gold Mines	748,182	183,305	-
Cash		23,745	-
Trade Winds Ventures Inc.	20,000	7,600	7,500
		$ 1,136,410	$ 355,295

4. NOTE RECEIVABLE

On November 1, 2005, the Company executed a promissory note in the amount of $54,908, bearing 12% interest per annum, secured mining equipment with capital and accrued interest payable on November 1, 2006. The Company has received a payment of $25,000.

5. PLANT AND EQUIPMENT

March 31, 2007	Cost	Accumulated Amortization	March 31, 2007 Net Book Value	June 30, 2006 Net Book Value
Office equipment and furniture	$ 182,036	$ (161,942)	$ 20,094	$ 17,873
Mill cost	-	-	-	102,161
Mine equipment and vehicle	1,939,316	(1,323,506)	615,810	223,488
	$ 2,121,352	$ (1,485,448)	$ 635,904	$ 343,522

6. MINERAL PROPERTIES

March 31, 2007	Note 7	July 1, 2006	Current period Additions, Expenditures, Disposal	Accumulated Amortization, Depletion and Write-downs	March 31, 2007
Cariboo Mining District , BC, Canada	a	$11,860,932	$ (74,864)	($11,786,069)	$ 1
Brett 1 and 2, BC, Canada	d	141,599	(4,856)	-	136,743
Laverty and Cumming Claim, Red Lake, Ontario, Canada	e	88,700	-	-	88,700
Cumo Molybdenum Property, Boise County, Idaho, USA	f	1	214,602	-	214,603
Red Lake Gold Property, Red Lake, Ontario, Canada	i	28,095	5,163	-	33,257
Blackpoint property, Nevada, USA	h	82,819	-	-	82,819
Pine Tree Property, Nevada, USA	g	1,125,046	1,133,935	-	2,358,981
Trikay Property, Queensland, Australia	j	19,696	1,459	-	21,155
Statlu Aggregate Project, BC, Canada	m	175,088	16,418	-	191,506
Spruce Mountain Molybdenum Project, Elko, Nevada, USA	n	84,375	571,340	-	655,715
Balance, March 31, 2007		$13,706,351	$ 1,863,196	($11,786,069)	$3,783,478

June 30, 2006	Note 7	January 1, 2006	Current period Additions, Expenditures, Disposal	Accumulated Amortization, Depletion and Write-downs	June 30, 2006
Cariboo Mining District, BC, Canada	a				
Acquisition		$1,315,001	$ -	$ -	$1,315,001
Exploration and development		7,144,168	-	-	7,144,168
General and administration		1,231,026	-	-	1,231,026
Adit		2,170,737	-	-	2,170,737
Amortization, proceeds and write-downs		-	-	(11,786,068)	-11,786,068
		11,860,932	-	(11,786,068)	74,864
Brett 1 and 2, BC, Canada	d	141,599	-	-	141,599
Laverty and Cumming Claim Group, Red Lake, Ontario, Canada	e	88,700	-	-	88,700
Cumo Molybdenum Property, Boise County, Idaho, USA	f	1	-	-	1
Red Lake Gold Property, Red Lake, Ontario, Canada	i	25,676	2,421	-	28,095
Blackpoint property, Nevada, USA	h	82,819	-	-	82,819
Pine Tree Property, Nevada, USA	g	641,829	583,267	-	1,225,096
Iris, Russia	k	-	-	-	-
Zun Hada, Russia	l	-	-	-	-
Trikay Property, Queensland, Australia	j	1,832	17,864	-	19,696
Statlu Aggregate Project, BC, Canada	m	-	175,088	-	175,088
Spruce Mountain Molybdenum Project, Elko, Nevada, USA	n	-	84,375	-	847.375
Balance, June 30, 2006		$12,843,388	$862,963	($11,786,068)	$1,920,283

6. MINERAL PROPERTIES (cont.)

a. Cariboo Gold Quartz property, British Columbia, Canada

The Company has a 100% interest, subject to a 10% net profits interest, in the mining properties known as the Mosquito Creek Gold property and the Cariboo Gold Quartz property. These properties are located in the Cariboo Mining District of British Columbia, Canada.

During August 2003 the Company entered into a Property Option Agreement with Wayside Gold Mines Limited ("Wayside") for the 50% interest in the Cariboo Gold Quartz Mineral Claims and a 100% interest in the Mosquito Mine Mineral Claims (the "Property") excluding the placer mining rights. The mill, all buildings and hoist on the claims are included as part of the Property.

The new option agreement provides for the following:

- Wayside must make the following cash payments to the Company:
  - $50,000, on the signing of the agreement (received);
  - $450,000 on or before September 15, 2003 (received);
  - $500,000 on or before August 31, 2004 (received);
  - $500,000 on or before August 31, 2005 (received);
  - $500,000 on or before August 31, 2006 (received); and,
  - $3,500,000 on or before December 31, 2006; (received)
- Any time prior to the exercise of the option, Wayside would have the exclusive right to extract bulk samples (the "Bulk Sample") from the Properties in two stages. The first stage would involve 40,000 tons of sample material or recovery of not more that 15,000 ounces of refined gold, whichever is achieved first, followed by a second stage of bulk sampling program of the second stage 40,000 tons of sampled material or recovery of not more that 15,000 ounces of refined gold, whichever is achieved first.
- Wayside will be responsible at its cost to maintain the Properties and to keep the permits in good standing and be responsible for all environmental and reclamation compliance.
- The Company will be entitled to receive a royalty of 5% Net Smelter Return ("NSR") derived from Bulk Sample. Upon exercise of the option by Wayside, the Company's royalty will revert to 3% NSR; Wayside would be responsible to satisfy 10% Net Profit Interest in relation to the property. As at December 31, 2005, Wayside has extract bulk sample and the Company computed the NSR receivable to be $241,342 of which $54,293 has been received from Wayside. The Company settled the outstanding amount of $187,048 for 748,182 common shares of Wayside

b. Wells-Barkerville, British Columbia, Canada

During the year ended December 31, 2000, the Company with the former president of the Company acquired 117 claims in Wells-Barkerville, BC. During the year ended December 31, 2001, the former president of the Company and the Company granted to Golden Cariboo Resources Ltd. the sole and exclusive right to earn the 100% right, title and interest in the claims in return for $10,000, 200,000 shares of Golden Cariboo Resources Ltd. and a 2% NSR. Golden Cariboo Resources Ltd. can purchase the 2% NSR from the Company and the former president of the Company for a cash payment of $2,000,000 ($1,000,000 to the Company).

6. MINERAL PROPERTIES (cont.)

c. Tillicum property, British Columbia, Canada

During the year ended December 31, 2002, the Company acquired 1330275 Ontario Ltd. from Mustang Mineral Corp. for a consideration of 200,000 common shares of the Company at an agreed value of $20,000 plus $2,500 (paid) and an additional $27,500 payable by December 31, 2003. During the year ended December 31, 2003, the Company completed the obligations by payment of $20,000. 1330275 Ontario Ltd. held 100% interest in Tillicum property in the Slocan Mining District, BC. During the year ended December 31, 2004, the Company requested an extension of the lease with the original owners and reached a settlement whereby the Company transferred all interest in the property in return for a payment of $10,000 (received subsequent to June 30, 2006). In January 2005 the Company disposed of 1330275 Ontario Ltd. to a relative of a director and officer at its calculated fair market value.

d. Brett #1 and #2, British Columbia, Canada

During the year ended December 31, 2002, the Company acquired 30% interest in the Brett #1 and Brett #2 mineral claims located in the Vernon Mining District of British Columbia from Vicore Mining Developments Ltd. (“Vicore”) for $49,391. During the year ended December 31, 2003, the Company acquired the remaining 70% for a consideration of 500,000 common shares of the Company at an agreed value of $125,000. Vicore retains a 2% NSR.

During the year ended December 31, 2004, the Company executed an Option Agreement whereby the Company optioned 50% of its interest in the Brett Property to Running Fox Resource Corp (“Running Fox”) for 200,000 shares of Running Fox, at an agreed value of $80,000 and Running Fox to incur $500,000 exploration expenditure. During the year ended December 31, 2004, Running Fox incurred the required exploration expenditure.

e. Laverty Property, Red Lake, Ontario, Canada

During the year ended December 31, 2004, the Company acquired a 100% interest in 1156207 Ontario Ltd. for $80,000 with the vendor retaining a 1% NSR. 1156207 Ontario Ltd. holds 100% interest in two groups of patented mineral claims known as the “Laverty Property”, Red Lake, Ontario and the “Cummins Property”, near Larder Lake, Ontario. In connection with the acquisition, the Company issued 15,000 shares at an agreed value of $8,700 as finder’s fee.

6. MINERAL PROPERTIES (cont.)

f. Cumo Molybdenum Property, Idaho, USA

On October 13, 2004, the Company completed an "Option to Purchase Agreement" with Cumo Molybdenum Mining Inc. to purchase 8 unpatented mineral claims located in Boise County, Idaho, USA known as "Cumo Molybdenum Property". The terms of the agreement call for stage advanced royalty payments scheduled as follows:

i.	US $10,000	upon signing (paid)
ii.	US $10,000	60 days after signing (paid)
iii.	US $5,000	6 months after signing (paid)
iv.	US $20,000	Year 1 after signing (paid)
v.	US $20,000	Year 2 after signing (paid)
vi.	US $15,000	Year 3 after signing
vii.	US $15,000	every 6 months thereafter

These payments are to be credited against a 1.5% NSR which reduces to 0.5% NSR after payments of US $3 million. In addition, after 60 days of signing the agreement, the Company will issue 90,000 shares of the Company at an agreed value of $63,900 (issued), further 90,000 (issued) shares after nine months and a further 120,000 (issued) after 18 months. The shares were issued in April 2007.

The Company is required to perform at least US $25,000 worth of work on the property during the first year and at least US $50,000 worth of exploration work each year thereafter for as long as the Option is in effect.

The Company also agreed to pay finder's fees of 60,000 share purchase warrants of the Company with a fair value of $3,080, exercisable at $0.71 per share warrant until December 10, 2006. Subsequent to June 30, 2006 all share purchase warrants have been exercised.

On January 21, 2005, the Company entered into an option agreement with Kobex Resources Ltd. ("Kobex"), whereby Kobex may acquire a 100% interest in two Company properties, the Cumo Molybdenum Property located in Boise County, Idaho and the Trikay Copper-Gold Property in Queensland, Australia. Under the terms of the Agreement, Kobex would earn a 100% undivided interest in these Properties in consideration of cash payment of $5,000,000, 12,500,000 treasury shares and $10,000,000 of work expenditure commitment.

Under the terms of the Agreement, Kobex also assumed certain obligations with respect to the "Option to Purchase Agreement" between Cumo Molybdenum Mining Inc. and the Company, including the minimum advance royalty payments.

On November 7, 2005, the Company signed an amending agreement with Kobex whereby Kobex surrendered all the rights and interest to the Trikay property and in consideration of the surrender of the Trikay property, the Company agreed to reduce all cash payments and expenditures to be made on the Cumo property by 25% and the amount of expenditures was extended by one year.

6. MINERAL PROPERTIES (cont.)

f. Cumo Molybdenum Property, Idaho, USA (continued)

The number of shares to be issued to the Company by Kobex is reduced by 25% as follows:

Option Exercise Schedule	Number of Shares	Payment	Exploration Expenditures
Upon execution of the agreement (1)	-	$ 50,000 (1)	$ -
Upon completion of due diligence and acceptance of filing by regulatory authorities(1)	375,000 (1)	50,000 (1)	-
Earlier of 6 months after signing and the date of regulatory acceptance (1)	-	150,000	-
On or before January 21, 2006	1,125,000	187,500	-
On or before July 21, 2006	-	187,500	-
On or before January 21, 2007	1,500,000	562,500	750,000
On or before January 21, 2008	2,625,000	1,125,000	1,125,000
On or before January 21, 2009	4,375,000	1,500,000	1,500,000
On or before January 21, 2010	-	-	1,875,000
On or before January 21, 2011	-	-	2,250,000
Total	10,000,000	$ 3,812,500	$ 7,500,000

(1) Amounts have been received and shares have issued

Kobex had not issued the shares or made the required cash payments during the period ended December 31, 2006. In the quarter ended September 30, 2006 Kobex surrendered all rights and interests in the Cumo Property to the Company. The Company has filed a statement of claim in the Supreme Court of British Columbia for $375,000, the Canadian equivalent of US $20,000 and 1.12 million shares of Kobex.

g. Pine Tree Copper-Molybdenum Property, Nevada, USA

On May 10, 2005, the Company signed a "Mineral Property Option Agreement" ("Agreement") to purchase certain unpatented mineral claims located in Mineral County, Nevada, USA known as the "Pine Tree Copper-Molybdenum Property". Under the terms of the Agreement, the Company would earn a 100% undivided interest in the Pine Tree Property in consideration of cash payment of US$2,000,000, 300,000 treasury shares and US$150,000 of work expenditure commitment. The summary of the terms are as follows:

Option Exercise Schedule	Number of Shares	Payment	Exploration Expenditures
Within 7 days if signing the agreement (1)	-	$ 10,000 (1)	$ -
Upon approval of TSX-V (1)	50,000 (1)	10,000 (1)	-
On first anniversary of the Agreement	50,000 (1)	25,000(1)	50,000
On second anniversary of the Agreement	60,000 (2)	35,000 (2)	100,000
On third anniversary of the Agreement	60,000	50,000	-
On fourth anniversary of the Agreement	80,000	125,000	-
On fifth anniversary of the Agreement	-	25,000	-
Each year thereafter (2)	-	-	-
Total	300,000	$ 280,000	$ 150,000

(1) Shares have been issued and US $45,000 paid

(2) Shares issued and $35,000 paid subsequent to March 31, 2007

6. MINERAL PROPERTIES (cont.)

g. Pine Tree Copper-Molybdenum Property, Nevada, USA (continued)

(3) The Company would pay $25,000 each year after the fifth anniversary until a total of US$2,000,000 has been paid. These payments would be credited against a 1.5% NSR which after the payment of US$2 million would reduce the NSR to 0.50%.

At any time within 2 years of approval by the TSX-V, the Company may purchase the property outright for US$1,000,000 plus the share consideration. If the Company sells, assigns or creates a joint venture with any third party within two years of the date of the Agreement, the vendors would be entitled to 20% of the share consideration received.

h. Blackpoint exploration property, Nevada, USA

During the year ended December 31, 2005, the Company acquired by staking 49 claims which cover the Blackpoint exploration property near Eureka, Nevada

i. Red Lake Gold Property, Ontario, Canada

On June 10, 2005, the Company signed an "Option to Purchase Red Lake Mineral Claims Agreement" ("Red Lake Agreement") to purchase 4 patented mineral claims located in Bateman Township on the eastern shores of Red Lake, Ontario Canada, known as the "Red Lake Gold Property". Under the terms of the Agreement, the Company would earn a 100% undivided interest in the Red Lake Property in consideration of cash payment of $500,000 follows:

Option Exercise Schedule	Payment	
Upon approval of TSX-V (the "Approval")	$ 25,000	(paid)
On first anniversary of the Approval	50,000	(paid)
On second anniversary of the Approval	75,000	
On third anniversary of the Approval	100,000	
On fourth anniversary of the Approval	250,000	
Total	$ 500,000	

The vendors retained a 2% NSR and the Company may purchase 1% of the NSR at anytime for $1,000,000.

j. Trikay Property, Queensland, Australia

During the year ended December 31, 2004, the Company filed exploration permits covering the Trikay property in Queensland, Australia. On January 21, 2005, the Company entered into an option agreement with Kobex whereby Kobex may acquire a 100% interest in two Company properties, the Cumo Molybdenum Property located in Boise County, Idaho and the Trikay Copper-Gold Property in Queensland, Australia. On November 7, 2005, the Company signed an amending agreement with Kobex whereby Kobex surrendered all the rights and interest to the Trikay property and the Company granted Kobex a right of first refusal for a period of two years in the event the Company wishes to enter into an agreement with a third party.

k. Iris, Russia

During the year ended December 31, 2005 the Company wrote off the carrying value of the property as management had decided to abandon the property.

6. MINERAL PROPERTIES (cont.)

l. Zun Huda, Russia

During the year ended December 31, 2005 the Company wrote off the carrying value of the property as management had decided to abandon the property.

m. Statlu Aggregate Project near Chehalis, British Columbia , Canada

On December 21, 2005, the Company entered into an option agreement whereby the Company would earn a 60% interest in the Statlu Aggregate Project near Chehalis, British Columbia. Under the terms of the Agreement, the Company would finance the project to the time a license of occupation is issued by the Department of Land and Water of British Columbia and a permit is issued which would allow sand and gravels from the property to be mined and sold. If the Company fails to acquire the required license by December 31, 2007, the agreement would expire and be null and void.

n. Spruce Mountain Molybdenum Project, Elko, Nevada, USA

On May 19, 2006, the Company entered into a purchase agreement to purchase 53 patented claims located in Spruce Mountain, Elko County, Nevada, USA, known as the "Shea Aggregate Project". Under the terms of the Agreement, the Company would earn a 100% undivided interest in the Project in consideration of cash payment of US$550,000 paid as follows:

Option Exercise Schedule	Payment	
On or before May 25, 2006	US$ 75,000	(paid)
On or before July 15, 2006	100,000	(paid)
On or before September 15, 2006	100,000	(paid)
On or before November 15, 2006	125,000	(paid)
On or before January 15, 2007	150,000	(paid)
Total	US$ 550,000	

7. RELATED PARTY TRANSACTIONS

The advances and loans are unsecured, bear no interest, and are repayable on demand.

A summary of the amounts charged to the Company by related parties of the Company is as follows:

	2007	2006
Included in operations		
Mineral properties	$ 84,278	$ -
Management fees	117,000	117,000
Professional fees	24,000	-

Any other payments are made as reimbursement of expenses to officers or directors in normal course of business.

8. CAPITAL STOCK

(a) Authorized – unlimited common shares without par

(b) Issued and outstanding:

	Number of Shares	Amount
Balance, December 31, 2005	22,269,303	15,604,562
For cash:		
Pursuant to private placement at $1.08	2,200,000	2,376,000
Finders fee pursuant to private placement	96,074	-
Pursuant to a exercise of stock options at $0.33	5,000	1,650
Re-allocation of Contributed Surplus		1,077
Pursuant to a exercise of warrants at $1.25	64,500	80,625
For other consideration		
Pursuant to the acquisition of Cumo Property	120,000	132,000
Pursuant to the acquisition of Pine Tree Property	50,000	35,000
Balance, June 30, 2006	24,804,877	18,230,914
For cash:		
Pursuant to private placement at $1.25	430,000	537,500
Pursuant to a exercise of warrants at $0.71	60,000	42,600
Pursuant to a exercise of warrants at $1.25	468,000	585,000
Pursuant to a exercise of stock options at $0.33	1,570,000	518,100
Balance, March 31, 2007	27,332,877	$ 19,914,114

(c) Stock options outstanding

Pursuant to the policies of the TSX Venture Exchange ("TSX-V"), the Company may grant incentive stock options to its officers, directors, and consultants. TSX-V policies permit the Company's directors to grant incentive stock options for the purchase of shares of the Company to persons in consideration for services.

The continuity of incentive stock options as at March 31, 2007 is as follows:

Expiry Date	Price ($)	Outstanding July 1, 2006	Granted	Cancelled, Expired Exercised	Outstanding March 31, 2007
September 9, 2006 (1)	0.33	1,620,000	-	(1,620,000)	-
April 5, 2011	1.60	440,000	-	-	440,000
April 18, 2011	1.60	179,000	-	-	179,000
April 18, 2011	1.00	-	2,075,000	-	2,075,000
		2,239,000	2,075,000	(1,620,000)	2,694,000

(d) Share purchase warrants outstanding

Outstanding share purchase warrants as at March 31, 2007 were as follows:

Expiry Date	Price ($)	Outstanding July. 1, 2006	Granted	Exercised	Outstanding March 31, 2007
July 28, 2006	1.25	468,000	-	468,000	-
December 10, 2006	0.71	60,000	-	60,000	-
May 5, 2008	1.45	2,200,000	-	-	2,200,000
March 28, 2009	1.50	-	430,000	-	430,000
		2,728,000	430,000	528,000	2,630,000

9. COMMITMENTS

The Company entered into a contract with Connect Capital Ltd. to provide corporate and investor relation services. The Company is to pay $8,000 per month for a period of one year with provisions for renewal after this initial period. The agreement also grants stock options to Connect Capital Ltd. to purchase 440,000 common shares of the Company at $1.60 per share exercisable for a term of five years from the date of granting.

10. MATERIAL DIFFERENCE BETWEEN CANADIAN AND UNITED STATES OF AMERICA GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP")

The Company prepares its financial statements in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"), which differ in certain respects from those principles that the Company would have followed had its financial statements been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP").

The material differences between Canadian and US GAAP, which affect the Company's financial statements, are described below, and their effect on the financial statements is summarized as follows:

	March 31, 2007	June 30, 2006
BALANCE SHEET		
Total assets, Canadian GAAP	$ 9,997,969	$ 4,912,195
Resource properties	(3,783,478)	(1,920,283)
Total assets, US GAAP	$ 6,214,491	$ 2,991,912
Total liabilities, Canadian and US GAAP	$ 228,408	$ 566,506
Shareholders' equity, Canadian GAAP	$ 9,769,561	$ 4,345,689
Resource properties	(3,783,478)	(1,920,283)
Shareholders' equity, US GAAP	5,986,083	2,425,406
Total liabilities and Shareholders' equity, US GAAP	$ 6,214,491	$ 2,991,912

STATEMENT OF OPERATIONS	March 31, 2007	June 30, 2006
Income (loss) Canadian GAAP	$ 2,170,917	$ (822,226)
Deduct: Capitalized Mineral Property recoveries (expenditures)	(2,040,221)	(862,963)
Net loss in accordance with US GAAP	$ 130,696	$ (1,685,189)
Net loss per share US GAAP	$ 0.01	$ (0.07)

10. MATERIAL DIFFERENCE BETWEEN CANADIAN AND UNITED STATES OF AMERICA GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP") (continued)

STATEMENT OF CASH FLOWS	March 31, 2007	June 30, 2006
Cash flows used in operating activities, Canadian GAAP	$ (537,189)	$ (470,353)
Resource property	(2,040,221)	(827,964)
Cash flows used in operating activities, US GAAP	(2,577,410)	(1,298,317)
Cash flows from financing activities, Canadian and US GAAP	1,292,191	2,508,005
Cash flows used in investing activities, Canadian GAAP	1,593,738	(955,968)
Resource property	2,040,221	827,964
Cash flows used in investing activities, US GAAP	3,633,959	(128,004)
Increase (decrease) in cash, US GAAP	$ 2,348,740	$ 1,081,684

Under Canadian GAAP, mineral property acquisition and exploration expenditures on prospective properties are capitalized until such time as it is determined that further work is not warranted or the property is sold or abandoned, at which point capitalized costs would be written off. Under US GAAP, mineral property acquisition costs are capitalized and exploration costs are expensed as incurred until such time as economic reserves are quantified. The Company has considered the guidance under EITF 04-2 and has determined that capitalization of mineral property acquisition costs is inappropriate at the current stage of the Company's mineral property exploration activities. To date, the Company's mineral interests consist mainly of exploration stage properties. Furthermore, there is uncertainty as to the Company's ability to fund the exploration work necessary to determine if the properties have recoverable reserves or any future economic benefits. As a result, acquisition costs to date are considered to be impaired under US GAAP and accordingly, have been written off as mineral property expenditures. At this stage, the Company has not yet identified economically recoverable reserves on any of its interests. Accordingly, under US GAAP, all exploration costs incurred are expensed.

11. SUBSEQUENT EVENTS

a. Subsequent to March 31, 2007, the Company received regulatory approval for the purchase agreement whereby the Company acquired 6 unpatented claims located in the state of Idaho, USA, known as the "Motley Property". Under the terms of the Agreement, the Company acquired 100% undivided interest in the project in consideration of 100,000 common shares of the Company with a 1% NSR to the vendors and a finder's fees of 10,000 common shares of the Company.

b. In April 2007, the Company staked 40 claims known as "Copper Chief", in Mina, Nevada. These claims are approximately 4 miles north of Pine Tree Project.