

# **DOMÉ VENTURES CORPORATION**

## **Interim Consolidated Financial Statements**

Three months ended December 31, 2007

### **Notice Concerning Auditor Review**

(The accompanying financial statements for the quarters ended December 31, 2007 and 2006 have not been reviewed or audited by the Company's auditor)

**Suite 2200, 885 West Georgia Street, Vancouver, B.C. V6C 3E8  
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**[www.domeventures.com](http://www.domeventures.com)**

**DOME VENTURES CORPORATION**  
**INTERIM CONSOLIDATED BALANCE SHEETS**  
(Expressed in US Dollars)

	December 31, 2007 \$ (unaudited)	September 30, 2007 \$ (audited)
<b>ASSETS</b>		
Current Assets		
Cash	\$ 4,534,731	\$ 4,876,813
Prepaid expense and other assets	8,162	9,513
	4,542,893	4,886,326
Deferred exploration costs (Note 5)	1,397,647	1,092,271
	\$ 5,940,540	\$ 5,978,597
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 150,473	\$ 126,822
	150,473	126,822
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock (Note 4)	15,845	15,845
Contributed surplus (Note 4)	10,707,164	10,699,046
Deficit	(4,932,942)	(4,863,116)
	5,790,067	5,851,775
	\$ 5,940,540	\$ 5,978,597

Approved on behalf of the board:

"Brian D. Edgar"  
Brian D. Edgar, Director

"William A. Rand"  
William A. Rand, Director

**DOMESTIC VENTURES CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME AND DEFICIT**  
(Expressed in US Dollars)  
(unaudited)

	For the three months ended December 31, 2007 (unaudited)	For the three months ended December 31, 2006 (unaudited)
Expenses:		
Exploration costs	\$ 20,189	\$ 64,464
Regulatory fees	9,460	13,936
Management fees	17,206	16,200
Office and miscellaneous	17,778	9,077
Professional and consulting fees	13,913	14,350
Rent	8,100	8,100
Travel and entertainment	4,287	-0-
Wages and benefits	66,852	56,614
Stock-based compensation	8,118	429
Foreign exchange (gain) loss	(45,806)	211,395
Less: Interest and other income	(50,271)	(49,844)
	69,826	344,721
Net (income) loss for the period	69,826	344,721
Deficit – beginning of period	4,863,116	5,333,028
Deficit – end of period	\$ 4,932,942	\$ 5,677,749
(Income) loss Per Share - basic	0.007	0.034
(Income) loss Per Share –fully diluted ( Note 2 (f))	-0-	-0-
Weighted average number of shares - basic	10,230,000	10,000,000
Weighted average number of shares – diluted (Note 2 (g))	(anti-dilutive)	(anti-dilutive)

**DOMEST VENTURES CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in US Dollars)  
(unaudited)

	For the three months ended December 31, 2007 (unaudited)	For the three months ended December 31, 2006 (unaudited)
<b>Operating Activities:</b>		
Net income (loss) income from operations	\$ (69,826)	\$ (344,721)
Items not involving cash		
Stock-based compensation expense	8,118	429
Changes in non-cash working capital items		
Prepaid expenses	1,351	137
Accounts payable and accrued liabilities	23,651	(6,189)
<b>Net cash (used) in operating activities</b>	<b>(36,706)</b>	<b>(350,344)</b>
<b>Financing Activities:</b>		
Issuance of shares	-0-	-0-
<b>Net cash (used) in financing activities</b>	<b>-0-</b>	<b>-0-</b>
<b>Investing Activities:</b>		
Restricted cash – indemnity funds held in escrow	-0-	44,643
Deferred exploration costs	(305,376)	(115,560)
<b>Net cash (used) in investing activities</b>	<b>(305,376)</b>	<b>(70,917)</b>
Increase (decrease) in cash and cash equivalents	(342,082)	(421,261)
Cash and cash equivalents, beginning of period	4,876,813	3,946,645
<b>Cash and cash equivalents, end of period</b>	<b>\$ 4,534,731</b>	<b>\$ 3,525,384</b>
Cash and cash equivalents are comprised of:		
Cash in bank	\$ 100,856	\$ 211,802
Short-term money market instruments	4,433,875	3,313,582
	<b>\$ 4,534,731</b>	<b>\$ 3,525,384</b>

**DOMESTIC VENTURES CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**

(Expressed in US Dollars)  
(unaudited)

**1. Nature of Operations**

Dome Ventures Corporation (“Dome” or the “Company”) was incorporated in Canada and domesticated to the United States in 1999. The Company’s permanent establishment is in British Columbia, Canada.

The Company’s principal business activities include the acquisition, exploration and development of mineral properties. The Company is in the exploration stage and has not yet determined whether any of its properties contain ore reserves that are economically recoverable.

**2. Summary of Significant Accounting Policies**

a) Basis of presentation

These interim consolidated financial statements are denominated in US dollars and have been prepared using Canadian generally accepted accounting principles. The accounts include those of the Company and its wholly owned British Virgin Islands subsidiaries Dome Asia Inc., Dome International Global Inc. and Dome Ventures SARL Gabon, as well as Dome International Global Inc.’s 99.99%-owned Nigerian subsidiary Dome Minerals Nigeria Limited.

All significant inter-company transactions and balances have been eliminated on consolidation.

Effective October 1, 2006, the Company adopted new CICA handbook sections 3855 “Financial Instruments – Recognition and Measurement”, CICA 3861 “Financial Instruments – Disclosure and Presentation”, CICA 3865 “Hedges”, CICA 1530 “Comprehensive Income”, and CICA 3251 “Equity”. The new Handbook Sections establish standards governing the recognition and measurement of financial instruments, when and how hedge accounting may be applied, and the reporting and presentation of comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources.

The adoption of these new standards did not result in any changes to these consolidated financial statements.

b) Mineral claims, options and deferred exploration costs

Except for initial examination costs, which are expensed as incurred if a property acquisition is not made, all costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against future income of the project using the unit of production method over estimated recoverable ore reserves. Management periodically and, at least once annually, assesses carrying values of non-producing properties and if management determines that the carrying values cannot be recovered or the carrying values are related to properties that are allowed to lapse, the unrecoverable amounts are expensed.

Management performs its assessment of carrying values by considering the following matters:

- i) Previously identified resource targets are no longer being pursued;
- ii) Exploration results are not promising and no more work is being planned in the foreseeable future; or
- iii) Remaining lease terms are insufficient to conduct necessary studies or exploration work.

**DOMEST VENTURES CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**  
(Expressed in US Dollars)  
(unaudited)

**2. Summary of Significant Accounting Policies (continued)**

c) Foreign currency translation

Monetary assets and liabilities denominated in a currency other than US Dollars are translated at the rate of exchange prevailing at the balance sheet. Non-monetary assets and liabilities, income and expenses denominated in currency other than US Dollars are translated at rates prevailing at the time of the transactions, which is approximated as the average rate for the year. Foreign exchange gains and losses on translation are reflected on that statement of income as incurred.

d) Cash and cash equivalents

Cash and cash equivalents include cash, money market investments and other highly liquid investments with original maturities of three months or less.

e) Stock-based compensation

The Company has a Stock Option Plan, which is described in Note 5(b) of the year-end financial statements ended September 30, 2007, and all accounts for all stock-based payments using the fair value method. Under the fair value method, stock-based payments are measured at the fair value of the equity instruments issued, with the resulting compensation expense recognized over the vesting period of the options granted and a corresponding increase to contributed surplus.

The fair value of stock-based payments to non-employees is re-measured during the vesting period as the options are earned, and any change therein is recognized over the period and in the same manner as if the Company had paid cash instead of paying with or using equity instruments.

f) Earnings per share ("EPS")

Basic EPS is calculated by dividing the net income available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted EPS is calculated using the treasury stock method, which considers the impact of stock options and other potentially dilutive instruments on the Basic EPS calculation.

g) Use of estimates

The preparation of the financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions may affect the reported assets and liabilities and the reported revenue and expenses for the period. Actual results could differ from estimates and assumptions used. Significant areas involving the use of estimates include the assessment of the recoverability of deferred exploration costs and the calculation of stock-based compensation expense.

**3. Financial instruments**

The Company's financial instruments include cash and accounts payable. It is management's opinion that the Company is not exposed to significant interest or credit risk rising from these financial instruments. The fair value of these financial instruments approximate their carrying values due to their relative short-term nature.

**DOMESTIC VENTURES CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**

(Expressed in US Dollars)  
(unaudited)

**4. Capital Stock**

- Authorized:
- 50,000,000 Preferred shares with a par value of \$0.001 per share, of which 20,000,000 are designated Series A Convertible Preferred shares
  - 100,000,000 Common shares with a par value of \$0.001 per share

	Number of Shares Issued	Par Value	Contributed Surplus
Preferred shares issued:			
Balance at December 31, 2007 and September 30, 2007	5,561,537	5,562	6,512,590
Common shares issued:			
Balance at December 31, 2007 and September 30, 2007	10,282,976	10,283	4,186,456
Compensation cost of stock options granted (during the quarter ended December 31, 2007)			8,118
<b>Total capital stock common and preferred</b>		<b>\$ 15,845</b>	<b>\$ 10,707,164</b>

All of convertible preferred shares are convertible to common shares, at the option of the shareholder, on a one-to-one basis at any time. The preferred shares also contain an anti-dilution provision.

- (a) Warrants outstanding: There are no warrants outstanding as at December 31, 2007.
- (b) Options outstanding: During the quarter ended December 31, 2007, there were no options granted. As at December 31, 2007 there were 875,000 stock options outstanding. These are composed of 555,000 stock options at \$0.30 and 320,000 stock options at \$0.38.
- (c) Stock-based compensation: During the period ended December 31, 2007, the amount \$8,118 (2006 - \$nil) of stock-based compensation was recognized for options vesting during the quarter in which were granted to directors and officers of the Company.

**5. Deferred Exploration Costs**

During the three months ended December 31, 2007, the Company spent \$305,376 on mineral exploration activity in Gabon, West Africa. The activity relates to license acquisition, equipment acquisition, administrative set-up costs and geological, geochemical and geophysical investigation. In September 2006, the Company was granted 1 license in Gabon in connection with this activity. The license is effective until September 2008. As at December 31, 2007, total expenses incurred in Gabon of \$1,397,647 have been capitalized as deferred exploration costs in connection with the preceding.

**DOM VENTURES CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**

(Expressed in US Dollars)  
(unaudited)

**5. Deferred Exploration Costs (continued)**

The following table summarizes exploration costs in Gabon by type of costs:

By type of cost	Balance at Sept 30, 2006	Balance at Sept 30, 2007	Additions (disposals)	Balance at Dec 31, 2007
	\$	\$		\$
Camp and housing rental	-0-	34,307	39,704	74,011
Field supplies, equipment and labour	6,327	329,851	109,277	439,128
Field transportation	-0-	146,691	8,180	154,871
Consulting fees	989	34,610	10,508	45,118
Geological, Geophysical & Geochemical	27,547	332,289	94,125	426,414
Maps, reports and sampling costs	-0-	62,002	8,204	70,206
Office and miscellaneous	-0-	11,862	-0-	11,862
Transportation, travel & accommodations	-0-	140,659	35,378	176,037
<b>Total</b>	<b>34,863</b>	<b>1,092,271</b>	<b>305,376</b>	<b>1,397,647</b>

**6. Related Party Transactions**

During the period, pursuant to management contracts, a company owned by two directors of the Company received \$10,000 (2006 - \$10,000) per month (\$5,400 for management services, \$1,900 for accounting and secretarial services and \$2,700 for rental of office premises).

**7. Subsequent Events and Additional Information:**

a) Gabon:

Exploration work continues on the Company's Mitzic exploration license located in Gabon, West Africa. The Company has now received assay results from its Mitzic property for approximately 3,000 stream and soil geochemical samples with approximately 3,000 sample assays remaining to be received from Acme Analytical Laboratories in Burnaby, BC. The remaining assays are expected to be received some time during March.

Preliminary analysis of assay results received indicates the presence of gold, copper, iron ore, nickel, chrome and zinc anomalies on eight identified prospects. Results to date are encouraging but the project is at a very early stage and much more work, including drilling, will be necessary prior to making any reasonable assessment of the presence of economic mineralization. A more complete analysis will be made and published after all geochemical assay results sent for assay are received, plotted and interpreted.

During the quarter ended December 31, 2007, the Company spent \$305,376 on mineral exploration activity and property investigation in Gabon. The activity in Gabon relates to license acquisition, equipment acquisition, administrative set-up costs and geological, geophysical and geochemical investigation.

**DOMEST VENTURES CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**  
(Expressed in US Dollars)  
(unaudited)

**7. Subsequent Events and Additional Information: (continued)**

b) Directors and Officers:

As reported by news release dated December 7, 2007 Mr. Brian Edgar and Mr. William A. Rand purchased 3,461,538 Series A Preferred Shares of the Company owned by the Circle-T Group of Funds. As a result of this share sale, the Circle-T representative on the Company's board, Mr. Friedman, resigned from the board on January 15, 2008.

Mr. Edgar and Mr. Rand have also agreed to purchase an additional 1,153,846 of Series A Preferred Shares from existing Series A Preferred Shareholders. This purchase of Series A Preferred Shares should be completed by the end of March 2008.

c) Notice of Special Meeting:

A special meeting of holders of Series A Convertible Preferred Stock of the Company will be held on February 28, 2008. The meeting will consider and, if deemed appropriate, to pass with or without variation, a resolution to modify the rights of the Series A Shares to provide that the Series A Shares are convertible into shares of Common Stock at the option of the Corporation, by amending the Corporation's Certificate of Designation to Certificate of Incorporation, as more particularly described in the Circular.

In the Notice of Special meeting, the Company gave Series A Preferred Shareholders notice that it will, immediately following the meeting, convert all the issued and outstanding Series A Preferred shares into shares of Common stock on a one for one basis.

**DOMES VENTURES CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2007**

(AMOUNTS IN US DOLLARS UNLESS OTHERWISE INDICATED)

The following discussion and analysis of the results of operations and financial condition ("MD&A") for Dome Ventures Corporation ("Dome" or the "Company") should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2007 and related notes thereto. The financial information in this MD&A is derived from the Company's interim consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles. The effective date of this MD&A is February 25<sup>th</sup>, 2008.

**FORWARD LOOKING STATEMENTS**

Certain statements contained in the following Management's Discussion and Analysis and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of risks set below.

**BUSINESS OF THE COMPANY**

Dome is a mineral exploration company currently conducting mineral exploration activities on a large exploration license in Gabon, West Africa.

**OVERALL PERFORMANCE AND RESULTS OF OPERATIONS**

The Company had a net loss of \$69,826 from operations for the three months ended December 31, 2007 and a net loss of \$344,721 from operations for the three months ended December 31, 2006. The loss for the three months ended December 31, 2006 stems largely from the foreign exchange of currency of Canadian to US funds.

During the three months ended December 31, 2007, regulatory fees were \$9,460 (2006 - \$13,936) with the decrease partially due to higher payments made to the State of Delaware in 2006; management fees were \$17,206 (2006 - \$16,200); rent was \$8,100 (2006 - \$8,100) and wages and benefits were \$74,970 (2006 - \$57,043). The increase in wages and benefits is partially due to stock based compensation of \$8,118 (2006 - \$429).

The balance of expenses for the three months ended December 31, 2007 includes exploration costs of \$20,189 (2006 - \$64,464) with the decrease largely due to the capitalizing of exploration costs in Gabon. Except for initial examination costs, which are expensed as incurred if a property acquisition is not made, all costs related to the acquisition, exploration and development of mineral properties are capitalized; office and miscellaneous of \$17,778 (2006 - \$9,077) with the increase largely related to increased activity; professional and consulting fees of \$13,913 (2006 - \$14,350); and travel and entertainment of \$4,287 (2006 - \$nil).

**SUMMARY OF QUARTERLY RESULTS**

	Quarter ended December 31, 2007 \$	Quarter ended September 30, 2007 \$	Quarter ended June 30, 2007 \$	Quarter ended March 31, 2007 \$
Interest income	50,271	42,834	47,451	45,832
Gain on sale of investment	-0-	448,594	-0-	-0-
Net income (loss)	(69,826)	646,665	233,116	(65,148)
Earnings (loss) per share	(0.007)	0.067	0.02	(0.007)
Earnings (loss) per share, fully diluted (anti-dilutive)	-0-	-0-	-0-	-0-
	Quarter ended December 31, 2006 \$	Quarter ended September 30, 2006 \$	Quarter ended June 30, 2006 \$	Quarter ended March 31, 2006 \$
Interest income	49,844	54,530	58,264	37,449
Gain on sale of investment	-0-	(12,980)	-0-	-0-
Net income (loss)	(344,721)	12,876	(243,127)	(237,791)
Earnings (loss) per share	(0.034)	0.001	(0.024)	(0.024)
Earnings (loss) per share, fully diluted (anti-dilutive)	-0-	-0-	-0-	-0-

The consolidated financial statements of Dome have been prepared in accordance with Canadian generally accepted accounting policies.

**FOREIGN CURRENCY TRANSLATION**

Monetary assets and liabilities denominated in other than US currency are translated at the rate of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities, revenues and expenses denominated in non-US currency are translated at rates prevailing at the time of the transactions. Foreign exchange gains and losses on translation are reflected on the statement of income as incurred.

**CRITICAL ACCOUNTING ESTIMATES**

Management is responsible for applying judgment in preparing accounting estimates. Certain estimates and related disclosures included within the financial statements are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments. The only critical accounting estimates are the recording of stock based compensation and the determination of deferred exploration costs.

**RELATED PARTY TRANSACTIONS**

During the three months ended December 31, 2007, pursuant to management contracts, the Company paid \$10,000 per month (2006 - \$10,000 per month) to Rand Edgar Investment Corp. ("REIC"), a company controlled by two of the Company's directors for management services (\$5,400), accounting and secretarial services (\$1,900) and rental of office premises (\$2,700).

Included in the compensation expense described in Note 4 of the Financial Statements is \$8,118 (2006 - \$429) of stock based compensation recognized for options vesting during the first quarter in which were granted to directors and officers of the Company.

## **LIQUIDITY AND CAPITAL RESOURCES**

The Company's primary source of liquidity is cash and highly liquid investments. Investments include short-term, high quality commercial paper (i.e., debt instruments). As of December 31, 2007 the Company had working capital of \$4,392,420 compared to \$4,759,504 as at September 30, and \$3,380,691 as at December 31, 2006.

At the present stage of exploration activities, the Company has sufficient capital resources to carry out all of its planned activities for its next fiscal year.

## **OUTSTANDING SHARE CAPITAL**

Dome's authorized share capital consists of 100,000,000 shares of common stock with a stated par value of \$0.001 per share and 50,000,000 shares of Preferred Stock, with a par value of \$0.001 per share, of which 20,000,000 shares are designated as Series A Preferred shares. The Series A Preferred shares are convertible into common stock at the option of the shareholders on a one-for-one basis.

## **OUTSTANDING SHARE CAPITAL (continued)**

The following is the stated capital and paid-in capital:

	<b>Issued and Outstanding Shares</b>	<b>Stated Value</b>	<b>Paid-in Capital</b>	<b>Total Recorded Value</b>
Common Stock	10,282,976	\$10,283	\$4,186,456	\$4,196,739
Preferred Stock	5,561,537	\$5,562	\$6,512,590	\$6,518,152

There were no warrants or convertible securities (other than the above Preferred shares) outstanding as of February 25<sup>th</sup>, 2008.

As at February 25<sup>th</sup>, 2008, the Company had outstanding stock options to purchase a total of 875,000 shares. These stock options are comprised of options to purchase 555,000 shares that are exercisable at \$0.30 per share (expiring July 11, 2008) and options to purchase 320,000 shares that are exercisable at \$0.38 per share (expiring April 1, 2010). All options are subject to the terms of the Company's stock option plan. For further details see September 30, 2007 year-end financial statements note 5 (b).

During the three months ended December 31, 2007 the amount of \$8,118 (2006 - \$429) of stock-based compensation was recognized for options granted to consultants, directors and officers that vested during the first quarter.

## **CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

The Company has no long term obligations or commitments.

## **OFF-BALANCE SHEET ARRANGEMENTS**

None.

## **MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

The Company has reviewed its internal controls over financial reporting and believes that its system of internal controls over financial reporting as defined under MI 52-109 is sufficiently designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Canadian GAAP. However, certain weaknesses exist in the Company's systems of internal control over financial reporting. These weaknesses arise primarily from the limited number of personnel employed in the accounting and financial reporting area, a situation that is common in many smaller companies. As a consequence of this situation: a) it is not feasible to achieve the complete segregation of duties; and b) the Company does not have full "in house" expertise in complex areas of financial accounting and taxation.

The Company's management, including the Certifying Officers, does not expect that its internal controls and procedures will prevent all error and all fraud. However, the Company believes that the weaknesses identified in its systems of internal control are mitigated by the thorough review of the Company's financial statements by senior management, the audit committee of the board of directors, and by consulting with external experts. In addition, senior management is active in the Company's day-to-day operations and in monitoring the Company's financial reporting. Regardless, these mitigating factors cannot completely eliminate the possibility that a material misstatement will occur as a result of the weaknesses identified in the Company's internal controls over financial reporting. A cost effective system of internal controls over financial reporting, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the internal controls over financial reporting are achieved

## **DISCLOSURE CONTROLS AND PROCEDURES**

The Company maintains disclosure controls and procedures designed to ensure that information in its financial reports is recorded, processed, summarized and reported within the time periods specified by applicable provincial securities legislation and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

The Chief Executive Officer and the Chief Financial Officer, together with management, have evaluated the effectiveness of the Company's disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures is sufficient to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements in accordance with Canadian Generally Accepted Accounting Principals.

## **SUBSEQUENT EVENTS AND ADDITIONAL INFORMATION**

a) Exploration:

Gabon: Exploration work continues on the Company's Mitzic exploration license located in Gabon, West Africa. The Company has now received assay results from its Mitzic property for approximately 3,000 stream and soil geochemical samples with approximately 3,000 sample assays remaining to be received from Acme Analytical Laboratories in Burnaby, BC. The remaining assays are expected to be received some time during March.

Preliminary analysis of assay results received indicated the presence of gold, copper, iron ore, nickel, chrome and zinc anomalies on eight identified prospects. Results to date are encouraging but the project is at a very early stage and much more work, including drilling, will be necessary prior to making any reasonable assessment of the presence of economic mineralization. A more complete analysis will be made and published after all geochemical assay results sent for assay are received, plotted and interpreted.

**SUBSEQUENT EVENTS AND ADDITIONAL INFORMATION (continued)**

a) Exploration: (continued)

During the quarter ended December 31, 2007, the Company spent \$305,376 on mineral exploration activity and property investigation in Gabon. The activity in Gabon relates to license acquisition, equipment acquisition, administrative set-up costs and geological, geophysical and geochemical investigation.

By type of cost	Balance at Sept 30, 2006	Balance at Sept 30, 2007	Additions (disposals)	Balance at Dec 31, 2007
	\$	\$		\$
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Field transportation	-0-	146,691	8,180	154,871
Consulting fees	989	34,610	10,508	45,118
Geological, Geophysical & Geochemical	27,547	332,289	94,125	426,414
Maps, reports and sampling costs	-0-	62,002	8,204	70,206
Office and miscellaneous	-0-	11,862	-0-	11,862
Transportation, travel & accommodations	-0-	140,659	35,378	176,037
<b>Total</b>	<b>34,863</b>	<b>1,092,271</b>	<b>305,376</b>	<b>1,397,647</b>

b) Directors and Officers:

As reported by news release dated December 7, 2007 Mr. Brian Edgar and Mr. William A. Rand purchased 3,461,538 Series "A" Preferred Shares of the Company owned by the Circle-T Group of Funds. As a result of this share sale, the Circle-T representative on the Company's board, Mr. Friedman, resigned from the board on January 15, 2008.

Mr. Edgar and Mr. Rand have also agreed to purchase an additional 1,153,846 of Series A Preferred Shares from existing Series A Preferred Shareholders. This purchase of Series A Preferred Shares should be completed by the end of March 2008.

c) Notice of Special Meeting:

A special meeting of holders of Series A Convertible Preferred Stock of the Company will be held on February 28, 2008. The meeting will consider and, if deemed appropriate, to pass with or without variation, a resolution to modify the rights of the Series A Shares to provide that the Series A Shares are convertible into shares of Common Stock at the option of the Corporation, by amending the Corporation's Certificate of Designation to Certificate of Incorporation, as more particularly described in the Circular.

In the Notice of Special meeting, the Company gave Series A Preferred Shareholders notice that it will, immediately following the meeting, convert all the issued and outstanding Series A Preferred Shares into shares of Common stock on a one for one basis.

**DIRECTORS AND OFFICERS**

Directors: Brian D. Edgar  
William A. Rand  
Robert F. Chase

Officers: Brian D. Edgar - President and Chief Executive Officer  
Par Sibia - Chief Financial Officer  
Karin Lutz - Corporate Secretary

Additional Company information is available on SEDAR at [www.sedar.com](http://www.sedar.com).

On Behalf of the Board of Directors:

*“Brian D. Edgar”*  
*President and Director*