EVERTON RESOURCES INC.
(A development stage Company)

Interim Consolidated Financial Statements

January 31, 2008

Management’s Responsibility for Interim Financial Statements

To the Shareholders of Everton Resources Inc.

The interim consolidated financial statements and the notes thereto for the three-month period ended January 31, 2008 are the responsibility of the management of Everton Resources Inc. These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles, using management’s best estimates and judgements where appropriate.

Management has developed and maintained a system of internal controls to provide reasonable assurance that all assets are safeguarded and to facilitate the preparation of relevant, reliable and timely financial information.

The auditors of Everton Resources Inc. have not performed a review of the consolidated financial statements for the three months ended January 31, 2008.

(signed) André Audet	(signed) Marc Carbonneau
André Audet, CEO	Marc Carbonneau, CFO

Everton Resources Inc.
(A development stage Company)
Consolidated Balance Sheets

	January 31, 2008	October 31, 2007
	(Unaudited)	(Audited)
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	4,493,893	2,537,239
Short-term investments (Note 4)	2,493,463	5,468,851
Marketable securities	7,625	10,000
Accounts receivable	269,006	190,507
Amounts due from related parties (Note 7)	78,385	48,492
Tax credits and mining duties receivable	2,041,696	1,904,970
Advances to operators	12,706	12,706
Prepaid expenses	44,163	69,135
	9,440,937	10,241,900
Long term investment (Note 3)	1,200,000	-
Property, plant and equipment (Note 5)	54,826	50,952
Mineral exploration properties (Note 6)	1,533,359	2,201,870
Deferred exploration expenses (Note 6)	6,920,927	6,669,196
	19,150,049	19,163,918
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	576,878	360,603
SHAREHOLDERS' EQUITY		
Share Capital (Note 8)	25,467,445	25,467,445
Warrants (Note 8)	3,616,176	3,616,176
Contributed surplus (Note 9)	2,185,823	1,946,319
Accumulated other comprehensive loss	(9,625)	(7,250)
Deficit	(12,686,648)	(12,219,375)
	18,573,171	18,803,315
	19,150,049	19,163,918

The accompanying notes are an integral part of these interim consolidated financial statements

On behalf of the Board,
(signed) "André Audet"
André Audet, Director

On behalf of the Board,
(signed) "Alain Krushnisky"
Alain Krushnisky, Director

Everton Resources Inc.
(A development stage Company)
Consolidated Operations (unaudited)

	Three months Ended January 31, 2008	Three months Ended January 31, 2007
	$	$
Administrative expenses		
Management and consulting fees	148,661	85,684
Salaries and benefits	246,671	254,178
Travel and promotion	33,940	106,707
Report to shareholders	1,242	1,943
Conferences and subscription	8,802	10,200
Stationery and office supplies	10,617	6,762
Professional fees	52,309	32,686
Insurance	10,148	4,617
Bank charges and interest	1,794	921
General expenses	20,326	20,084
Loss on foreign exchange	6,474	1,391
Amortization of property, plant and equipment	4,468	5,220
	545,452	530,393
Other expenses (income)		
Interest and other income	(84,380)	(10,379)
Write-down of deferred exploration expenses	5,256	11,878
Project evaluation	945	-
	(78,179)	1,499
Net loss	467,273	531,892
Basic and diluted net loss per common share	0.01	0.01
Basic and diluted weighted average number of common shares outstanding	57,473,983	45,912,804

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

Everton Resources Inc.
(A development stage Company)
Consolidated Deferred Exploration Expenses (unaudited)

	Three months Ended January 31, 2008	Three months Ended January 31, 2007
	$	$
Balance, beginning of the period	6,669,196	3,470,563
Additions		
Drilling	247,550	245,504
Project consulting	59,965	3,448
Geophysical survey	75,734	140,649
Geological survey	191,424	136,567
Geochemical survey	67,754	164,156
Report preparation	75,111	11,864
Renewal of licenses and permits	2,743	71,215
General field expenses	141,340	102,201
	861,621	875,604
Contribution of partners	-	(18,731)
	861,621	856,873
Write-down of deferred exploration expenses (Note 6)	(5,256)	(11,878)
Cost of mining properties sold (Note 3)	(467,908)	-
Tax credits and mining duties	(136,726)	(153,070)
	(609,890)	(164,948)
Balance, end of the period	6,920,927	4,162,488

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

Everton Resources Inc.
(A development stage Company)
Consolidated Deficit (unaudited)

	Three months Ended January 31, 2008	Three months Ended January 31, 2007
	$	$
Deficit, beginning of period	12,219,375	9,193,839
Net loss	467,273	531,892
Deficit, end of period	12,686,648	9,725,731

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

Everton Resources Inc.
(A development stage Company)
Consolidated Comprehensive Loss (unaudited)

	Three months Ended January 31, 2008	Three months Ended January 31, 2007
	$	$
Net loss for the period	467,273	531,892
Other comprehensive loss		
Unrealized loss on available-for-sale investment	2,375	2,250
Comprehensive loss for the period	469,648	534,142

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

Everton Resources Inc.
(A development stage Company)
Consolidated Cash Flows (unaudited)

	Three months Ended January 31, 2008	Three months Ended January 31, 2007
	$	$
OPERATING ACTIVITIES		
Net loss	(467,273)	(531,892)
Non-cash items		
Amortization of property, plant and equipment	4,468	5,220
Stock based compensation	239,504	94,995
Write-down of deferred exploration expenses	5,256	11,878
Changes in non-cash working capital items (Note 10)	(32,712)	113,307
Cash flows used in operating activities	(250,755)	(306,492)
INVESTING ACTIVITIES		
Short-term investments	2,975,388	-
Acquisition of property, plant and equipment	(8,342)	(1,939)
Mineral exploration property costs	(63,580)	(100,992)
Deferred exploration expenses	(696,056)	(920,825)
Tax credits and mining duties received	-	247,863
Cash flows from (used) in investing activities	2,207,410	(775,893)
FINANCING ACTIVITIES		
Payments on capital lease obligation	-	(436)
Issue of common shares and warrants, net of share issue costs	-	1,058,778
Cash flows from financing activities	-	1,058,342
Increase (decrease) in cash and cash equivalents	1,956,654	(24,045)
Cash and cash equivalents, beginning of period	2,537,239	1,455,364
Cash and cash equivalents, end of period	4,493,893	1,431,319
Non-cash supplemental information:		
Deferred exploration expenses included in accounts payable	494,881	281,314
Common shares received in exchange of mineral properties	1,200,000	-
Fair value of exercised warrants	-	524,643
Fair value of exercised options	-	35,502

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

1. **Governing statutes and nature of operations**

Everton Resources Inc. (the “Company” or ‘’Everton’’) was incorporated under the Business Corporations Act (Alberta) on November 7, 1996 and commenced operations on December 19, 1996. Until June 2002, the Company was involved in an internet related business. In November 2002, the Company commenced its current nature of operations which involves acquisition, exploration and development of mineral resource properties. The Company is in the exploration stage and does not derive any revenue from the development of its properties.

Until it is determined that the Company’s properties contain mineral reserves or resources that can be economically mined, they are classified as mineral exploration properties. The recoverability of deferred exploration expenses is dependent upon: the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; the ability to obtain necessary financing to complete exploration, development and construction of processing facilities; obtaining certain government approvals; and attaining profitable production.

2. **Basis of presentation and accounting estimates**

The accompanying unaudited consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles (‘’GAAP’’). They are consistent with the policies and practices used in the preparation of the Company’s audited annual consolidated financial statements, except for the adoption of new standards described in the following paragraphs. These interim unaudited consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the years ended October 31, 2007 and 2006.

Effective November 1, 2007, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) under CICA Handbook Section 3862, ‘’Financial Instruments – Disclosures’’, Section 3863, ‘’Financial instruments – Presentation’’ and Section 1535, ‘’Capital Disclosures’’. These new standards relate only to disclosure and presentation and have no impact on the Company’s results.

Section 3862 describes the required disclosure for the assessment of the significance of financial instruments on an entity’s financial position and performance and of the nature and extent of risk arising from financial instruments to which the entity is exposed and how the entity manages those risks.

The purpose of Section 3863 is to enhance the Financial Statements user’s understanding of the significance of financial instruments to the Company’s financial position, performance and cash flows. It carries forward the presentation-related requirements of Section 3861 ‘’Financial Instruments – Disclosure and Presentation’’.

Section 1535 establishes standards for disclosing information about an entity’s capital and how it is managed to enable users of its financial statements to evaluate the entity’s objectives, policies and processes for managing capital.

3. Long term investment

Further to a sale agreement dated November 22, 2007, and amended on December 5, 2007, the Company sold the following 18 properties located in the James Bay Area to NQ Exploration Inc. (''NQ''): Aylmer, Candlestick, Castle (including Castle south), Conviac, Corvet Sud, Eastmain, Eastmain Nord, Gauchet, Jobert, Le Moyne, Morand, Pine Hill, Pine Hill Nord, Pontax, Sakami, Duncan, Wapamisk and Star Lake in exchange for 12,000,000 common shares of NQ valued at a price of $0.10 per share. These commons shares were classified as long term investment and valued at cost.

The sale agreement with NQ is accompanied with the resolutory condition that if the common shares of NQ are not traded on a Canadian stock exchange by December 31, 2008, or on any other subsequent date agreed in writing between the Company and NQ, the sale agreement will be cancelled and the properties will be transferred back to the Company.

As at January 31, 2008, the Company holds a 55% participation in NQ. However, Since NQ has not yet finalized its listing on a Canadian stock exchange, the Company has determined that the cost basis was the appropriate method to account for this investment.

4. Short term investments

Investments (in the form of bankers acceptance) with maturities from the date of acquisition of 90 days to 6 months total $2,493,463 at January 31, 2008 ($5,468,851 at October 31, 2007) with interest rates ranging from 4.53% to 4.98% with maturity on February 22, 2008. Maturities under 90 days total $3,957,277 and are included in cash and cash equivalents, These have interest rates ranging from 3.81% to 4.58**%,** and maturities ranging from February to March 2008. These investments are carried at fair value.

5. Property, plant and equipment

	January 31, 2008			October 31, 2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	$	$	$	$
Computer equipment	40,669	17,843	22,826	21,539
Computer software	31,554	24,632	6,922	3,015
Furniture and equipment	36,531	11,453	25,078	26,398
	108,754	53,928	54,826	50,952

6. Mineral exploration properties and deferred exploration expenses

	January 31, 2008		October 31, 2007	
	Mineral Properties	Deferred Exploration Expenses	Mineral Properties	Deferred Exploration Expenses
	$	$	$	$
a) Opinaca	244,646	2,390,653	194,646	2,314,422
b) Wildcat	250,028	981,096	250,028	909,198
c) Eastmain River Area	-	-	137,887	122,326
c) James Bay Area	56,014	34,774	622,844	331,959
c) Star Lake	-	-	9,333	41,945
d) Cuance	-	842,673	-	733,681
d) Los Hojanchos	-	316,342	-	315,505
e) Loma El Mate	183,836	827,822	183,836	825,539
f) Jobo Claro	302,280	457,730	302,280	261,881
g) Maimon Copper	-	324,730	-	306,582
h) La Mireya	5,635	18,764	5,635	18,764
i) Ampliacion	422,740	671,876	422,740	461,725
i) Loma Hueca	67,940	20,619	67,940	8,804
j) Other	240	33,848	4,701	16,815
TOTAL	1,533,359	6,920,927	2,201,870	6,669,146

a) Opinaca, Quebec

On December 13, 2004, Everton signed an option agreement with Azimut Exploration (''Azimut'') to earn up to 50% in 546 claims by spending $4,800,000 in exploration work and by making cash payments of $340,000 over 5 years. As at January 31, 2008, the remaining commitments are as follows:

	Cash Payments	Exploration Expenses
	$	$
On or before December 9, 2008	60,000	1,200,000
On or before December 9, 2009	60,000	1,300,000
	120,000	2,500,000

Under the same agreement, the Company has the option to increase its interest from 50% to 65% by paying an amount of $40,000 a year to Azimut for the next five years and by incurring minimum work expenditures of $200,000 a year for same period. This increase can only be acquired once the initial payments and minimum exploration expenses have been made.

b) Wildcat, Quebec

On January 25, 2005, Everton acquired a 100% interest in 579 claims grouped in 7 different blocks. These claims were acquired from an independent prospector for cash consideration of $100,000 and the issuance of 300,000 shares of Everton for a value of $120,000. In 2006, the Company increased its land package known as Wildcat by staking an additional 207 claims. These claims are also adjacent to the Eleonore gold discovery.

c) Eastmain River Area, James Bay Area and Star Lake, Quebec

Further to a sale agreement dated November 22, 2007, and amended on December 5, 2007, the Company sold the following 18 properties located in the James Bay Area to NQ Exploration Inc.: Aylmer, Candlestick, Castle (including Castle south), Conviac, Corvet Sud, Eastmain, Eastmain Nord, Gauchet, Jobert, Le Moyne, Morand, Pine Hill, Pine Hill Nord, Pontax, Sakami, Duncan, Wapamisk and Star Lake in exchange for 12,000,000 common shares of NQ valued at $1,200,000.

During the year ended October 31, 2007, the Company had written down the cost of these properties by $426,798 ($260,379 in acquisition cost and $166,419 in deferred exploration expenses) to reflect the estimated net realizable value of the properties.

The mineral properties and deferred exploration expenses in James Bay Area as at January 31, 2008 relate to expenditures incurred on various properties held by the Company, acquired by map-staking.

d) Cuance and Los Hojanchos, Dominican Republic

On August 26, 2003, Everton entered into an option agreement to earn up to 70% in three gold and base metals concessions, namely the Cuance, Los Hojanchos and Loma de Payabo concessions. On February 20, 2008, in an amendment to the initial agreement, Everton agreed to incur exploration expenditures totaling US $1,170,000 by July 31, 2008 to earn a 50% interest in two of these properties, Cuance and Los Hojanchos (a minimum of US $585,000 per concession). These concessions are subject to a 1.5% net smelter royalty, which can be acquired for CDN $750,000. Upon earning the 50% interest, the Company can increase its interest to 70% by completing a bankable feasibility study within two years.

e) Loma El Mate, Dominican Republic

On December 8, 2003, the Company entered into an earn-in agreement with Linear Resources Inc. to acquire a 50% interest in the Loma El Mate Project in exchange for incurring exploration expenditures, issuing shares and paying an option fee. The Company acquired its 50% interest in 2006. In April 2007, the Company signed an option agreement with Linear to increase its interest in the concession to 65%, by incurring all additional expenditures on the concession to the completion of a bankable feasibility study.

f) Jobo Claro, Dominican Republic

In September 2005, Everton signed an agreement with a local concession holder to acquire a 100% interest in the Jobo Claro concession adjacent to the Pueblo Viejo Mine, in the Dominican Republic.

Everton had the exclusive option to evaluate the Jobo Claro project for an initial period of 180 days from the effective date of September 10, 2005, by paying US$30,000 (CAD $36,000). Further to an amendment to this agreement dated March 2006, Everton paid an additional amount of US$30,000 (CAD $34,000) to maintain its option to evaluate the Jobo Claro project, for up to 360 days from the effective date of September 10, 2005. Further to a second amendment dated September 10, 2006, Everton paid an additional amount of US$20,000 (CAD $22,000) to maintain its option to evaluate the Jobo Claro project until March 10, 2007. On March 10, 2007, the Company paid US$180,000 (CAD $210,000) to the local concession holder and acquired a 100% interest in the project.

g) Maimon Copper, Dominican Republic

In January 2005, five polymetallic concessions were granted to the Company, known as Miranda, Loma Blanca, Caballero, Los Naranjos and Tocoa. These five concessions are held 100% by the Company. In November 2005, the Company was granted another three polymetallic concessions, known as La Sidra, El Lliano and La Yautia.

h) La Mireya, Dominican Republic

Under the terms of the agreement with GlobeStar Mining Corp., dated May 2006, Everton exchanged its 50% joint venture interest in the Corozal and Cercadillo nickel laterite concessions in return for GlobeStar's La Mireya gold concession. Everton retains a 1% net smelter royalty on Corozal and Cercadillo while GlobeStar retains a 2% net smelter royalty on La Mireya. GlobeStar and Everton also have the right to purchase half of the other's net smelter royalty at any time for US$500,000 (CAD$498,500).

i) Ampliacion and Loma Hueca, Dominican Republic

In April 2007, the Company obtained an option to acquire from Linear Gold Corp. ("Linear") an undivided 50% interest in the Ampliacion and Loma Hueca Concessions. The Company can earn its interest in the Ampliacion Concession by making cash payments totaling US$700,000 (CAD$697,900), work commitments of US$2,500,000 (CAD$2,492,500) and issuing 1,200,000 common shares over a three-year period. The Company can increase its interest in the concession to 65% by incurring all additional expenditures on the concession to the completion of a bankable feasibility study and by paying Linear US$2,000,000 (CAD$1,994,000) and issuing 1,000,000 additional common shares. The Company can earn its interest in the Loma Hueca Concession by making cash payments totaling US$100,000 (CAD$99,700), work commitments of US$600,000 (CAD$598,200) and issuing 200,000 common shares over a three-year period. The Company can increase its interest in the concession to 65% by incurring all additional expenditures on the concession to the completion of a bankable feasibility study and by paying Linear US$250,000 (CAD$238,000) and issuing 300,000 additional common shares. As at January 31, 2008, the Company had issued 225,000 shares (valued at $315,000), made a cash payment of CAD$125,000 and incurred $692,495 (US $694,578) of exploration expenses on both properties.

j) Other

Other property costs relate mostly to expenditures incurred on various concessions held in the Dominican Republic.

7. Related party transactions

Related party transactions not disclosed elsewhere in these financial statements are as follows:

Under an agreement between the Company and Majescor Resources Inc. (which shares common management), the Company pays the cost of shared salaries and benefits, rent and office expenses which are then reimbursed at cost by Majescor Resources Inc. During the period, the cost of shared salaries and benefits was $27,801 (2007 - $64,236) and rent and office expenses were $10,599 (2007 - $8,280). Included in amounts due from related parties is nil (2007 - $27,681) due from Majescor Resources Inc.

Under an agreement between the Company and Uranium World Energy Inc. (which shares common management), the Company receives a quarterly compensation of $16,250 (2007 – $16,250) from Uranium World Energy Inc. for administrative services provided by the Company’s employees (bookkeeping, filings and other accounting services). Included in amounts due from related parties is nil (2007 – $11,483) due from Uranium World Energy Inc.

Under an agreement effective October 1, 2007 between the Company and Mazorro Resources Inc. (which shares common management), the Company pays the cost of shared salaries and benefits, rent and office expenses which are then reimbursed at cost by Mazorro Resources Inc. The cost of shared salaries and benefits for the period was $23,451 (2007 - nil) and rent and office expenses were $2,949 (2007 - nil). Included in amounts due from related parties is $17,708 (2007 - $9,328) due from Mazorro Resources Inc.

Under an agreement between the Company and Adventure Gold Inc. (which shares common management), the Company pays the cost of shared salaries and benefits, rent and office expenses which are then reimbursed at cost by Adventure Gold Inc. The cost of shared salaries and benefits for the period was $23,424 (2007 - nil) and rent and office expenses were $2,826 (2007 - nil). Included in amounts due from related parties is $33,350 (2007 - nil) due from Adventure Gold Inc.

Also, included in amounts due from related parties is $27,327 (2007 - nil) due from Pan Caribbean Minerals Inc. (which shares common management) which relates to an advance made to Pan Caribbean Minerals Inc. during the period.

These transactions were measured at the exchange amount, that is the amount established and accepted by the parties and were conducted in the normal course of business.

The amounts due from related parties are without interest and terms of repayment.

8. Share capital

a) Authorized

Unlimited number of common shares without par value.

Issued

	Three months Ended January 31, 2008 Number of shares	$
Balance, beginning and end of period	57,473,983	25,467,445

b) Warrants

As at January 31, 2008, the outstanding number of warrants exercisable into common shares is as follows:

	January 31, 2008		
	Number of warrants	Weighted average exercise price price $	Black-Scholes Value $
Balance, beginning of period	5,975,000	1.61	3,616,176
Granted	-	-	-
Exercised	-	-	-
Balance, end of period	5,975,000	1.61	3,616,176

Description	Number	Exercise Price $	Expiry Date
February 2007 private placement	5,000,000	1.65	August 20, 2008
Broker Warrants	975,000	1.38	August 20, 2008
	5,975,000		

c) Stock option plan

The following table sets out the activity in stock options:

	Three months Ended January 31, 2008	
	Number of options	Weighted average exercise price $
Balance, beginning and end of period	4,963,850	0.65

As at January 31, 2008, the following options were outstanding and exercisable:

Range of exercise prices	Number outstanding	weighted average remaining Contractual life	Weighted average exercise price	Number exercisable
$0.20-$0.45	2,603,850	1.36	$0.34	2,603,850
$0.78-$1.38	2,360,000	3.94	$0.95	1,422,500
	4,963,850			4,026,350

The Company has recorded the following amounts as stock based compensation:

	Three months Ended January 31, 2008	Three months Ended January 31, 2007
	$	$
Management and consulting fees	116,514	41,893
Salaries and benefits	122,990	53,102
Total stock based compensation	239,504	94,995

9. Contributed surplus

Contributed surplus consists of the following components:

	Three months Ended January 31, 2008	Three months Ended January 31, 2008
	$	$
Balance, beginning of period	1,946,319	1,218,909
Stock-based compensation cost	239,504	94,995
Black-Scholes value of exercised options	-	(35,502)
Balance, end of period	2,185,823	1,278,402

10. Changes in non-cash working capital items

Changes in the non-cash working capital consists of the following items:

	Three months Ended January 31,2008 $	Three months Ended January 31,2007 $
Accounts receivable	(78,499)	82,158
Amounts due from related parties	(29,893)	-
Prepaid expenses	24,972	26,648
Advances to operators	-	(3,220)
Accounts payable and accrued liabilities	50,708	7,721
Total changes in non-cash working capital	(32,712)	113,307

11. Segmented information

The Company has determined that it only operates in one segment, being acquisition, exploration and development of mineral properties for economically recoverable reserves. Long term assets segmented by geographical area are as follows:

	January 31, 2008 $	October 31, 2007 $
Canada	4,016,920	4,990,408
Dominican Republic	4,492,192	3,931,609
Total	8,509,112	8,922,017

12. Risk management, Financial instruments and Capital management

The Company's risk management is coordinated by the officers of the Company, in close-cooperation with the members of the board of directors.

The Company's financial instruments at January 31, 2008 consist of cash and cash equivalents, short term investments, marketable securities, receivables and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

The Company has limited exposure to financial risk arising from fluctuations in foreign exchange rates (US dollars and Dominican Peso ''DOP'') and the degree of volatility of these rates. As at January 31, 2008, financial assets and liabilities in foreign currency represent cash, accounts receivable and prepaid expenses totaling DOP 661,326 (CA$ 19,700), and accounts payable and accrued liabilities totaling US$405,497 (CAD 404,268). The amount of expenditures in foreign currency during the three-month period ended January 31, 2008 is approximately US$327,000 (CA$326,000) and DOP 5,126,927 (CA$156,000).

The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day projection, 180-day and 360-day lookout periods. Due to the nature of the activities of the Company, funding for long-term liquidity needs are dependent on the company's ability to obtain additional financing, through various means, including equity financing.

The Company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to its shareholders. As long as the Company is in the exploration and development stages of its mining properties, it is not the intention of the Company to contract debt obligations to finance its work programs.

13. Subsequent events

On February 11, 2008, the Company signed an agreement with Ressources Tectonic Inc. to acquire a 100% interest in the Ferricrete and Kan exploration properties, situated in the Fosse du Labrador by making cash payments of $70,000 over three years and by incurring $310,000 in exploration expenses.

On March 25, 2008 the Company received a notice from the optionor under the Miches option agreement, disputing the Company's termination of that agreement on September 21, 2007 after incurring approximately US$340,000 (CA$325,000) of a proposed second year work program of US$600,000. The notice claims damages for wrongful termination in the amount of US$600,000. The Company, with assistance from its legal advisors, is currently reviewing the merits of this claim

14. Comparative figures

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